2012 discharge: EU general budget, European Commission and executive agencies

2013/2195(DEC) - 03/04/2014 - Final act

PURPOSE: to grant discharge to the European Commission on the implementation of the general budget for the Union for 2012.

NON-LEGISLATIVE ACT: Decision 2014/544/EU, Euratom of the European Parliament on discharge in respect of the implementation of the European Union's General Budget, section III – Commission and executive agencies, for the financial year 2012.

CONTENT: with the present decision, the European Parliament granted discharge to the Commission in respect of the implementation of the budget for the financial year 2012.

The parallel decision 2014/551/EU, Euratom approves the closure of the accounts for the financial year in question.

In its resolution annexed to the discharge decision, the European Parliament welcomed the fact that the annual accounts of the Union for the financial year 2012 present fairly, and in all material respects, the position of the Union as at 31 December 2012, and the results of its operations and its cash flows for the then completed year.

Parliament, however, found that the error rate of the 2012 budget had increased for the third consecutive time and that significant gaps have emerged in agriculture, involving the application of **financial corrections** (although the Commission had undertaken to strengthen controls in this area and had presented a communication to strengthen the corrections.

At the same time, Parliament considered that priority actions are needed to improve the implementation of the budget in the following areas:

- **Agricultural Policy**: strengthening the control of direct payments as regards in particular the eligibility criteria of permanent pasture areas;
- **Rural development, environment, fisheries and health**: improving the respect of the eligibility requirements, in particular those concerning agri-environment commitments, special requirements for investment projects and public procurement rules. Structural changes are called for leading to long-term solutions such as a permanent knowledge-sharing platform among managing authorities and paying agencies across the Union so that EAFRD specific bodies;
- **Regional policy, energy and transport**: improved "first-level checks" on expenditure, with a focus on the situation in Greece;
- **Employment and Social Affairs**: enhancing the policy to reduce youth unemployment by ensuring full transparency of aid already granted in this area;
- **External Relations and Enlargement**: improved control of EuropeAid's ex ante checks as well as the number of cases OLAF started investigating in relation to EuropeAid/DG DEVCO managed projects.

Parliament also deplored the recurrent shortages of payment appropriations have been the main cause of the unprecedentedly high level of RALs especially in the last years of the 2007-2013 MFF. It also expressed concern over the fact that the Commission's outstanding budgetary commitments for which payments and/or decommitments have not yet been made increased reached **EUR 217 billion**. The

Commission is urged to prepare and publish a ‘long-range cash flow forecast’, projecting future payment requirements to ensure that necessary payments can be met from approved annual budgets.

Parliament also makes a series of other observations in a resolution annexed to the discharge decision. For further details concerning these observations, please refer to the summary of the opinion dated 3 April 2014.

It should also be noted that with Decisions 2014/545/EU, Euratom, 2014/546/EU, Euratom; 2013/547/EU, Euratom, 2014/548/EU, Euratom, 2014/549/EU, Euratom, and 2014/550/EU, Euratom, the European Parliament also grants discharge to the directors of the executive agencies “Education, Audiovisual and Culture”, “SME” (former Competitiveness and Innovation”), “Consumers, Health and Food”, “Innovation and Networks” (former “Trans-European Networks For Transport”), “European Research Council” and, lastly, the executive Agency for “Research” in respect of the implementation of their respective budgets for the financial year 2012.