2020 discharge: General budget of the EU - European Parliament

2021/2107(DEC) - 30/06/2021 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2020, as part of the 2020 discharge procedure.

Analysis of the accounts of the EU Institutions: European Parliament

The consolidated annual accounts of the EU provide financial information on the activities of the institutions, agencies and other bodies of the EU from an accrual accounting and budgetary perspective. They are prepared according to the highest available international public sector standards.

The discharge is a Parliament decision that reflects its conclusions at the end of a process, the discharge procedure, on the way the Commission (and other institutions and bodies) has carried out its task of implementing the EU budget.

The decision is based in particular on the European Court of Auditors reports, in particular its annual report, in which the Court provides a Statement of Assurance (DAS) on the legality and regularity of transactions (payments and commitments).

Implementation of the European Parliament's appropriations for the financial year 2020

The document comprises a series of detailed annexes, the most important concerning the implementation of the budget.

As regards the **expenditure** of the European Parliament, the table on the financial and budgetary management of this institution stated that the final appropriations amounted to EUR 2 038 745 000, or 18.1% of heading 5 of the Multiannual Financial Framework.

This represented a 2.1 % increase over the 2019 final budget (EUR 1 996 978 262).

Commitments totalled EUR 1 950 750 955, accounting for 95.7% of final appropriations (2019: 98.8%).

Payments totalled EUR 1 590 035 012, or 81.5% of commitments entered into (2019: 86.1%).

Automatic **carryovers** to financial year 2020 totalled EUR 356 517 981, accounting for 18.3% of the total appropriations committed (2019: 13.9%).

Total revenue entered in the accounts as at 31 December 2020 was EUR 203 449 523 (2019: EUR 207 521 070).

The sum of EUR 17 292 007 (2019: EUR 23 745 738), representing 0.8 % of final appropriations (2019: 1.2 %), was **cancelled**.

Parliament's activities in 2020 were marked by:

- the **final agreement** reached by Parliament on the Multiannual Financial Framework (MFF) 2021-2027. The MFF is equipped with a budget of **EUR 1 074 billion** in 2018 prices to address the EU's long-term

priorities. It goes together with the **Next Generation EU recovery package** (NGEU) of **EUR 750 billion** in grants and loans over the period 2021-2024 to meet the unparalleled socio-economic challenge of the COVID-19 pandemic. Moreover, an overall of 30% of the total expenditure from MFF and NGEU is to target climate-related spending;

- the challenges brought about by the COVID-19 pandemic which resulted in fundamental changes to Parliament's way of working. As from mid-March 2020, Parliament's administration went from an occasional teleworking scheme to teleworking being implemented between 70% and 100%, depending on the lockdown measure enforced and on the need of physical presence. New working methods also included the suspension of sessions, remote meetings and voting systems;

- substantial transfers within Parliament's budget from travel expenses to increased ICT needs;

- the withdrawal of the United Kingdom from the EU (Brexit). The number of Members was reduced from 751 to 705 as from 1 February 2020. For the Liaison Offices, Brexit necessarily changed the situation in the UK. The Bureau decided to maintain Parliament's presence in the UK through the London Liaison Office, equipping it with a new mandate, while confirming the closure of the Edinburgh Office at the end of 2020;

- the decision to purchase the Wiertz building allowed to complete another step of Parliament's building strategy. It will further consolidate the real estate of the Parliament, underpin the interconnectivity of the central buildings and further contribute to improved security.