



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 06.10.1997
COM(97) 489 final

97/0253 (CNS)
97/0254 (CNS)
97/0255 (CNS)
97/0256 (CNS)
97/0258 (CNS)
97/0259 (CNS)
97/0260 (CNS)
97/0261 (CNS)
97/0262 (CNS)

Proposals for

COUNCIL REGULATIONS (EC)

amending the basic regulations of certain decentralized Community agencies

(presented by the Commission)

EXPLANATORY MEMORANDUM

During the last two years all the newly created agencies have become fully operational.¹ They should be subject to the highest levels of public accountability and transparency. Recent experience has shown that in this respect some changes to the regulatory framework governing the agencies would be desirable. Moreover, since 1990 Parliament has demanded that the budgetary authority should be given increased budgetary control over the "second-generation" agencies, in line with the model still in force for the two "first-generation" agencies.² There are three outstanding points at issue : the granting of discharge to these agencies, the treatment of their resources vis à vis Community own resources and the exercise of their financial control by the Commission's Financial Controller. To make modifications concerning these questions, the regulations establishing each of the new agencies have to be amended. The attached proposals contain the amendments which the Commission considers necessary in accordance with the approach set out below.

A) THE POWER OF DISCHARGE

The regulations setting up first-generation agencies provide that discharge is granted by Parliament, after consultation of the Council, to the Management Board, in line with the procedure laid down in Article 206 of the Treaty. With all the other "second-generation" agencies the basic regulations provide for discharge to be given to the Director of the Agency by the Management Board.³

No major legal difficulties would be involved in also granting Parliament the power of discharge over the budgets of these agencies, at least for those agencies financed mainly by a subsidy from the general budget.⁴ Indeed, these agencies are supply-led. It should also be recognised that the manner in which the Management Boards of these agencies are constituted often does not always guarantee sufficient expertise in budgetary issues to ensure that discharge is actually granted in full knowledge of all the relevant issues.

¹ The European Environment Agency, the European Training Foundation, the European Monitoring Centre for Drugs and Drug Addiction, the European Agency for Safety and Health at Work, the Translation Centre for Bodies of the European Union, the Office for Harmonisation in the Internal Market, the European Agency for the Evaluation of Medicinal Products, the Community Plant Variety Office, the European Monitoring Centre on Racism and Xenophobia.

² The "first-generation" agencies are those set up in 1975 : CEDEFOP (Thessaliniki) and the European Foundation for the Improvement of Living and Working Conditions (Dublin).

³ In the "first-generation" agencies the Management Board executes the budget (although this is normally delegated to the Director). In all the new agencies, the basic regulations lay down that the Director is responsible for executing the budget.

⁴ The European Environment Agency, the European Training Foundation, the European Monitoring Centre for Drugs and Drug Addiction and the European Agency for Safety and Health at Work, the European Monitoring Centre on Racism and Xenophobia plus the Translation Centre.

However, the agencies that are entirely or largely self-financing from their own resources cannot be dealt with in the same manner. These agencies operate in a different context, because their system of own resources is governed by a specific regulation of the legislative authority and their revenue and expenditure are to a large extent demand-led. In this case, Parliament would effectively be granting discharge on the use of sums of money derived not from appropriations voted by Parliament but from charges and fees paid by those using the agency's services. There could be no question of a double discharge according to the origin of the appropriations (one by the Parliament on the use of the subsidy from the budget, another by the Management Board for its own resources), because, by virtue of the principle of universality of the agencies' budgets, execution of the budget is the same no matter where the appropriations come from. In any event, these agencies always retain the assurance that they can request funds from the budgetary authority to meet their obligations.

A distinction is therefore made between agencies that depend mainly on a Community subsidy and agencies that finance themselves mainly through their own resources. For the former it is proposed to provide for discharge to be granted by Parliament on the recommendation of the Management Boards. A mixed formula linking Parliament with the discharge procedure is proposed for the agencies which are mainly or entirely self-supporting : discharge could be granted by the Management Board, on the recommendation of Parliament.

B) AGENCIES' OWN RESOURCES

Some new agencies⁵ finance themselves entirely or mainly from their own resources, which are made up of charges or fees paid by companies for the services provided by the agency. The question arises how these charges and fees should be treated : as the Agencies' own resources, as Community own resources and being entered in the general budget or as a mixed form of both.

This point has already been raised by the Parliament in the debate surrounding the Regulation on fees payable to the European Agency for the Evaluation of Medicinal Products in London.

It is important to underline the fact that all the agencies have their own legal personality distinct from that of the Community. This distinguishes them from, say, the Office for Official Publications, whose revenue and expenditure is included in the general budget because it is an interinstitutional office without its own legal personality.

Moreover, Council Regulation (EC) No 2223/96 of 25 June 1996, on the European system of national and regional accounts in the Community, classifies in the sector "non-financial corporations" those public producers which by virtue of special legislation are recognised as independent legal entities, which are market producers principally engaged in the production of services and which are mainly or fully financed by own resources. This sector is distinct from the sector "general

⁵ The Office for Harmonisation in the Internal Market, the European Agency for the Evaluation of Medicinal Products, the Community Plant Variety Office.

government”.⁶ At the European level, the expenditure and resources of these agencies must therefore be clearly distinguished from the Community’s expenditure and own resources, which must be entered in the general budget.

The same principle has always been applied to the “minor revenue” (sale of publications, bank interest) accruing to CEDEFOP and the Dublin Foundation. This revenue is booked directly to the budget of each of these agencies and, when it exceeds initial forecasts, leads to a reduction in the subsidy paid by the Commission, but is never returned to the general budget.

On the other hand, even the agencies which are mainly self-financing, do not have unlimited budgetary autonomy. Their budgets should be in equilibrium on an annual basis and, if necessary, a request for a balancing subsidy can be submitted to the budgetary authority. Thus, these agencies are not, and should not become, profit-making bodies. If their revenue is structurally higher than an appropriate level of expenditure, then urgent proposals should be made to reduce the level of fees charged to their “customers”. Consequently, once they have ensured that they can properly finance their administrative running costs and have built up sufficient funds to ensure that they can cover current liabilities, any exceptional surplus revenue should be paid into the Community budget. These contributions would be entered in the general budget as miscellaneous revenue.

In other words, in this way one can avoid certain agencies creating large general reserves and over time becoming uncontrollable. The possibility of maintaining reserves for future expenditure could be permitted, but in practice this should be limited to reserves for liabilities resulting from identified legal obligations following applications (e.g. registration, examination, translation, publication,...). To reinforce external control it is proposed that the decision to set up such a reserve should be given by the Management Board with the assent of the Commission, which will first consult Parliament.

C) EXERCISE OF THE FUNCTION OF FINANCIAL CONTROLLER

Most of the regulations establishing agencies provide that the Commission’s Financial Controller is to act as the financial controller of the agency. However, in four cases⁷ the basic regulation allows the respective Management Boards to designate their own financial controller.

To ensure an independent and uniform control of all agencies, the Commission’s Financial Controller should also be the financial controller for the agency.⁸

To achieve this result and resolve the matter, it would be enough for the Management Board to appoint the Commission’s Financial Controller as the financial controller of the agency. This happened in the case of the Environment

⁶ Paragraphs 2.23 and 2.68 of Annex I to Regulation (EC) No 2223/96.

⁷ European Environment Agency Office, Office for Harmonisation in the Internal Market, European Agency for the Evaluation of Medicinal Products, Community Plant Variety Office.

⁸ Commission Communication to the budgetary authority on the treatment of the main budgetary aspects in the rules governing decentralised Community bodies (SEC(92)2389 final of 17 December 1992).

Agency. However, some Management Boards have not done this, despite proposals to this effect by the Commission representatives on those Boards, and have appointed their own financial controller.

An amendment to the basic regulations to require these agencies to appoint the Commission's Financial Controller is therefore proposed.

* * *

The regulations establishing these agencies should therefore be amended as proposed below:

- a) as regards discharge, in the case of agencies mainly financed by a Community subsidy discharge should be granted by Parliament, on the recommendation of the Management Board. For the other agencies that are entirely or mainly self-financed, discharge should be granted by the Management Board on the recommendation of Parliament;
- b) in terms of revenue, the proceeds of charges or fees should still be regarded as the agencies' own resources. However, any surpluses, after making provision for future expenditure resulting from legal obligations following applications, should be paid into the general budget (as miscellaneous revenue);
- c) as regards financial control, the agencies' basic regulations allowing them to appoint their own financial controllers should be amended to provide that financial control be performed by the Commission's Financial Controller.

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 235 thereof,

Having regard to the proposal from the Commission,¹

Having regard to the opinion of the European Parliament,²

Whereas, on 20 December 1993, the Council adopted Regulation (EC) No 40/94 on the Community trade mark;³

Whereas the Office for Harmonization in the Internal Market ("the Office") established by the aforesaid Regulation may not be regarded as a profit-making organisation;

Whereas, since the Office is a body governed by Community law, provision should be made for any resources remaining after the constitution, where appropriate, of a reserve to cover future expenditure and after any revision of the fees charged by the Office to be paid into the general budget of the European Communities;

Whereas the entering of amounts in the said reserve should be made subject to the agreement of the Commission, and whereas the Commission should inform the Council and Parliament of its decisions in this respect;

Whereas the financial provisions governing the decentralised agencies established by the Community should be harmonised, particularly in the matter of the controls to which the Office is subject;

Whereas the Commission's Financial Controller is the person best placed to perform the tasks of Financial Controller of the Office;

Whereas it is desirable to involve the European Parliament in the discharge procedure,

HAS ADOPTED THIS REGULATION:

Article 1

1. The following paragraph is added to Article 134 of Regulation (EC) No 40/94:

"4. Any revenue surplus to expenditure during a particular financial year shall, after account has been taken of the decrease in the Community subsidy, be entered in the general budget of the European Communities as miscellaneous revenue. However, the Budget Committee may authorise the establishment of a reserve to cover future expenditure. Amounts may be

¹ (.....)

² (.....)

³ OJ L 11, 14.1.1994, p.1.

entered in the said reserve only with the agreement of the Commission, after Parliament has been consulted."

2. Article 136 is replaced by the following:

"Control of commitment and payment of all expenditure and control of the existence and recovery of all revenue of the Office shall be carried out by the Commission's Financial Controller."

3. Article 137(2) is replaced by the following:

"The Budget Committee shall, on the recommendation of the European Parliament, give a discharge to the President of the Office in respect of the implementation of the budget."

Article 2

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council

The President

**COUNCIL REGULATION (EC) No (.....) of (.....) AMENDING
COUNCIL REGULATION (EC) No 2100/94 OF 27 JULY 1994 ON COMMUNITY
PLANT VARIETY RIGHTS**

97/0254 (CNS)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community and, in particular, Article 235 thereof,

Having regard to the proposal from the Commission,⁴

Having regard to the opinion of the European Parliament,⁵

Whereas, on 27 July 1994, the Council adopted Regulation (EC) No 2100/94 on Community plant variety rights;⁶

Whereas the Community Plant Variety Office ("the Office") established by the aforesaid Regulation may not be regarded as a profit-making organisation;

Whereas, since the Office is a body governed by Community law, provision should be made for any resources remaining after the constitution, where appropriate, of a reserve to cover future expenditure and after any revision of the fees charged by the Office to be paid into the general budget of the European Communities;

Whereas the entering of amounts in the said reserve should be made subject to the agreement of the Commission, and whereas the Commission should inform the Council and Parliament of its decisions in this respect;

Whereas the financial provisions governing the decentralised agencies established by the Community should be harmonised, particularly in the matter of the controls to which the Office is subject;

Whereas the Commission's Financial Controller is the person best placed to perform the tasks of Financial Controller of the Office;

Whereas it is desirable to involve the European Parliament in the discharge procedure,

HAS ADOPTED THIS REGULATION:

Article 1

4. The following paragraph is added to Article 108 of Regulation (EC) No 2100/94:

"5. Any revenue surplus to expenditure during a particular financial year shall, after account has been taken of the decrease in the Community

⁴ (.....)

⁵ (.....)

⁶ OJ L 227, 1.9.1994, p.1.

subsidy, be entered in the general budget of the European Communities as miscellaneous revenue. However, the Budget Committee may authorise the establishment of a reserve to cover future expenditure. Amounts may be entered in the said reserve only with the agreement of the Commission, after Parliament has been consulted."

5. In Article 111:

(a) paragraph 1 is replaced by the following:

"Control of commitment and payment of all expenditure and control of the existence and recovery of all revenue of the Office shall be carried out by the Commission's Financial Controller.";

(b) paragraph 3 is replaced by the following:

"The Administrative Council shall, on the recommendation of the European Parliament, give a discharge to the President of the Office in respect of the implementation of the budget."

Article 2

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council

The President

**COUNCIL REGULATION (EC) No (.....) of (.....) AMENDING
COUNCIL REGULATION (EEC) No 2309/93 OF 22 JULY 1993 LAYING DOWN
COMMUNITY PROCEDURES FOR THE AUTHORISATION AND
SUPERVISION OF MEDICINAL PRODUCTS FOR HUMAN AND
VETERINARY USE AND ESTABLISHING A EUROPEAN AGENCY FOR THE
EVALUATION OF MEDICINAL PRODUCTS**

97/0255(CNS)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community and, in particular, Article 235 thereof,

Having regard to the proposal from the Commission,⁷

Having regard to the opinion of the European Parliament,⁸

Whereas, on 22 July 1993, the Council adopted Regulation (EEC) No 2309/93 laying down Community procedures for the authorisation and supervision of medicinal products for human and veterinary use and establishing a European Agency for the Evaluation of Medicinal Products ("the Agency");⁹

Whereas the Agency may not be regarded as a profit-making organisation;

Whereas, since the Agency is a body governed by Community law, provision should be made for any resources remaining after the constitution, where appropriate, of a reserve to cover future expenditure and after any revision of the fees charged by the Agency to be paid into the general budget of the European Communities;

Whereas the entering of amounts in the said reserve should be made subject to the agreement of the Commission and whereas the Commission should inform the Council and Parliament of its decisions in this respect;

Whereas the financial provisions governing the decentralised agencies established by the Community should be harmonised, particularly in the matter of the controls to which the Agency is subject;

Whereas the Commission's Financial Controller is the person best placed to perform the tasks of Financial Controller of the Agency;

Whereas it is desirable to involve the European Parliament in the discharge procedure,

HAS ADOPTED THIS REGULATION:

Article 1

In Article 57 of Regulation (EC) No 2309/93

⁷ (.....)

⁸ (.....)

⁹ OJ L 214, 24.8.1993, p.1.

(a) The following paragraph 6a is inserted after paragraph 6:

“6a. Any revenue surplus to expenditure during a particular financial year shall, after account has been taken of the decrease in the Community subsidy, be entered in the general budget of the European Communities as miscellaneous revenue. However, the Budget Committee may authorise the establishment of a reserve to cover future expenditure. Amounts may be entered in the said reserve only with the agreement of the Commission, after Parliament has been consulted.”

(b) Paragraph 8 is replaced by the following:

“8. Control of commitment and payment of all expenditure and control of the establishment and recovery of all revenue of the Agency shall be carried out by the Commission’s Financial Controller.”

(c) The second subparagraph of paragraph 9 is replaced by the following:

“The Court of Auditors shall examine the balance sheet in accordance with Article 188c of the Treaty.”

(d) Paragraph 10 is replaced by the following:

“10. The Management Board shall, on the recommendation of the European Parliament, give a discharge to the President of the Office in respect of the implementation of the budget.”

Article 2

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council

The President

COUNCIL REGULATION (EC) No (.....) of (.....) AMENDING
COUNCIL REGULATION (EEC) No 1210/90 OF 7 MAY 1990 ON THE
ESTABLISHMENT OF THE EUROPEAN ENVIRONMENT AGENCY AND THE
EUROPEAN ENVIRONMENT INFORMATION AND OBSERVATION
NETWORK

97/0256 (CNS)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community and, in particular, Article 130s thereof,

Having regard to the proposal from the Commission,¹⁰

Having regard to the opinion of the European Parliament,¹¹

Having regard to the opinion of the Economic and Social Committee,¹²

Whereas, on 7 May 1990, the Council adopted Regulation (EEC) No 1210/90 on the establishment of the European Environment Agency and the European Environment Information and Observation Network;¹³

Whereas the financial provisions governing the decentralised agencies established by the Community should be harmonised, particularly in the matter of the controls to which the Agency is subject;

Whereas the Commission's Financial Controller is the person best placed to perform the tasks of Financial Controller of the Office;

Whereas it is desirable for the power to grant discharge to be assigned to the European Parliament on the recommendation of the Management Board,

HAS ADOPTED THIS REGULATION:

Article 1

In Article 13 of Regulation (EC) No 1210/90:

(a) Paragraph 2 is replaced by the following:

"2. Control of commitment and payment of all expenditure and control of the establishment and recovery of all revenue of the Agency shall be carried out by the Commission's Financial Controller.";

¹⁰ (.....)

¹¹ (.....)

¹² (.....)

¹³ OJ L 120, 11.5.1990, p.1.

(b) Paragraph 4 is replaced by the following:

“4. The European Parliament shall, on the recommendation of the Management Board, give discharge to the Executive Director in respect of the implementation of the budget.”

Article 2

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council

The President

**COUNCIL REGULATION (EC) No (.....) of (.....) AMENDING
COUNCIL REGULATION (EC) No 2062/94 OF 18 JULY 1994 ESTABLISHING A
EUROPEAN AGENCY FOR SAFETY AND HEALTH AT WORK**

97/0158 (CNS)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community and, in particular, Article 235 thereof,

Having regard to the proposal from the Commission,¹⁴

Having regard to the opinion of the European Parliament,¹⁵

Whereas, on 18 July 1994, the Council adopted Regulation (EC) No 2062/94 establishing a European Agency for Safety and Health at Work ("the Agency");¹⁶

Whereas the financial provisions governing the decentralised agencies established by the Community should be harmonised;

Whereas it is desirable for the power to grant discharge to be assigned to the European Parliament on the recommendation of the Administrative Board,

HAS ADOPTED THIS REGULATION:

Article 1

Article 14(4) of Regulation (EC) No 2062/94 is replaced by the following:

"4. The European Parliament shall, on the recommendation of the Administrative Board, give discharge to the Director in respect of the implementation of the budget."

Article 2

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council
The President

¹⁴ (.....)

¹⁵ (.....)

¹⁶ OJ L 216, 20.8.1994, p.1.

COUNCIL REGULATION (EC) No (.....) of (.....) AMENDING
COUNCIL REGULATION (EEC) No 302/93 OF 8 FEBRUARY 1993
ESTABLISHING A EUROPEAN MONITORING CENTRE FOR DRUGS AND
DRUG ADDICTION

97|0259 (CNS)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community and, in particular, Article 235 thereof,

Having regard to the proposal from the Commission,¹⁷

Having regard to the opinion of the European Parliament,¹⁸

Whereas, on 8 February 1993, the Council adopted Regulation (EEC) No 302/93 establishing a European Monitoring Centre for Drugs and Drug Addiction ("the Centre");¹⁹

Whereas the financial provisions governing the decentralised agencies established by the Community should be harmonised;

Whereas it is desirable for the power to grant discharge to be assigned to the European Parliament on the recommendation of the Management Board,

HAS ADOPTED THIS REGULATION:

Article 1

Article 11(11) of Regulation (EEC) No 302/93 is replaced by the following:

"11. The European Parliament shall, on the recommendation of the Management Board, give a discharge to the Director of the Centre in respect of the implementation of the budget."

Article 2

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council
The President

¹⁷ (.....)

¹⁸ (.....)

¹⁹ OJ L 36, 12.2.1993, p.1; as last amended by Council Regulation (EC) No 3294/94 of 22 December 1994 (OJ L 341, 30.12.1994, p.7).

**COUNCIL REGULATION (EC) No (.....) of (.....) AMENDING
COUNCIL REGULATION (EEC) No 1360/90 OF 7 MAY 1990 ESTABLISHING A
EUROPEAN TRAINING FOUNDATION**

97/0260 (CNS)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community and, in particular, Article 235 thereof,

Having regard to the proposal from the Commission,²⁰

Having regard to the opinion of the European Parliament,²¹

Whereas, on 7 May 1990, the Council adopted Regulation (EEC) No 1360/90 establishing a European Training Foundation ("the Foundation");²²

Whereas the financial provisions governing the decentralised agencies established by the Community should be harmonised;

Whereas it is desirable for the power to grant discharge to be assigned to the European Parliament on the recommendation of the Governing Board,

HAS ADOPTED THIS REGULATION:

Article 1

Article 11(4) of Regulation (EEC) No 1360/90 is replaced by the following:

"4. The European Parliament shall, on the recommendation of the Governing Board, give a discharge to the Director of the Foundation in respect of the implementation of the budget."

Article 2

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council
The President

²⁰ (.....)

²¹ (.....)

²² OJ L 131, 23.5.1990, p.1; as last amended by Council Regulation (EC) No 2063/94 (OJ L 216, 20.8.1994, p.9).

**COUNCIL REGULATION (EC) No (.....) of (.....) AMENDING
COUNCIL REGULATION (EC) No 2965/94 OF 28 NOVEMBER 1994 SETTING
UP A TRANSLATION CENTRE FOR BODIES OF THE EUROPEAN UNION**

97/0261(CNS)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community and, in particular, Article 235 thereof,

Having regard to the proposal from the Commission,²³

Having regard to the opinion of the European Parliament,²⁴

Whereas, on 28 November 1994, the Council adopted Regulation (EC) No 2965/94 setting up a Translation Centre for Bodies of the European Union ("the Centre");²⁵

Whereas the financial provisions governing the decentralised agencies established by the Community should be harmonised;

Whereas it is desirable for the power to grant discharge to be assigned to the European Parliament on the recommendation of the Management Board,

HAS ADOPTED THIS REGULATION:

Article 1

Article 14 (4) of Regulation (EC) No 2965/94 is replaced by the following:

"The European Parliament shall, on the recommendation of the Management Board, give a discharge to the Director of the Centre in respect of the implementation of the budget."

Article 2

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council
The President

²³ (.....)

²⁴ (.....)

²⁵ OJ L 314, 7.12.1994, p.1; as last amended by Council Regulation (EC) No 2610/95 of 30 October 1995 (OJ L 268, 10.11.1995, p.1).

**COUNCIL REGULATION (EC) No (.....) of (.....) AMENDING
COUNCIL REGULATION (EC) No 1035/97 OF 2 JUNE 1997 ESTABLISHING A
EUROPEAN MONITORING CENTRE ON RACISM AND XENOPHOBIA**

96/0262(CNS)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community and, in particular, Articles 213 and 235 thereof,

Having regard to the proposal from the Commission,²⁶

Having regard to the opinion of the European Parliament,²⁷

Whereas, on 2 June 1997, the Council adopted Regulation (EC) No 1035/97 establishing a European Monitoring Centre on Racism and Xenophobia ("the Centre");²⁸

Whereas the financial provisions governing the decentralised agencies established by the Community should be harmonised;

Whereas it is desirable for the power to grant discharge to be assigned to the European Parliament on the recommendation of the Management Board,

HAS ADOPTED THIS REGULATION:

Article 1

Article 12(11) of Regulation (EC) No 1035/97 is replaced by the following:

"11. The European Parliament shall, on the recommendation of the Management Board, give a discharge to the Director of the Centre in respect of the implementation of the budget."

Article 2

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council
The President

²⁶ (.....)

²⁷ (.....)

²⁸ OJ L 151, 10.6.1997, p.1.

ISSN 0254-1475

COM(97) 489 final

DOCUMENTS

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Catalogue number : CB-CO-97-515-EN-C

ISBN 92-78-25660-9

Office for Official Publications of the European Communities

L-2985 Luxembourg