

2008 discharge: EU general budget, Council

2009/2070(DEC) - 16/06/2010 - Text adopted by Parliament, single reading

Following the adoption of its decision to **grant the Council's Secretary-General discharge** in respect of the implementation of its budget for the financial year 2008 on 19 May 2010 (see preceding summary), Parliament adopted by 607 votes to 54, with 15 abstentions, a resolution comprising the observations that are an integral part of the discharge decision.

In 2008, the Council had available commitment appropriations amounting to a total of **EUR 743 million**, with a utilisation rate of 93.31 %.

It made a series of recommendations which can be summarised as follows:

Review of the Gentlemen's Agreement: Parliament recalls the problems encountered in the 2007 and 2008 discharge procedures and reaffirms its position according to which it is necessary to clarify the scope of the agreement between Parliament and the Council that these two institutions do not have to verify their respective budgetary sections (Gentlemen's Agreement). It considers, however, in view of the increases in administrative expenditure and especially due to the possible presence of expenditure of an operational nature, **the expenditure of the Council ought to be scrutinised in the same way as that of the other EU institutions as part of the discharge procedure**. Rejecting the Council's suggestion that the fact that Parliament and the Council have not, in the past, scrutinised the implementation of their respective sections of the budget was the result of a "Gentlemen's agreement", Parliament considers the Gentlemen's Agreement not to be a binding document, and the interpretation attributed to it by the Council to be exceedingly wide.

Parliament believes that the preparation of the budget and the discharge of the budget are two separate procedures and that the Gentlemen's Agreement between Parliament and the Council over the preparation of their respective sections of the budget must not absolve the Council of its responsibility to be fully accountable to the public for the funds placed at its disposal.

EEAS: Parliament considers that the 2008 discharge takes place at a crucial time, when a formal agreement on the discharge process for the new European External Action Service (EEAS) must be set out clearly to ensure credibility through full transparency. It therefore calls on Council to ensure that it submits to Parliament, before the end of the 2008 discharge procedure, concrete, detailed and all-encompassing plans for the staffing, organisational and control structures of the EEAS, including EU military staff, the Situation Centre, the GSC's Crisis Management and Planning Directorate, the Civilian Planning and Conduct Capability, as well as all staff in the General Secretariat working on Foreign and Security Policy, showing in particular the increase and allocation of staff and the budgetary implications provided for.

Discharge procedure for the Council: Parliament reiterates that Council should be present at the Parliament for the presentation of the Court of Auditors' Annual Report and for the budget discharge debate each year. It specifies the documents on which the granting of the discharge would be based and wishes that in the future all the institutions should be present, and represented at the appropriate level, at the plenary debate concerning the discharge. It calls on the Council together with the European Parliament, in their capacity as joint budgetary authorities, to establish, with a view to improving the exchange of information on their respective budgets, an **annual procedure** within the discharge procedure.

Under this procedure, the President of the Council, accompanied by the Secretary-General of the Council, would meet officially with the Committee on Budgetary Control with a view to providing all the

information needed regarding the execution of the Council's budget. **The Spanish Presidency should review the informal arrangement covering the Council budget discharge** and ensure that this is included in the review of the Financial Regulations and to be in place for the start of the new financing period after 2013. The discussions on this subject should be concluded before 15 October 2010. Parliament welcomes the undertakings of the Spanish Presidency on clarification of the discharge procedure to show full accountability of the Council's administrative budget to Parliament. It asks for a firm commitment of the successive presidencies to carry on with this work in the same spirit.

Parliament is of the opinion that the **annual budget for the permanent President of the European Council should be separated from the Council's budget** and presented as a new budget section as from 2012.

CFSP: Parliament reiterates its position whereby it calls for maximum transparency in the area of Common Foreign and Security Policy (CFSP). Acknowledging the fact that the Council has provided for various formats for consulting and keeping Parliament informed on the development of the CFSP, Parliament considers, however, that the annual report from the Council on the main aspects and basic choices of the CFSP, presented to Parliament is too restricted in its scope and that more extensive information should be provided in future years for the discharge exercise. It reiterates its request to the Council to provide detailed information on the nature of expenses relating to its specific tasks. Parliament is concerned by the lack of transparency of the cost incurred by the activities, in particular the missions carried out by the special representatives, and asks for a detailed breakdown of the to be published on the internet.

Follow-up of the 2007 discharge: Parliament asks the Court of Auditors why there is no mention of the unresolved problems in its Annual Report on 2008 concerning the Council, as pointed out in its [previous resolution regarding the Council's discharge](#). Welcoming the various measures taken by the Council in 2008 to improve its financial management and control, Parliament notes the **considerable increase in advance payments for the Residence Palace** (EUR 70 million instead of EUR 15 million as envisaged, with an aim of subsequent reduction of the overall cost of the acquisition) which was made possible by the global under-spending of the Council's budget. It calls for the Council's buildings policy to be detailed in future annual reports to allow proper scrutiny in the discharge process.