Mr President,
Honourable Members of the European Parliament,
[Commissioner Šemeta, President Caldera]
Ladies and Gentlemen,

It is a great privilege to be able to participate today, during Ireland’s Presidency of the Council of the European Union, in this very important debate on the correct implementation of the EU Budget.

In times of economic and financial crisis, when many Member States have to cut their national budgets and keep their expenditure under strict control, a sound financial management of EU funds is even more important than before. The citizens of Europe expect us to be particularly attentive to the quality of EU spending.

The debate today, and the continuous efforts of Member States and the Commission to improve financial management systems and to bring down error rates, is important to ensure credibility in the public perception regarding the programmes and actions financed from the EU budget.

Let me now turn to the Council recommendations;

On 19 February this year, I had the honour to present to the European Parliament’s Committee on Budgetary Control the Council's recommendation on the discharge to
be given to the Commission for the implementation of the 2011 budget. I was able to participate in a very interesting and fruitful debate.

The Council recommended to grant discharge to the Commission and outlined the reasons leading to this recommendation. The Council’s recommendation welcomes the Court’s clean opinion on the reliability of the annual accounts and the Court’s statement of assurance on the implementation of the 2011 budget. The Council acknowledged that the Court's audit findings confirm the relative stability in the error rate observed in recent years. It considered that this was the result of numerous efforts made by the Commission and by Member States over several years. However the recommendation reiterates the wish of the Council to see year-on-year improvements in financial management systems and lower error rates.

The Council’s recommendation, therefore, reaffirms a number of elements which should be followed-up and implemented by the Commission. Speaking in front of you today, I am glad to see that many of the elements stressed by the Council in its recommendation have also been expressed by the European Parliament in its recommendation. I am convinced that both our institutions, must work together to achieve progress towards the aim of achieving a positive statement of assurance from the Court. We must continue encouraging all financial actors involved in the management of EU funds to fully assume their responsibilities and to further strengthen their efforts to reduce the error rate.

**(Error rates)**

We must ensure that limited funds are spent in the best and most effective way, for the benefit of European citizens and taxpayers. These efforts are particularly important for the programmes and actions implemented under shared management by the Commission and the Member States. The new Financial Regulation provides a number of opportunities for the Commission to reinforce supervision and control structures and to strengthen its cooperation with and its guidance to Member States' authorities.

I want to make it clear that this will be a long process. A major part of the intended improvements will only be visible over time, however, some improvements in the
trend can already be identified between the current [2007 to 2013] and past [2000 to 2006] programming periods.

(Suspensions and corrections)
Furthermore, the Council recommendation also recalled that recoveries and financial corrections are an important element in protecting the Union's financial interests. Payments should be interrupted and suspended whenever significant deficiencies are identified, and until corrective action is fully implemented. Unduly paid amounts must be recovered without delay, and full transparency regarding the implementation of corrective action must be ensured.

(Conclusion)
Ladies and Gentlemen, Honourable Members, to conclude, let me emphasise that we, as a legislator, the European Parliament and the Council also have to fulfil our duties. As the Court rightly points out, EU policy objectives need to become much simpler, and rules must become clearer, more coherent and easier to implement. The ongoing discussions on the programmes for the new Multiannual Financial Framework (MFF) provide a good opportunity to achieve major progress towards simplification with due attention being paid to the control and prevention of errors. Of course the achievement of results from EU policies must remain the overarching priority when setting up programmes and actions while bearing in mind the need to avoid excessive administrative and control burdens.

Let us work together towards our mutual and important common objectives of better legislation and better implementation. Let us jointly create added value for Europe, and let us give a clear signal to Europe's citizens and taxpayers that EU funds are used with the highest responsibility and accountability.

Thank you very much for your attention.

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