

# 2007 discharge: EU general budget, Council

2008/2277(DEC) - 16/03/2009

The Committee on Budgetary Control adopted the report drawn up by Søren Bo SØNDERGAARD (GUE/NGL, DK) recommending that the Parliament **postpone its decision on granting discharge to the Secretary-General of the Council** in respect of the implementation of its budget for the financial year 2007.

Noting that the Council **refuses to provide Parliament** with its full budget execution document and with its full annual activity report, and that it also refuses to hold any official meeting with the Parliament concerning its discharge, MEPs reaffirm their position from 2002 (on discharge in respect of the financial year 2000) that “[...] in view of the increasingly operational nature of expenditure, financed under the Council's administrative budget, in the fields of foreign affairs, security and defence policy, and justice and home affairs, the scope of this arrangement should be clarified with a view to distinguishing traditional administrative expenditure from operations in these new policy areas”. They therefore consider that expenditure of the Council ought to be scrutinised **in the same way as that of the other institutions**.

MEPs recall that, in 2007, the Council had available commitment appropriations amounting to a total of EUR 650 million (compared to EUR 626 million in 2006), with a utilisation rate of 81.89%, lower than in 2006 (91.79%) and below the average of the other institutions (93.82%).

**Combating the lack of transparency of the Council:** MEPs regret that, as in 2008 (2006 discharge) and, unlike other institutions, the Council does not submit an annual activity report to Parliament, citing the Gentlemen's Agreement of 1970. They therefore call on the Council to reconsider this decision in order to be more accountable to the general public and taxpayers. They also reiterate their call, as expressed in 2007, for **maximum transparency in the area of Common Foreign and Security Policy (CFSP)** and to make sure that no operating CFSP expenditure appears in the Council's budget, in accordance with the clear provisions of the [Interinstitutional Agreement \(IIA\) on budgetary discipline](#). Moreover, MEPs call on the Council to indicate the exact nature of expenses, article by article, item by item, within its Title 3 (Expenditure arising out of the institution's performance of its specific missions), so as to enable Parliament to check whether none of the expenditure is of an operational nature, in conformity with the IIA.

**CFSP/ESDP expenditure:** MEPs consider that the planning of, preparation for and controlling of an operation by CFSP Staff in the Council Secretariat are basic and fundamental parts of the operation, and that these activities are carried out in pursuit of policy and operations, rather than as part of the normal work of the secretariat within the Council. They are astonished to note that a substantial part (up to 66%) of budget line 2202 was transferred from interpretation to CFSP/ESDP travels (i.e. EUR 12 672 984). They therefore ask to be informed of the amount for the same budget line for 2007 and demand, for the sake of greater transparency, the **creation of an appropriate budget line for these purposes**. Moreover, MEPs demand transparency with regard to spending on and by the EU Counter-terrorism Co-ordinator.

On the whole, MEPs consider that Parliament's repeated and so far always refused request for greater transparency and closer parliamentary scrutiny of Council's expenditure relating to CFSP/CFDP should be emphasised by **budgetary amendments aiming at placing in reserve certain relevant budget lines in the Council's budget for 2010**.

**Other criticisms:** MEPs regret that, according to the annual activity report of the Council's internal auditor, the Council was not able to fill the vacant posts in its internal audit service. According to this same report, the internal auditor recommended the complete elimination of the “compteshors budget”.

MEPs therefore call on the Council to eliminate completely and immediately all such accounts and to solve the problem concerning the “*vérification des factures*”, as recommended by the Council's internal auditor.

**Reasons for postponement of the discharge decision:** MEPs note the concrete reasons for postponing the discharge decision for the Council. They highlight problems of transparency in terms of the Council's budgetary expenditure as well as a **lack of openness** for an official and formal dialogue from the Council's side regarding control of its expenditure.

**Documents to be presented to Parliament:** MEPs conclude the draft resolution by calling on the Secretary-General of the Council/High Representative for the CFSP to provide Parliament's competent committee, by 15 May 2009 at the latest, with comprehensive written answers to a number of questions concerning the budget, including: (i) its "*comptes hors budget*"; (ii) the "*vérification des factures*"; (iii) interpreting costs (doubling (from 2006 to 2007) of budget line 2202 dedicated to interpretation in order to cover delegates' travel expenses in 2006); (iv) the exact travel expenses of delegations; (v) the costs of special advisers in the field of the ESDP/CFSP (total amount transferred to the budget line concerned); (vi) the full list of budgetary transfers concerning the 2007 budget of the Council; (vii) the list of the associations which received money for the financial year 2007 specifying the amounts received per association.