

2022 discharge: General budget of the EU - European Public Prosecutors Office (the 'EPPO')

2023/2139(DEC) - 13/03/2024 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Luke Ming FLANAGAN (The Left, IE) on discharge in respect of the implementation of the budget of the European Public Prosecutor's Office for the financial year 2022.

The committee called on the European Parliament to grant the Administrative Director of the European Public Prosecutor's Office discharge in respect of the implementation of the Office's budget for the financial year 2022.

Members acknowledged the important role of EPPO as an independent Union body and stressed the particular responsibility that this imposes on it towards the other institutions and the public at large in the areas falling within the remit of the legal system. They also recognise the role it plays in contributing to the protection of the financial interests of the Union and, in particular, the budget of the Union.

Budgetary and financial management

The overall final budget allocated to the EPPO for 2022 was EUR 51.2 million, reduced from the initial endowment amounting to EUR 57.1 million, and sensibly increased from the EUR 35.4 million allocated in 2021.

Noting that it is only possible to compare the budgetary performance of the EPPO for the period following its financial autonomy, which began in June 2021, the report welcomed the satisfactory level of budget implementation of 98.1 % of commitment appropriations (against 97.4 % in 2021) and of 76.6% of payment appropriations (compared to 78.2 % in 2021). Members appreciated that the overall execution rate for payments progressed in 2022 with 76.6 % of paid appropriations completed in the final budget, compared to 71 % in 2021.

Following the achievement of its financial autonomy, in June 2021, the EPPO has prioritised the operational expenditure related to investigation, prosecution and security measures, limiting non-operational expenditure to essential compliance requirements and basic level support services.

The Commission is called on to review the EPPO budgetary framework in close cooperation with the EPPO to find adequate ways to support it in its work, with the knowledge that in the context of a growing number of complex cases, additional resources will be needed.

Performance

The report observed the increase in crime reports submitted to the EPPO (3 318 in 2022 compared to 2 832 in 2021) and, as a result, the increase in open investigations (865 in 2022 with estimated damages amounting to EUR 9.9 billion, compared to 576 in 2021 with estimated damages amounting to EUR 5.4 billion). Members noted the number of closed cases (251 in 2022 compared to 57 in 2021) and the number of indictments (87 in 2022 compared to 5 in 2021) together with the freezing orders obtained by the EPPO amounted to EUR 359.1 million in 2022 alone (compared to EUR 516 million requested). In 2022, 20 cases were concluded in Court, and it is important that the EPPO reports systematically on the follow-up

to these cases in terms of the financial measures adopted (confiscation and/or recovery) to provide a clearer understanding of the impact of the EPPO's actions.

Human resources

Members observed the upward trend in the number of staff, increasing from 58 in 2020, to 122 in 2021, to 217 by the end 2022. The EPPO expressed the dire need for more legal experts to handle the large number of investigations (over 1117 active investigations according to 2022 statistics). According to the report, the EPPO has been rendered less attractive than the four other Union institutions operating from Luxembourg, as it cannot offer a path towards becoming a Union Official.

Ethical framework and transparency

The EPPO is encouraged to adopt a policy on revolving doors. The report emphasises that a whistleblowing and anti-retaliation policy should be formalised as soon as possible to ensure a safe and protected workplace.

Interinstitutional cooperation

Members praised the efforts deployed by the EPPO to engage in intensive cooperation and coordination with partners and stakeholders. They called on the EPPO and OLAF to further progress their dialogue to strengthen their cooperation in consideration of the benefits that would stem from it in terms of sound use of the available resources.

Communication

The report praised the EPPO's efforts to enhance internal and external communication and appreciated the intensive actions carried out via social network platforms.

Effect of Russia's war of aggression against Ukraine

Russia's war of aggression against Ukraine impacted the EPPO's general budget implementation, (resulting in a 6.9% indexation in staff remuneration and a general increase of prices in the acquisition of goods and services).

The report called on the authorities concerned to adopt a new agreement in mutual assistance in criminal matters between the Union and Ukraine to further strengthen cooperation in the specific context of the Ukraine Facility mechanism, in particular for the seizure, confiscation and recovery of assets.

Lastly, taking note of the high rate of corruption and fraud present in Ukraine, both before the current war and at present, Members caution that extra precautions should be taken when cooperating on investigations, in order to protect staff and witnesses.