



Council of the
European Union

Brussels, 9 June 2016
(OR. en)

10017/16

FIN 352
INST 258

'I/A' ITEM NOTE

From: Budget Committee

To: Permanent Representatives Committee/Council

Subject: European Court of Auditors' Special Report No 12/2016: Agencies' use of grants: not always appropriate or demonstrably effective
- Draft Council conclusions

1. On 4 May 2016, the Permanent Representatives Committee instructed the Budget Committee to examine the European Court of Auditors' Special Report No 12/2016 entitled "Agencies' use of grants: not always appropriate or demonstrably effective"¹ and to draw the relevant conclusions².
2. On 9 June 2016, the Budget Committee reached an agreement on the draft Council conclusions annexed hereto, on the basis of a proposal presented by the Presidency.
3. It is suggested that the Permanent Representatives Committee advise the Council to adopt the draft Council conclusions in the Annex as an "A" item on the agenda of a forthcoming meeting.

¹ OJ C 144, 23.4.2016, p. 8.

² Doc. 8353/16 FIN 257 INST 180.

DRAFT COUNCIL CONCLUSIONS

on the European Court of Auditors' Special Report No 12/2016: Agencies' use of grants: not always appropriate or demonstrably effective

THE COUNCIL OF THE EUROPEAN UNION:

1. WELCOMES the European Court of Auditors' special report on the assessment of the use of grants as funding tool in five Union bodies (the European Institute of Innovation and Technology, the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union, the European Environment Agency, the European Food Safety Agency and the European Centre for Disease Prevention and Control), hereinafter "the selected agencies".
2. NOTES that eleven Union bodies used grants to achieve their policy objectives in the period 2013-2015, with payments amounting to EUR 740 million¹.
3. WELCOMES that the selected agencies awarded and paid grants in broad compliance with the rules, contributing to their policy objectives and fostering cooperation with public bodies of the Member States.
4. INVITES the selected agencies, when applicable, to assess the suitability of grants against other options like public procurement, service level agreements or cooperation agreements in order to achieve their policy objectives while maximising the benefit of the EU funds.

¹ The Union's contribution to the thirty-three decentralised agencies and the European Institute of Innovation and Technology, as voted in the EU budget for the period 2013-2015, amounted to EUR 2 736 million of payment appropriations.

5. SUPPORTS that the selected agencies should align their planned grant activities with their strategic and policy objectives and incorporate in their annual work programmes detailed objectives and expected results, a description of the action(s) to be financed and an indication of the amount of financial and human resources allocated to each action¹.
6. CALLS ON the selected agencies which apply specific expert selection and grant award procedures, based on exemptions in their founding regulation, to establish internal procedures ensuring the respect of the principles of transparency and equal treatment and the appropriate management of conflict of interest situations.
7. RECALLS its conclusions on Special Report No 15/2012 (Management of conflict of interest in EU Agencies)².
8. ACKNOWLEDGES the progress made by the selected agencies in order to improve grant implementation and monitoring procedures and ENCOURAGES them to further strengthen their verification systems regarding grant project implementation, including the annual revision of their *ex-post* controls.
9. CONSIDERS that an improved performance reporting can contribute to the assessment of the actions undertaken and the extent to which they have delivered the expected results and SUPPORTS the efficient introduction and incorporation of key performance indicators and *ex-post* evaluations in order to better monitor the coherence and effectiveness of their grant actions.

¹ In line with Article 32 of Commission delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council.

² Doc. 17767/12 FIN 1055 GAF 31 AG 6 INST 736.

10. RECALLS its recommendations on the discharge to be given in respect of the implementation of the budget of the selected agencies for the financial years 2013¹ and 2014², which already addressed some of the weaknesses identified by the European Court of Auditors in this special report.
 11. INVITES the selected agencies to adequately follow up on the implementation of the recommendations contained in this special report and INVITES the European Court of Auditors to report on the progress achieved.
-

¹ Doc. 5304/15 + ADD 1 FIN 26 PE-L 3.

² Doc. 5584/16 + ADD1 FIN 58 PE-L 4.