

Basic information

2013/2196(DEC)

DEC - Discharge procedure

2012 discharge: EU general budget, European Parliament

Subject

8.70.03.07 Previous discharges

Procedure completed

Key players

European
Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	IVAN Cătălin Sorin (S&D)	10/10/2013
	Shadow rapporteur ORTIZ VILELLA Eva (PPE) GERBRANDY Gerben-Jan (ALDE) STAES Bart (Verts/ALE) CZARNECKI Ryszard (ECR) VANHECKE Frank (EFD) EHRENHAUSER Martin (NI)	

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs	The committee decided not to give an opinion.	
DEVE Development	The committee decided not to give an opinion.	
INTA International Trade	The committee decided not to give an opinion.	
BUDG Budgets	The committee decided not to give an opinion.	
ECON Economic and Monetary Affairs	The committee decided not to give an opinion.	
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	

ENVI Environment, Public Health and Food Safety	The committee decided not to give an opinion.	
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
IMCO Internal Market and Consumer Protection	The committee decided not to give an opinion.	
TRAN Transport and Tourism	The committee decided not to give an opinion.	
REGI Regional Development	The committee decided not to give an opinion.	
AGRI Agriculture and Rural Development	The committee decided not to give an opinion.	
PECH Fisheries	The committee decided not to give an opinion.	
CULT Culture and Education	The committee decided not to give an opinion.	
JURI Legal Affairs	The committee decided not to give an opinion.	
LIBE Civil Liberties, Justice and Home Affairs	The committee decided not to give an opinion.	
AFCO Constitutional Affairs	The committee decided not to give an opinion.	
FEMM Women's Rights and Gender Equality	The committee decided not to give an opinion.	
PETI Petitions	The committee decided not to give an opinion.	

European
Commission

Commission DG

Commissioner

Budget

ŠEMETA Algirdas

Key events			
Date	Event	Reference	Summary
26/07/2013	Non-legislative basic document published	COM(2013)0570 	Summary
22/10/2013	Committee referral announced in Parliament		
18/03/2014	Vote in committee		
24/03/2014	Committee report tabled for plenary	A7-0246/2014	Summary
02/04/2014	Debate in Parliament		
03/04/2014	Decision by Parliament	T7-0289/2014	Summary
03/04/2014	Results of vote in Parliament		
16/04/2014	Decision by Parliament	T7-0428/2014	Summary
16/04/2014	Results of vote in Parliament		
16/04/2014	End of procedure in Parliament		
05/09/2014	Final act published in Official Journal		

Technical information	
Procedure reference	2013/2196(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/13896

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee draft report		PE521.588	31/01/2014	
Amendments tabled in committee		PE528.206	28/02/2014	
Committee report tabled for plenary, single reading		A7-0246/2014	24/03/2014	Summary
Text adopted by Parliament, single reading		T7-0289/2014	03/04/2014	Summary
Text adopted by Parliament, single reading		T7-0428/2014	16/04/2014	Summary
Council of the EU				
Document type	Reference	Date	Summary	
Document attached to the procedure	05848/2014	17/02/2014	Summary	

European Commission				
Document type	Reference	Date	Summary	
Non-legislative basic document	COM(2013)0570 	26/07/2013	Summary	
Other institutions and bodies				
Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N7-0049/2014 OJ C 331 14.11.2013, p. 0001	05/09/2013	Summary

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act	
Decision 2014/0542 OJ L 266 05.09.2014, p. 0001	Summary

2012 discharge: EU general budget, European Parliament

2013/2196(DEC) - 26/07/2013 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2012, as part of the 2012 discharge procedure.

Analysis of the accounts of the EU Institutions: **Section I - European Parliament.**

Legal reminder: the consolidated annual accounts of the European Union for the year 2012 have been prepared on the basis of the information presented by the institutions and bodies under Article 129(2) of the Financial Regulation applicable to the general budget of the European Union. They were prepared in accordance with Title VII of the Financial Regulation and with the accounting principles, rules and methods set out in the notes to the financial statements.

The objective of the financial statements is to provide information about the financial position, performance and cashflow of a body that is useful to a wide range of users. The objective is to provide information that is useful for decision making, and to demonstrate the accountability of the entity for the resources entrusted to it.

1) Purpose: the document helps to bring insight into the EU budget mechanism and **the way in which the budget has been managed and spent in 2012.** It recalls that the European Union's operational expenditure covers the various headings of the financial framework and takes different forms, depending on how the money is paid out and managed. In accordance with the Financial Regulation, the Commission implements the general budget using the following methods: direct or indirect centralised management (by means of bodies or agencies of public law or other); decentralised management where the Commission delegates certain tasks for the implementation of the budget to third countries; and, thirdly, shared management where budget implementation tasks are delegated to Member States, in areas such as agricultural expenditure and structural actions.

The document also presents the different financial actors involved in the budget process (accounting officers, internal officers and authorising officers) and recalls their respective roles in the context of the tasks of sound financial management.

Amongst the other legal elements relating to the implementation of the EU budget presented in this document, the paper focuses on the following issues:

- accounting principles applicable to the management of EU spending (business continuity, consistency of accounting methods, comparability of information ...);
- consolidation methods of figures for all major controlled entities (the consolidated financial statements of the EU comprise all significant controlled entities –institutions, organisations and agencies);
- the recognition of financial assets in the EU (tangible and intangible assets, financial assets and other miscellaneous investments);
- the way in which EU public expenditure is committed and spent, including pre-financing (cash advances intended for the benefit of an EU organ);
- the means of recovery following irregularities detected;
- the *modus operandi* of the accounting system;
- the audit process followed by the European Parliament's granting of the discharge.

To recap, **the final control is the discharge of the budget for a given financial year.** The discharge represents the political aspect of the external control of budget implementation and is the decision by which the European Parliament, acting on a Council recommendation, "releases" the Commission from its responsibility for management of a given budget by marking the end of that budget's existence.

The document also details specific expenditure of the institutions, in particular: i) pensions of former Members and officials of institutions; ii) joint sickness insurance scheme and iii) buildings. For the Parliament, the outstanding contractual obligation relating to building contracts totalled EUR 434 million in 2011.

Lastly, the document presents a series of tables and detailed technical indicators on (i) the balance sheet; (ii) the economic outturn account; (iii) cashflow tables; (iv) technical annexes concerning the financial statements.

2) Implementation of appropriations under Section I of the budget for the financial year 2012: the document comprises a series of detailed tables, the most important concerning the implementation of the budget. Concerning the European Parliament's expenditure, the table on the financial and budgetary implementation of this institution is presented as follows (information drawn from the [Report on budgetary and financial management - Section European Parliament](#)).

- **Budget:** Parliament's final appropriations totalled **EUR 1 717 868 121**, i.e. 19,62 % of heading V of the Multiannual Financial Framework;

- Commitments totalled **EUR 1 693 038 015**, or 98.6 % of final appropriations;
- Payments totalled **EUR 1 387 580 140**, or 82 % of commitments entered into.

3) Budgetary implementation - conclusions: in more general and political terms, the financial year 2012 was chiefly marked by action to bring about new structural improvements in order to give Parliament all the resources it needs to play its role in the legislative process to the full and enable it to capitalise to the full on the enhanced powers conferred on it by the Treaty of Lisbon.

Parliament also:

- fully accommodated the **18 additional Members provided for by the Treaty of Lisbon, continued preparations for the accession of Croatia;**
- made major changes in the area of information and communication policy with a view to the 2014 elections;
- continued to implement multiannual programmes to rationalise and modernise key sectors of its Administration.

As regards Europarl TV, the report stated that it should be adjusted to the ready-to-broadcast-programmes to better match the needs of the media partners and be progressively integrated into Parliament's website and social media platforms.

It should also be noted that progress has been made in the establishment of the House of European history, the completion of the building work on the Trèves I Building and the lack of success as regards the tender procedure for the Konrad Adenauer project (LU) and the continuation of the "paperless" programme".

2012 discharge: EU general budget, European Parliament

2013/2196(DEC) - 05/09/2013

PURPOSE: presentation of the Report of the Court of Auditors on the 2012 budget (Analysis of the accounts of the European Parliament).

CONTENT: the Court of Auditors published its 36th Annual Report on the implementation of the EU budget for the 2012 financial year.

In accordance with the tasks and objectives conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, it provides under the discharge procedure, for both the European Parliament and Council, a statement of assurance ("DAS") about the reliability of the accounts and the legality and regularity of the transactions of each institution, body or agency of the EU, based on an independent external audit.

The audit also focuses on the budget implementation of the European Parliament.

On the basis of its audit work, the Court considers that payments for "Administrative and other expenditure" policy are, overall, **significantly error-free**. The estimated error rate is next to nothing.

Although the Court has observed some errors and weaknesses, the examined supervisory and control systems are likely to reduce the rate of error present in initial payment requests to an acceptable level. These systems are therefore assessed as effective.

The main risks regarding administrative and other expenditure are:

- the non-compliance with the procedures for procurement;
- the implementation of contracts;
- recruitment issues;
- the calculation of salaries and allowances.

The Court makes a certain number of particular observations as regards each EU institution or body of the European Union. In the specific case of the European Parliament's audit, the report highlights issues relating to **public procurement**. Overall, no serious errors or weaknesses were detected. However, due to administrative errors, weaknesses were noted regarding, in one case, the management and documentation of the procurement procedure and in another case, the application of an award criterion.

These observations do not affect the positive overall appraisal given that they do not significantly affect overall administrative expenditure.

2012 discharge: EU general budget, European Parliament

2013/2196(DEC) - 17/02/2014

In view of the observations made in the Court of Auditor's report, the Council called on the European Parliament **to grant discharge to all of the Union's institutions in regard to the implementation of their respective budgets for the financial year 2012**.

Overall, the Council's remarks were positive in regard to the expenditure of the institutions since it noted that, again in 2012, the administrative expenditure of EU institutions and bodies **remained free from material error** with an estimated error rate of 0%, and that their supervisory and control systems continued to comply with the requirements of the Financial Regulation.

The Council welcomed the fact that, according to the Court's assessment, **no serious errors** were detected with regard to the effectiveness of the supervisory and control systems, in the individual institutions, except for a limited number of errors in the procurement procedures and the management of **social allowances**.

It welcomed the measures already taken and encouraged the institutions concerned to address the remaining weaknesses identified by the Court.

2012 discharge: EU general budget, European Parliament

2013/2196(DEC) - 03/04/2014 - Final act

PURPOSE: to grant discharge to the European Parliament for the 2012 financial year.

NON-LEGISLATIVE ACT: Decision 2014/542/EU, Euratom of the European Parliament on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section I — European Parliament.

CONTENT: under this Decision and according to Article 318 of the Treaty on the Functioning of the European Union (TFEU), the European Parliament grants its President discharge in respect of the implementation of the European Parliament budget for the financial year 2012.

The Decision is in line with the European Parliament's resolution approved on 3 April 2014 and includes a series of observations which form an integral part of the discharge Decision (please refer to the summary of the opinion of 3 April 2014).

The resolution recalled, *inter alia*, that Parliament's budget accounted for EUR 1 718 million which represents 20% of the amount set aside for the 2012 administrative expenditure of the Union institutions as a whole).

2012 discharge: EU general budget, European Parliament

2013/2196(DEC) - 16/04/2014 - Text adopted by Parliament, single reading

The European Parliament adopted by 365 votes to 190, with 82 abstentions, a resolution accompanying the discharge decision aiming to grant discharge to its President in respect of the implementation of the European Parliament budget for the financial year 2012.

The decision to grant discharge was adopted on 3 April 2014 (please refer to the summary of the same date). The final vote on the resolution had been postponed to a later date.

Added value of the discharge procedure: in its resolution, Parliament highlighted the added value of the parliamentary procedure leading up to the annual Parliament discharge. It pointed out that this resolution remains principally focussed on the budget implementation and discharge for the financial year 2012 and that its **main goal is to ensure that taxpayers' public money is used in the best possible way** while highlighting where improvements can be made.

Parliament's 2012 budgetary and financial management: Parliament noted that the Union general budget for 2012 totalled EUR 148.2 billion million in commitment appropriations, of which Parliament's budget accounted for EUR 1.718 billion (20% of the amount set aside for the 2012 administrative expenditure of the Union institutions as a whole). It noted that authorised appropriations in Parliament's final budget for 2012 represented a 1.9% increase over the 2011 budget and that 99% of the final current appropriations were committed, with a cancellation rate of 1%.

Parliament's report on budgetary and financial management: Parliament noted that Parliament decided to conduct an end-of-year "mopping-up" transfer from various budget lines amounting to EUR 45 000 000 in unspent funds intended for the second instalment of the acquisition of the Trebel building in Brussels (EUR 35 000 000) and the construction of the new KAD building in Luxembourg. It stated that as a result of this, an estimated EUR 10.4 million in financing charges will be saved over the construction and loan amortisation periods. It deplored, nevertheless, the fact that Parliament has repeatedly requested that in the interest of budgetary clarity, buildings expenditure be entered in the budget rather than being financed through a "mopping-up" transfer as requested in several previous discharge resolutions.

Court of Auditors' opinions on the reliability of the EP's 2012 accounts: overall, Parliament welcomed the fact that the Court of Auditors found that the testing of transactions indicates that the most likely error present in the population is nil and that the supervisory and control systems of the administrative expenditure were assessed as effective. It also welcomed the positive opinion as regards the DG's audits and **insisted on transparency as regards the entire process leading to the discharge procedure** to ensure that citizens of the Union are provided with a true and accurate view of the way that Parliament takes its decisions and uses the resources placed at its disposal.

Code of conduct and conflicts of interest: Parliament recalled that the Code of Conduct for Parliament's Members with respect to financial interests and conflicts of interest requires Members to fully disclose any remunerated activities outside Parliament, the remuneration they receive and any other function they perform which may give rise to conflicts of interest and that the code expressly **prohibits Members from accepting any sum of money or other gift in exchange for influencing Parliament decisions**. It noted that it lays down clear rules on accepting gifts and on former Members engaging in lobbying. The committee asked that the administration scrutinises at least 15% of these declarations on a regular and annual basis.

Members' daily subsistence allowance: in a series of amendments adopted in plenary, Members stated that they believed Parliament to be the only European public institution that pays an allowance intended to meet the costs of office administration into private and personal bank accounts without requiring any receipts to be kept or the auditing of the expenditure. Parliament suspected that Members would be deeply critical of any other body that similarly failed to supervise the use of public money. It called therefore on the Secretary-General to propose light touch arrangements to **ensure that the General Expenditure Allowance is used for the purpose intended and cannot provide a supplementary private income for Members**. It requested an **evaluation of the daily subsistence allowance for Members concerning its amount and use** and requested that the Bureau revise this implementing measure accordingly to ensure that this allowance is used in as cost-efficient a manner as possible.

The President's political activities: Parliament called for detailed information on how the President, as a politically neutral figure, has kept his duties in office separate from his preparations to head the Socialists and Democrats' list in the European elections, in particular with regard to the staff in his cabinet and in Parliament's information offices and to travel expenses. It considered that in connection with many of those activities, no distinction has been made between the two roles and called for clear segregation of office holders' functions, following the Commission's approach, **so that Union taxpayers do not have to pay for the election campaigns of European list leaders**.

Awards, prizes and other issues: Parliament considered prizes not to be a core activity of Parliament and requested that a cost-benefit analysis be carried out before any new prize initiatives are developed. Plenary also suggested, where appropriate, for Members' air travel within Europe, the use of economy class tickets should be encouraged.

It also noted that some requests made in the annual discharge reports endorsed by Parliament's plenary are not met. It insisted that plenary requests made in the annual discharge reports are fully implemented.

Working places of Parliament: Parliament recalled that significant historical reasons motivated the seat of the Parliament to be established and that the question of determination of the seat of a Union institution is the exclusive competence of the Member States. It noted that the expenditure arising from the geographic dispersion of Parliament constitutes an important identified area of potential savings and welcomed the Secretary-General's report of August 2013 regarding the financial impact of the geographic dispersion of the European Parliament. The report expressed a theoretical net saving when consolidating the three places of work into one, in Brussels, at estimated **EUR 88.9 million per year** which represents roughly 5% of Parliament's budget in 2014, 1.03% of the total administrative budget of the Union, and 0.06% of the overall budget of the Union (the estimated net effect per Union citizen per year of EUR 0.18 if the three places of work of the Parliament were to be consolidated into one). In addition, 10 703 tonnes of CO2 emissions per year would be saved if Strasbourg (10 235) and Luxembourg (468) were no longer used as places of work. In this context, Members are looking forward to the publication of the Court of Auditors study to provide a comprehensive analysis of the potential savings for the Union budget if Parliament had only one working place, as requested in its [resolution of 20 November 2013](#) on the location of the seats of the European Union's Institutions.

Management of Parliament's administration: strengthening operational efficiency: Parliament called on its responsible bodies to continue improving, at all possible levels, efficiency in Parliament's daily work. It considered that during the 2009-2014 legislative term, in a difficult economic and financial context, often random and temporary, although significant, savings were achieved. It also believed that its administration should identify additional efficiency measures that carry systematic and definitive structural savings, firstly by reducing Parliament's budget and secondly by allowing for the redeployment of resources to Parliament's new areas of intervention, notably to reinforce the scrutiny dimension over the Commission's implementation of the Union's policies. Members also called on Parliament's administration to consider increasing the use of the available technologies such as teleconferences and teleworking in order to reduce the administrative and travelling costs.

In parallel, Parliament made a series of recommendations aimed towards certain Parliament DGs, in particular the following:

- **DG Presidency** by highlighting difficulties in the appointment of the Director-General for this post;
- **DG for External Policies** by recalling that because of general calls for thrift, the interparliamentary delegations might become less able to maintain Parliament's external relations profile, enabling it to remain as visible as the other Union institutions, especially the Commission and the Council, and that the effect might be to undermine the parliamentary approach to external policy and the consolidation of parliamentary diplomacy, especially at times of political instability and danger to democracy (the Arab Spring, conflict in the Middle East, conflict in Ukraine, run-up to controversial elections, etc.) and by strongly recommending that the appropriate level of coordination with the EEAS services for the preparation and effective capacity response be ensured to guarantee the security aspects of Parliament's external delegations and missions;

- DG Communication pointing out that: (i) the inconsistency of cash payments to visitors groups although Parliament's administration encourages payment by bank transfer or a mix of both methods instead; (ii) the amount of running costs of the "House of European History" (EUR 800 000/year); (iii) EuroParlTV whose funding amounts to EUR 5 million in 2014 while the project is not a core activity of Parliament and requests that a cost-benefit analysis be carried out before any new EuroParlTV activities are developed;
- DG infrastructure noting that repairing the ceiling support frame in Parliament's Brussels Chamber will involve costs just above EUR 2 million and acknowledging that the regular on-going inspection and preventive maintenance policy for Parliament's buildings introduced in 2012 detected the structural defects in the wooden ceiling beams, thus preventing a major disaster, potentially including the loss of life and huge damage to the building in question;
- DGIT stressing that personal and confidential individual mail-boxes of selected Members, parliamentary assistants and officials have been compromised after the Parliament has been subject to a man-in-the-middle attack where a hacker has captured the communication between private smartphones and the public Wi-Fi of the Parliament. In this regard, Members ask that all parliamentary ICT and telecommunications systems be subject to an independent third party security audit with a view to completing a clear roadmap towards a more robust ICT security policy in 2015.

Lastly, Parliament made a series of recommendations on the European Parliament's policy as regards exceptional negotiated procedures and on the importance of political groups within the European Parliament. In this regard, they stressed that the political groups are key actors for Parliament and the Union as a whole as their transnational nature represents a **unique model** in the world and their role is crucial in order to guarantee a strong democratic accountability of all Union institutions.

2012 discharge: EU general budget, European Parliament

2013/2196(DEC) - 03/04/2014 - Text adopted by Parliament, single reading

Noting that the Secretary-General certified, on 6 September 2013, his reasonable assurance that Parliament's budget has been implemented in accordance with the principles of sound financial management and that the control framework put in place provides the necessary guarantees as to the legality and regularity of the underlying operations, the European Parliament adopted by 458 votes to 102, with 49 abstentions, a decision to grant discharge to its President in respect of the implementation of the European Parliament budget for the financial year 2012.

In accordance with Article 177(4) of the Rules of Procedure of the European Parliament, **the final vote on the resolution was postponed until the next plenary session** by 431 votes to 154, with 13 abstentions.

2012 discharge: EU general budget, European Parliament

2013/2196(DEC) - 24/03/2014 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Cătălin Sorin IVAN (S&D, RO) in which it called on the European Parliament to grant discharge to its President in respect of the implementation of the European Parliament budget for the financial year 2012.

Added value of Parliament's discharge procedure: Members highlighted the added value of the parliamentary procedure leading up to the annual Parliament discharge. They pointed out that this resolution remains principally focussed on the budget implementation and discharge for the financial year 2012 and that its **main goal is to ensure that taxpayers' public money is used in the best possible way** while highlighting where improvements can be made.

Parliament's 2012 budgetary and financial management: Members noted that the Union general budget for 2012 totalled EUR 148.2 billion million in commitment appropriations, of which Parliament's budget accounted for EUR 1.718 billion (20% of the amount set aside for the 2012 administrative expenditure of the Union institutions as a whole). They noted that authorised appropriations in Parliament's final budget for 2012 represented a 1.9% increase over the 2011 budget and that 99% of the final current appropriations were committed, with a cancellation rate of 1%.

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Court of Auditors' opinions on the reliability of the EP's 2012 accounts: overall, Members welcomed the fact that the Court of Auditors found that the testing of transactions indicates that the most likely error present in the population is nil and that the supervisory and control systems of the administrative expenditure were assessed as effective. They also welcomed the positive opinion as regards the DG's audits and insisted on transparency as regards the entire process leading to the discharge procedure to ensure that citizens of the Union are provided with a true and accurate view of the way that Parliament takes its decisions and uses the resources placed at its disposal.

Code of conduct and conflicts of interest: Members recalled that the Code of Conduct for Parliament's Members with respect to financial interests and conflicts of interest requires

Members to fully disclose any remunerated activities outside Parliament, the remuneration they receive and any other function they perform which may give rise to conflicts of interest and that the code expressly **prohibits Members from accepting any sum of money or other gift in exchange for influencing Parliament decisions**. They noted that it lays down clear rules on accepting gifts and on former Members engaging in lobbying. The committee asked that the administration scrutinises at least 15% of these declarations on a regular and annual basis.

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Working places of Parliament: Members recalled that significant historical reasons motivated the seat of the Parliament to be established and that the question of determination of the seat of a Union institution is the exclusive competence of the Member States. They noted that the expenditure arising from the geographic dispersion of Parliament constitutes an important identified area of potential savings and welcomed the Secretary-General's report of August 2013 regarding the financial impact of the geographic dispersion of the European Parliament. The report expressed a theoretical net saving when consolidating the three places of work into one, in Brussels, at estimated **EUR 88.9 million per year** which represents roughly 5% of Parliament's budget in 2014, 1.03% of the total administrative budget of the Union, and 0.06% of the overall budget of the Union (the estimated net effect per Union citizen per year of EUR 0.18 if the three places of work of the Parliament were to be consolidated into one). In addition, 10 703 tonnes of CO2 emissions per year would be saved if Strasbourg (10 235) and Luxembourg (468) were no longer used as places of work. In this context, Members are looking forward to the publication of the Court of Auditors study to provide a comprehensive analysis of the potential savings for the Union budget if Parliament had only one working place, as requested in its [resolution of 20 November 2013](#) on the location of the seats of the European Union's Institutions.

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Lastly, Members made a series of recommendations on the European Parliament's policy as regards exceptional negotiated procedures and on the importance of political groups within the European Parliament. In this regard, they stressed that the political groups are key actors for Parliament and the Union as a whole as their transnational nature represents a **unique model** in the world and their role is crucial in order to guarantee a strong democratic accountability of all Union institutions.