Basic information

2001/2102(DEC) DEC - Discharge procedure	Procedure completed
2000 discharge: EC general budget, section III Commission **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	MCCARTIN John Joseph (PPE-DE)	23/01/2002

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs, Human Rights, Common Security, Defense	TITLEY Gary (PSE)	05/11/2001
LIBE Citizens' Freedoms and Rights, Justice and Home Affairs	DEPREZ Gérard (PPE-DE)	04/12/2001
ITRE Industry, External Trade, Research, Energy	MCNALLY Eryl Margaret (PSE)	22/11/2001
EMPL Employment and Social Affairs	JÖNS Karin (PSE)	14/11/2001
ENVI Environment, Public Health, Consumer Policy	GOODWILL Robert (PPE-DE)	20/11/2001
RETT Regional Policy, Transport and Tourism	WATTS Mark Francis (PSE)	10/07/2001
DEVE Development and Cooperation	SAUQUILLO PÉREZ DEL ARCO Francisca (PSE)	11/10/2001
FEMM Women's Rights and Equal Opportunities	KLASS Christa (PPE-DE)	21/11/2001

European Commission

Commission DG	Commissioner
Budget	

Key events

Date	Event	Reference	Summary
27/04/2001	Non-legislative basic document published	SEC(2001)0528	Summary
11/06/2001	Committee referral announced in Parliament		
26/03/2002	Vote in committee		Summary
26/03/2002	Committee report tabled for plenary	A5-0103/2002	
09/04/2002	Debate in Parliament		
10/04/2002	Decision by Parliament	T5-0164/2002	Summary
10/04/2002	End of procedure in Parliament		
17/06/2002	Final act published in Official Journal		

Technical information

Procedure reference	2001/2102(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 101
Stage reached in procedure	Procedure completed
Committee dossier	CONT/5/14802

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A5-0103/2002	26/03/2002	
Text adopted by Parliament, single reading		T5-0164/2002 OJ C 127 29.05.2003, p. 0162-0527 E	10/04/2002	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	01649/2002	05/03/2002	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	SEC(2001)0528	27/04/2001	Summary
	SEC(2001)0529		

Supplementary non-legislative basic document		27/04/2001	Summary
Supplementary non-legislative basic document	SEC(2001)0531	27/04/2001	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N5-0617/2001 OJ C 359 15.12.2001, p. 0011-0416	10/10/2001	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2002/0444
OJ L 158 17.06.2002, p. 0001 Summary

Budget 2002/0445
OJ L 158 17.06.2002, p. 0023

2000 discharge: EC general budget, section III Commission

2001/2102(DEC) - 27/04/2001 - Supplementary non-legislative basic document

PURPOSE : to present the balance sheet and analysis of the financial management of the European Communities for the financial year 2000 - Section III - Commission (Volume II). CONTENT : this document presents the statement of accounts of the implementation of the budget of the Commission for the financial year 2000. With regard to the revenue, taking into account the costs incurred by the Member States for the assessment of own resources (EUR 1.696, 35 million), the amount of revenue rises to EUR 92.724.422.418,05 for the year 2000. As regards expenditure, the amount of budgetary expenditure for the year 2000 is EUR 82.867.869.808,55. It should be noted that the difference between revenue and expenditure increased in 2000 to EUR 11,6 billion (this is a record amount in comparison to the 1999 amount of EUR 3,2 billion). In 2000, only 82,5% of the budget had been implemented against 95,7% in 1999 in commitment appropriations. On the other hand, only 88% of payment appropriations have been implemented against 91% in 1999.

2000 discharge: EC general budget, section III Commission

2001/2102(DEC) - 27/04/2001 - Non-legislative basic document

PURPOSE : to present the balance sheet and analysis of the financial management of the European Communities for the financial year 2000 - Section III - Commission. CONTENT : this document presents the analysis of the use of Commission appropriations in 2000, section by section. To recall, the 2000 budget was declared adopted after Parliament's second reading on 16 December 1999. It is the first budget established under the financial perspective for 2000-06 contained in the Interinstitutional Agreement of 6 May 1999 and totals EUR 93 323 million in appropriations for commitments, 3.5 % down on 1999, and EUR 89 441 million in appropriations for payments, a 4.5% increase. The total appropriations for payments are equivalent to 1.11% of GNP. It should be noted that the report on the implementation of the budget is the first answering to the Court of Auditor's request to present the budget in such a way as to concentrate on specific activities. This completely new approach of the presentation of the budget also includes very precise tables of expenditure for each sector. This document also analyses the budgetary procedure step-by-step. The main characteristics of this budget can be summarised as follows: - this budget manages to comply with the tight spending targets set by the Commission in its original proposals and by the two arms of the budgetary authority throughout the budgetary procedure, while at the same time covering the Union's priorities for 2000, in particular reconstruction in Kosovo. - agricultural expenditure totals EUR 40 994 million. The bulk is for market organisation measures (EUR 36 889 million). An across-the-board cut kept the appropriations well below the sub-ceiling (EUR 41 738 million). The other EUR 4 105 million is for the

"second agricultural pillar", expenditure on rural development and accompanying measures, including EUR 50 million for improving the processing and marketing of agricultural products (in connection with the dioxin crisis). The margin remaining beneath the ceiling for the heading is EUR 744 million As this will be the first year of a new programming period, the commitment appropriations for structural measures (EUR 32 678 million) are down on the exceptionally large amounts in 1999 (EUR 39 billion), while payment appropriations (EUR 31 801 million) continue to increase (+4.5 %) to clear outstanding commitments. - the internal policies have a total allocation of EUR 6 028 million in appropriations for commitments, 2.8% up on the 1999 budget, and EUR 5 674 million in appropriations for payments (+13%). The resources are concentrated on a number of top priorities because of the leverage they exert on growth and employment, and on the development and distribution of new technologies. Research is allocated EUR 3 630 million in commitment appropriations and EUR 3 600 million in payment appropriations, a sharp increase (of around 20%) warranted by the large volume of outstanding commitments. - the second major spending area is the Trans-European networks (EUR 688 million in commitment appropriations, up by 17.6 %). Measures on education, vocational training and youth policy receive a substantial 9% increase at EUR 481.5 million in commitment appropriations. - the budgetary impact of the ratification of the Treaty of Amsterdam is also accommodated, in particular as it affects justice and home affairs, with the insertion of a new title covering all the operations for setting up an area for freedom, security and justice and an allocation totalling EUR 97 million (including EUR 26 million for the European Refugee Fund alone). - the allocations for external action come to a total of EUR 4 825 million for commitments, an increase of 3,3 % over 1999, and EUR 3 612 million for payments. The 2000 budget will cover the immediate needs for reconstruction in Kosovo. After the entire EUR 200 has been drawn under the flexibility instrument, a total of EUR 360 million will be available for Kosovo in 2000. The appropriations will also cover new needs for aid to East Timor (EUR 20 million), Turkish earthquake victims (EUR 30 million) and the fisheries agreement with Morocco (EUR 125 million). - in accordance with the new financial perspective the pre-accession strategy is identified in a new heading 7 with an allocation of EUR 3 167 million for commitments and EUR 1 696 million for payments, with a new instrument for agriculture (SAPARD, EUR 529 million for commitments and EUR 200 million for payments) and one for infrastructure (ISPA, EUR 1 058 million for commitments and EUR 245 million for payments) in addition to the Phare programme. - lastly, it should also be noted that the 2000 Budget has been amended by two supplementary and amending budgets.

2000 discharge: EC general budget, section III Commission

2001/2102(DEC) - 10/04/2002 - Final act

PURPOSE : to approve the closure of accounts in respect of the implementation of the general budget of the European Union for the financial year 2000. COMMUNITY MEASURE : Decisions 2002/444/EC, ECSC, Euratom and 2002/445/EC ECSC, Euratom of the European Parliament closing the accounts in respect of the implementation of the general budget of the European Union for the financial year 2000 (Commission). CONTENT : with these present Decisions, the European Parliament agrees the discharge to the Commission on the implementation of the general budget of the European Union for the financial year 2000 (Commission). There is a resolution which forms an integral part of this decision. It records a series of comments which can be found in the Parliament's opinion (please refer to the summary of the European Parliament's resolution of 10 April 2002).

2000 discharge: EC general budget, section III Commission

2001/2102(DEC) - 05/03/2002

PURPOSE : to present the Council's recommendation on the discharge given to the Commission in respect the implementation of the Community budget for the financial year 2000 (Section - Commission). CONTENT : the Council's recommendation recalls first of all the revenue and expenditure account for the financial year 2000: - revenue was EUR 92 724 422 418,05 - expenditure was EUR 82 867 869 808,54 - appropriations carried over from 1999 which have been cancelled were EUR 1 953 041 236,86 - the positive budget balance is EUR 11 619 073 828,56. The observations in the report by the Court of Auditors for the financial year 2000 call for certain observations by the Council, it recommends the Parliament to give a discharge to the Commission in respect of the implementation of the budget of the European Communities for the financial year 2000. However, the implementation of the budget by the Commission calls for a series of comments by the Council which the Commission must take into consideration as soon as possible. Firstly, the Council is pleased to note that the Commission's implementation of initiatives to improve its management and accounting, many of which originated in the Court's annual report, shows the value of that report as a tool for monitoring the legality and regularity of financial management as well as for assessing its quality. It therefore insists on the need strictly to follow the recommendations expressed during the discharge procedure. The Council welcomes the several positive aspects noted by the report, while being aware that the Commission has not yet achieved the objectives it has set itself in the framework of its reform. In that context, the Council wishes to stress the importance it attaches to the recasting of the Financial Regulation, which is the true keystone of the Community's financial system. The Council notes the persistence of significant surpluses at the end of the financial year. This tendency could affect the credibility and sound management of the Community budget. The origin of these surpluses lies in incorrect estimates of both revenues and expenditure. The Council urges the Commission, with the collaboration of Member States, to make more precise estimates of sources of finance and to adapt expenditure estimates to real requirements. The Council must stress that the fact that most expenditure takes place in Member States and is administered by national bodies does not alter the Commission's ultimate responsibility, under the provisions of the Treaty, for implementing the budget. Regarding the present discharge procedure, the Council must emphasise its concern about the fact that the Court has not yet been in a position to issue a positive Statement of Assurance (SOA), because of the unacceptable level of errors in the operations that underlie payments, noting nevertheless that the Court has given a positive assessment on own resources, commitments and administrative expenditure. The Council is also curious about the fact that the numerous positive findings mentioned by the Court in its report are not reflected, inter alia, in the level of errors in the guarantee of the certifications issued. The Council appreciates the efforts that the Court is making to develop the SOA into an audit and management systems analysis tool but, while welcoming the Court's following up of previous observations, reaffirms its request that it should also establish indicators allowing progress to be monitored from one year to the next. It nevertheless welcomes the fact that the Court's approach in the present report better permits detection of risks and of improvements by sector of activity. The Council recognises the technical problems of auditing such a broad range of activities as that covered by the Community budget. With a view to the best possible use of existing resources and to achieving a proportionate cost/benefit ratio, it therefore supports any initiative that would move towards improving the links between audit work done by the Commission and the Member States and the Court's own audits. While recognising its independence, the Court is asked in this context to extend to other budget sectors the practice, already applied in the context of the CAP, of using the findings of Member States' paying agencies. It could also use the results of the audits and controls carried out by the competent national institutions and make use of the

information and expertise of the Commission's internal audit service. This method could prove very useful, given the increased risks inherent in enlargement, arising from the diversity of political and administrative cultures with which the Commission will in future be faced in implementing the budget. The Council refers to the joint declaration by the European Parliament, the Council and the Commission on commitments outstanding, formulated during the Budget Council of 22 November 2001. It insists on the need to abolish abnormal commitments outstanding in the medium term and expects the Commission to present, at the same time as or before the preliminary draft budget for 2003, an action plan for examination of all dossiers with associated risks noted at the beginning of the 2002 financial year. The Council insists on the need to strengthen the protection of the Community's financial interests. In this context, it recalls the importance it attaches to the work of the European Anti-Fraud Office (OLAF) and reiterates its wish to see the last obstacles to the proper operation of the Office removed as quickly as possible. Like the Court and the Commission, it calls on the Member States concerned to complete procedures for ratification of the Convention on the Protection of the European Communities' Financial Interests. Subject to the above comments and taking into account that the Commission is actively pursuing its reform of financial management in the light of the recommendations of the authorities involved in the discharge procedure, the first marks of progress with which are mentioned in this report, the Council can recommend a discharge for the Commission for implementation of the budget for the financial year 2000.

2000 discharge: EC general budget, section III Commission

2001/2102(DEC) - 10/04/2002 - Text adopted by Parliament, single reading

By adopting the report by Mr John McCartin (PPE-DE, IRL) by 442 votes to 53, with 31 abstentions, the European Parliament fully endorses the position of the Committee on Budgetary Control (see summary for 26 March 2002) and grants the Commission discharge in respect of the implementation of the general budget of the European Union for the financial year 2000. In the resolution annexed to the proposal for a decision granting discharge, Parliament supports the views of its lead committee and lays special emphasis on the particularly high budget surplus of EUR 11.6 billion, or 14% of the budget. Parliament regards the volume of this surplus as a failure on the part of the Commission. Parliament also endorses the position of the lead committee on other points, such as the limited effectiveness of the Commission's administrative machinery. The Commission's regulatory procedures and the system of checks must be strengthened, and budgetary priorities, particularly those defined by Parliament, must be respected. The same applies to procedures; Parliament believes that the administrative structure of the Union should be more strongly decentralised, the more so after enlargement. Contractual management procedures in particular should be given special attention, as should the procedures for granting Community subsidies. Like its Committee on Budgetary Control, Parliament notes that the complexity of Community rules makes control difficult and asks the Commission for a substantial increase in the number of clauses imposing time limits and for studies to assess the economic impact of Community aid. In particular, it makes a number of proposals designed to improve the system of control at the national level; one of these proposals is that each Member State should designate one single national ministry as the authority responsible for monitoring progress achieved by programmes financed from the Structural Funds. As regards regularity, combating fraud and protecting the Community's financial interests, Parliament recognises that the present system has to be strengthened. This applies especially to the whole question of export refunds (see the working document produced by the Committee on Budgetary Control and annexed to the McCartin report). The same also applies to the Member States' financial corrections, which keep increasing. Parliament explicitly asks the Commission to make proposals before the next discharge so that non-respect of the criteria by the paying agencies in the Member States can be properly sanctioned, particularly by the reduction of advances. Finally, Parliament reaffirms its full and unrestricted right of access to all documents in the framework of discharge procedure and announces that it will bring an action before the Court of Justice if the Council includes any provisions in the new Financial Regulation that are designed to restrict this right.

2000 discharge: EC general budget, section III Commission

2001/2102(DEC) - 10/10/2001

PURPOSE : to present the Annual Report from the Court of Auditors concerning the general budget of the Community for the financial year 2000 and the Statement of Assurance. CONTENT : the Court of Auditors has published its 24th Annual Report for the 2000 financial year on the general budget of the European Union. The overall structure and format of this Annual Report is similar to that of last year. There is a new Chapter 6 dealing with pre-accession aid for which a separate financial perspective heading exists from 2000 onwards. The concluding chapter contains and explains the State of Assurance. The Court is of the opinion that the accounts are generally reliable, except for certain matters relating to fixed assets, commitments and the economic results. However, although the Court is able to give assurance on legality and regularity of underlying transactions in respect of Community revenue, commitments and administrative expenditure of the Community institutions. However, the Court's audit work on operational expenditure revealed once again an unacceptable incidence of error affecting the amounts of the payments, or the reality or the eligibility of the underlying transactions, as well as the weaknesses in the functioning of control procedures in the principal systems covering Agricultural Guarantee and Structural measures expenditure. In agreement to its work on the Annual Report, the Court has adopted 18 Special Reports covering a wide range of Union's activities which pose problems or are problematic. The Court states that, in general, the Commission needs to improve the definition of the objectives of Community programmes and then undertake effective evalaution of their achievement in order to ensure sound and efficient use of the European Union's resources. In addition, during the year the Court has adopted 18 Special Reports covering a wide range of specific area in which the Community's financial management can be improved. The Court highlights the largest ever recorded surplus of revenue over expenditure (some EUR 11,6 billion) in 2000, mainly due to under-utilisation or credits for Structural Measures. It criticises the Commission for not having taken action to modify the budget when the situation became apparent. The Court commends the extensive efforts being made by the Commission in putting into place, in partnership with Member States, the integrated Administrative and Control Systems (IACS) over Agricultural Guarantee expenditure, which represents nearly half of the budget by value. The Court also highlights that the high level level of under-utilisation of credits for Structural Measure during 2000 resulting from delays in starting the implementation of the 2000-2006 programming period. The Court welcomes the introduction of the new regulatory control framework (Regulation 2064/97) which offers the prospect of ensuring that the costs presented by the Member States to the Commission for cofinancing are correct and eligible, should in practice reduce the amount of ineligible or incorrect expenditure being cofinanced by the EU.