Basic information

2019/2055(DEC) DEC - Discharge procedure	Procedure completed
2018 discharge: EU general budget, European Commission **Subject** 8.70.03.08 2018 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	HOHLMEIER Monika (EPP)	04/09/2019
	Shadow rapporteur PENKOVA Tsvetelina (S&D) CHASTEL Olivier (Renew) VON CRAMON-TAUBADEL Viola (Greens/EFA) CZARNECKI Ryszard (ECR) KUHS Joachim (ID) FLANAGAN Luke Ming (GUE/NGL)	

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs	MEIMARAKIS Vangelis (EPP)	09/09/2019
DEVE Development	GOERENS Charles (Renew)	13/11/2019
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	ZDECHOVSKÝ Tomáš (EPP)	18/09/2019

ENVI	Environment, Public Health and Food Safety	CANFIN Pascal (Renew)	04/09/2019
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	MONTEIRO DE AGUIAR Cláudia (EPP)	07/10/2019
REGI	Regional Development	CUTAJAR Josianne (S&D)	03/10/2019
AGRI	Agriculture and Rural Development	ARA-KOVÁCS Attila (S&D)	04/09/2019
PECH	Fisheries	The committee decided not to give an opinion.	
CULT	Culture and Education	VERHEYEN Sabine (EPP)	05/09/2019
JURI	Legal Affairs	The committee decided not to give an opinion.	
LIBE	Civil Liberties, Justice and Home Affairs	METSOLA Roberta (EPP)	06/11/2019
AFCO	Constitutional Affairs	The committee decided not to give an opinion.	
FEMM	Women's Rights and Gender Equality	FITZGERALD Frances (EPP)	04/09/2019
PETI	Petitions	The committee decided not to give an opinion.	

European Commission

Commission DG	Commissioner
Budget	OETTINGER Günther

Key events

Date	Event	Reference	Summary

27/06/2019	Non-legislative basic document published	COM(2019)0316	
18/09/2019	Committee referral announced in Parliament		
19/02/2020	Vote in committee		
03/03/2020	Committee report tabled for plenary	A9-0069/2020	
13/05/2020	Decision by Parliament	T9-0114/2020	Summary
13/05/2020	Results of vote in Parliament		
13/05/2020	End of procedure in Parliament		
14/05/2020	Results of vote in Parliament		
15/05/2020	Results of vote in Parliament		
11/12/2020	Final act published in Official Journal		

Technical information

Procedure reference	2019/2055(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/9/01021

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE639.827	16/12/2019	
Committee opinion	LIBE	PE643.089	21/01/2020	
Committee opinion	ENVI	PE641.168	22/01/2020	
Committee opinion	FEMM	PE641.174	22/01/2020	
Committee opinion	REGI	PE643.053	22/01/2020	
Committee opinion	TRAN	PE643.066	22/01/2020	
Committee opinion	CULT	PE643.224	22/01/2020	
Committee opinion	AGRI	PE642.906	23/01/2020	
Committee opinion	EMPL	PE642.933	23/01/2020	
Committee opinion	DEVE	PE643.137	23/01/2020	
Committee opinion	AFET	PE643.159	23/01/2020	
Amendments tabled in committee		PE645.081	30/01/2020	

Amendments tabled in committee		PE646.969	30/01/2020	
Committee report tabled for plenary, single reading		A9-0069/2020	03/03/2020	
Text adopted by Parliament, single reading		T9-0114/2020	13/05/2020	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05762/2020	06/02/2020	
Supplementary non-legislative basic document	05760/1/2020	17/02/2020	

European Commission

Document type	Reference	Date	Summary
Commission document (COM)	COM(2019)0312	26/06/2019	
Non-legislative basic document	COM(2019)0316	27/06/2019	
Follow-up document	COM(2020)0311	07/07/2020	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2020/1961
OJ L 417 11.12.2020, p. 0365

2018 discharge: EU general budget, European Commission

2019/2055(DEC) - 13/05/2020 - Text adopted by Parliament, single reading

The European Parliament decided by 499 votes to 136, with 56 abstentions, to **grant discharge** to the Commission and the executive agencies in respect of the implementation of the general budget of the European Union for the financial year 2018.

In the resolution accompanying its discharge decision (adopted by 514 to 95, with 84 abstentions), the European Parliament made a series of observations:

1) Reliability of accounts

Parliament welcomed the fact that the Court of Auditors had concluded that the accounts for 2018 were reliable and that the revenue was free of material error in 2018. It also welcomed the positive trend in the most likely error rate for payments established by the Court compared to the trend of recent years, as the rate is 2.6% for payments in 2018. However, it regretted that payments are affected by a material level of error due to the fact that the supervisory and control systems are only partially functioning.

The Court audited transactions worth a total EUR 120.6 billion. The highest estimated error rate was found in the Multiannual Financial Framework (MFF) expenditure under 'Economic, social and territorial cohesion' (5.0 %), while the lowest materiality level error rate for 'Competitiveness for growth and jobs' expenditure was found at the materiality level (2.0 %). Moreover, research expenditure remains an area of higher risk and the main source of error in the competitiveness heading of the MFF. Members regretted that the Court did not estimate the level of error for areas of expenditure under headings 3 (‘Security and citizenship’) and 4 (‘Global Europe’) of the MFF.

As in previous years, eligibility errors (i.e. ineligible cost claims and ineligible projects, activities or beneficiaries) contributed most to the estimated level of error for high-risk expenditure for 2018. Parliament asked the Commission to pay particular attention to these errors and to assess whether they present a risk to free competition or even indicate potential cases of corruption. If so, the Commission should take corrective action and inform the European Public Prosecutor's Office.

The Commission was invited to streamline and simplify the strategic frameworks governing the implementation of the EU budget in order to strengthen accountability for results and increase clarity and transparency for all stakeholders.

2) Budgetary and financial management

In 2018, the commitment and payment appropriations available in the final budget were almost fully used, i.e. 99.5% of commitment appropriations and 98.6% of payment appropriations. The number of payment requests received from Member States for the European Structural and Investment Funds (ESF) increased significantly.

Members pointed out that according to the Court's forecasts, a total of EUR 44.9 billion was at risk of not being used by the end of 2020. They recalled that the flexibility provided by the global margin for payments (GMP) ends with the current MFF at the end of 2020.

Parliament expressed its concern that outstanding commitments (RAL) continued to increase in 2018 to reach a new record level (EUR 281.2 billion at the end of 2018 compared to EUR 267.3 billion in 2017) and that this situation presented a serious risk. It invited the Commission to improve its financial forecasting and, if necessary, to assist countries in identifying eligible projects, in particular projects with a clear European added value, in order to reduce the RAL.

Parliament shares the Court's concern that the payment appropriations available may not be sufficient to cover all the amounts due in the first years of the new MFF, which could be the case in particular in 2021, the first year of the 2021-2027 MFF. It invited the Commission to improve the accuracy of the forecasts of the needs for payment appropriations and called on the budgetary authority to ensure, for the next MFF, a balanced relationship between commitment and payment appropriations entered in the budget through an increase in payment appropriations, a modification of the decommitment rules and/or a decrease in commitment appropriations.

3) Political priorities

Parliament insisted on the following points:

Respect for the rule of law

Respect for the rule of law is one of the most important conditions for compliance with the principles of sound financial management. Concerned about financial losses due to a general breakdown in the rule of law in several Member States, Parliament argued that the Union should be able to impose appropriate measures including the suspension or reduction of Union funding or even a restriction of access to it.

Protection of financial interests

Further efforts are needed at all levels to prevent and combat fraud, corruption and misuse of EU funds. Parliament criticised the lack of funding and staff for the European Public Prosecutor's Office during the start-up phase and the Commission's under-estimation of its needs. It encouraged the Commission to present a draft amending budget, stressing that the European Public Prosecutor's Office had to handle up to 3000 cases per year and needed at least 76 additional posts and EUR 8 million to be fully operational by the end of 2020.

Prevention of conflicts of interest

Parliament called on the Commission to combat all forms of conflict of interest and to regularly evaluate the preventive measures taken by the Member States to avoid them. It urged the Council to adopt a common code of ethics for all issues relating to conflicts of interest and to define a common position for all Member States.

Agricultural funds allegedly benefitting oligarchic structures

In order to combat fraud, Parliament called on the Commission to table a proposal modifying the CAP and cohesion rules in order to bring about a fairer allocation of Union funds and thereby avoiding a skewed distribution where a small minority of beneficiaries (both natural and legal persons) receives the vast majority of Union subsidies in both areas; deems it necessary to change MFF rules to avoid a situation in which one natural person owning several companies has the possibility of receiving Union subsidies in CAP and cohesion amounting to three-digit million during one MFF.

Complaint mechanism for farmers

The Commission was invited to set up a specific complaint mechanism at EU level to support farmers or beneficiaries facing, for example, abusive land grabbing practices, misconduct by national authorities, pressure from criminal organisations or organised crime, or support for people subjected to forced or slaved labour.

Members also called for the establishment of a uniform and standardised information system for Member States to report information on the final beneficiaries of Union funds in the area of agriculture and cohesion.

Other recommendations

The Commission was called, inter alia, to:

- work closely with Member States to guarantee comprehensive, precise and reliable data keeping in mind the goal of full implementation of the Single Audit Scheme;

- ensure that a transparent methodology and consistent terminology is used and streamline its reporting, in particular with regard to error rates in order to avoid confusion and opacity;

- define more rigorous key performance indicators that reflect the effects and achievements attributable to EU spending programmes and policies rather than the performance of the authorities implementing them;

- examine, together with Member States, how to collect customs duties more effectively and to recover amounts which, through fraud, have not been paid, and what improvements can be made in the collection of customs revenue;

- pay more attention to the geographical distribution of research funding in order to contribute to the dissemination of research at the highest level of excellence throughout the Union;

- improve the technical support (training sessions, communication, etc.) offered to national, regional or local authorities in order to improve absorption rates;

- promote a better consideration of gender balance in budgeting when allocating funds;

- take specific measures, in cooperation with Member States' authorities, to prevent the misuse of EU funds and to avoid abuse and trafficking, taking into account the dramatic situation of the most vulnerable migrants in reception and registration centres.

Lastly, Parliament called for greater transparency and a more strategic approach to development cooperation policy, noting with concern the award of a large number of contracts to a very limited number of national development agencies.