Basic information

2021/2157(DEC) DEC - Discharge procedure	Procedure completed
Discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2020: performance, financial management and control **Subject** 8.70.03.10 2020 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	ZDECHOVSKÝ Tomáš (EPP)	29/07/2021
	Shadow rapporteur CHINNICI Caterina (S&D) CHASTEL Olivier (Renew) EICKHOUT Bas (Greens /EFA) CZARNECKI Ryszard (ECR) KUHS Joachim (ID) OMARJEE Younous (The Left)	

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	TOMC Romana (EPP)	01/10/2021
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	STRUGARIU Ramona (Renew)	26/10/2021
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	HAHN Johannes

Key events

Date	Event	Reference	Summary
30/06/2021	Non-legislative basic document published	COM(2021)0381	Summary
14/09/2021	Committee referral announced in Parliament		
31/03/2022	Vote in committee		
07/04/2022	Committee report tabled for plenary	A9-0104/2022	
04/05/2022	Decision by Parliament	T9-0196/2022	Summary
04/05/2022	Debate in Parliament		
05/10/2025	Final act published in Official Journal		

Technical information

Procedure reference	2021/2157(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/9/06681

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE698.990	18/01/2022	
Committee opinion	EMPL	PE699.131	02/02/2022	
Committee opinion	LIBE	PE702.936	21/02/2022	
Amendments tabled in committee		PE704.750	02/03/2022	
Committee report tabled for plenary, single reading		A9-0104/2022	07/04/2022	
Text adopted by Parliament, single reading		T9-0196/2022	04/05/2022	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2021)0381	30/06/2021	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act
Budget 52022BP1812 OJ OJ L 05.10.2025

Discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2020: performance, financial management and control

2021/2157(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: performance, financial management and control.

The document focuses on the **performance, financial management and control** of the EU's accounts in general.

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).

The procedure results in the **granting, postponement or refusal of discharge**.

The final discharge report including specific recommendations to the Commission for action is adopted in plenary by the European Parliament and are subject to an annual follow up report in which the Commission outlines the concrete actions it has taken to implement the recommendations made.

The EU budget for 2020 – a budget in transition

2020 was a pivotal year for the EU budget in many ways. The 2020 EU budget played an important role in supporting the von der Leyen Commission's ambitious headline goals. It helped, for example, with preparing the green and digital transitions and with promoting solidarity and security, not only within the EU, but also in cooperation with our international partners. 2020 was also the year of the COVID-19 outbreak, which made swift and significant modifications necessary for crisis repair and recovery.

2020 was the last year of the 2014-2020 multiannual financial framework. The new and ambitious **2021-2027 multiannual financial framework**, together with the temporary recovery instrument **NextGenerationEU**, was adopted in December 2020, putting the EU budget at the heart of the recovery and the transition towards a more sustainable and digital future.

In the new long-term budget, the structure of the **budgetary headings has been reviewed** to provide greater transparency and to ensure close alignment with the key political priorities.

Sound management

The Commission is fully committed to ensuring that the management of the EU budget remains subject to the highest standards of sound financial management, even during these unprecedented times. Thanks to good crisis preparedness, the Commission was able to remain fully operational in 2020. Its administration (comprising almost 30 000 people) switched to teleworking in the span of only a few days.

A strengthened performance framework

The transition to the 2021-2027 long-term budget will also represent another major step forward for the EU budget performance framework. The Commission has taken very seriously the lessons learnt from the 2014-2020 period and the recommendations from the Parliament, the Council and the Court of Auditors.

Through the new spending programmes, the Commission is introducing a **more comprehensive and coherent performance framework** for the EU budget. This will be based on: (i) integrating performance into policy design through programme evaluations; (ii) robust monitoring and reporting on the

performance of individual programmes and the progress towards their objectives in the annual budgetary cycle; and (iii) ensuring the contribution of the EU budget towards overarching horizontal policy objectives such as the climate, the digital sphere and economic recovery.

A result-oriented EU budget

The Commission continues to give the highest priority to the performance of EU spending. It is fully committed to ensuring that the EU budget is implemented in accordance with the strongest financial management standards and is as effective as possible in achieving its objectives.

In November 2020, the European Court of Auditors published a new report on the performance of the EU budget. The report concluded that the Commission has solid procedures in place to produce performance reports and noted the many improvements that have been made, while identifying targeted areas for further improvement.

A robust governance system

The Commission's internal functioning is based on a number of key principles underpinning **robust governance**: clear roles and responsibilities and accountability mechanisms, a strong commitment to performance management and compliance with the legal framework, transparency and high standards of ethical behaviour. The chain of accountability and the governance system used by the European Commission are tailored to its unique structure and role. The Commission's governance arrangements have been strengthened over time and adapted to changing circumstances.

Discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2020: performance, financial management and control

2021/2157(DEC) - 04/05/2022 - Text adopted by Parliament, single reading

The European Parliament adopted by 499 votes to 67, with 5 abstentions, a resolution on the discharge for implementation of the budget of the **European Union agencies** for the financial year 2020: performance, financial management and control.

This resolution includes, for the EU agencies, the cross-cutting observations accompanying the discharge decisions.

Members welcomed the agencies' efforts to maintain high standards of work and high quality outputs despite the limitations imposed by the COVID-19 pandemic. They stressed that the pandemic has demonstrated that **agencies play a key role in EU policy**, controlling the number of infections across Member States, authorising vaccines and treatments, issuing guidelines on workplace adaptation and worker protection, publishing recommendations on teleworking, online shopping and e-health services.

Main risks identified by the Court of Auditors

According to the Court's report, the overall risk to the regularity of the agencies' accounts, in line with international accounting standards, is low, as was the case in 2018. The Court reported a low risk to budgetary management, as the Court's audit showed high carry-overs of committed appropriations, which were however justified.

Parliament noted the Court's observation that the agencies faced several challenges related to COVID-19, which had implications for the agencies' procurement procedures, contract management and execution, recruitment procedures, budget implementation and internal controls. It welcomed the Court's specific observations in this respect.

Budgetary and financial management

The cumulative total of the 2020 budgets of the 32 EU decentralised agencies amounted to approximately EUR 3 040 million in commitment appropriations (an increase of approximately 6.55% compared to 2019), and EUR 2 888 million in payment appropriations (an increase of 19.59% compared to 2019). Of the EUR 2 888 million in payment appropriations, some EUR 2 253 million was financed by the general budget of the Union. Around EUR 786 million was financed by fees and charges and direct contributions from participating countries, a decrease of 21% compared to 2019.

Parliament noted with satisfaction that, according to the Court's annual report, **an unqualified audit opinion on the reliability of the accounts was issued for all agencies**. It noted that the Court issued an unqualified opinion on the legality and regularity of the payments underlying the accounts for all agencies except the European Union Agency for the Cooperation of Energy Regulators (ACER), the European Union Agency for the Operational Management of Large-scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) and the European Union Agency for Cyber Security (ENISA).

Members also noted the Court's observation on excessive levels of carry-over, in particular for ACER, eu-LISA, the Euratom Supply Agency (ESA), the European Union Agency for Fundamental Rights (FRA) and the European Border and Coast Guard Agency (Frontex), and the Court's recommendation that the agencies concerned should further improve their budgetary planning and implementation cycles.

Performance

Parliament welcomed the importance and quality of the work carried out by the agencies working in the field of employment, social affairs and inclusion, namely Cedefop, Eurofound, EU-OSHA, ETF and the European Labour Authority (ELA). In this respect, it recalled the need to provide them with sufficient human and financial resources to continue to implement their work programmes with a very high completion rate.

The Court also concluded that the COVID-19 pandemic has led to significant reprioritisation of resources and planned actions, the most notable examples being in the health policy area (the European Centre for Disease Prevention and Control (ECDC) and the European Medicines Agency (EMA)). Other areas have also been affected (e.g. Frontex).

The seven agencies in the field of health and safety have provided significant added value at European level and played an important role in the EU's response to the COVID-19 pandemic.

In Parliament's view, more attention should be paid to relevance and coherence when setting up future agencies, especially in the context of overlapping areas of competence. In addition, clear rules should be laid down regarding the development and termination of the agencies' tasks. Members also welcomed the extensive cooperation between the agencies in the framework of the EU network of agencies.

Staff policy

In 2020, the 32 decentralised agencies reported employing 9 001 staff compared to 7 880 in 2019, which is a significant increase of 14.23% compared to 2019. The Court observed an increase in shortcomings in human resources management, particularly in recruitment procedures.

Members noted with concern the **gender imbalance** in staff in 2020, with 74.6% men and 25.4% women at senior management level, 52.7% men and 47.3% women in general staff and 63.4% men and 36.6% women on the boards of the agencies. They recalled the agencies' ambition to achieve a strict gender balance at all management levels by the end of 2024.

Parliament deplored the lack of measures to improve the diversity of staff in the different agencies. It called on the EU network of agencies to present plans to achieve this goal. It called for a general approach to prevent the replacement of permanent agency staff with more expensive external consultants. It also expressed concern about the large size of the boards of certain agencies, which makes decision-making difficult and leads to considerable administrative costs.

Public procurement

The observations on public procurement procedures were almost all related to irregular payments. Parliament noted the Court's recommendation that the agencies concerned should further improve their procurement procedures by ensuring full compliance with the applicable rules. It welcomed the Court's observation that the agencies had managed to maintain their procurement function throughout the pandemic without excessive recourse to direct awards without competition.

Prevention and management of conflicts of interest and transparency

Parliament noted that most agencies ask their board members and senior staff to provide declarations of interest, which they publish on their websites. It invited all agencies to participate in the newly established interinstitutional agreement on a mandatory transparency register for interest representatives, signed by the Commission, the Council and Parliament.

Members also cited the study ‘The Management Boards of the Decentralised Agencies’, which recommends the development of a code of conduct for boards setting out specific principles, procedures and mechanisms for dealing with conflicts of interest of members.

Parliament noted that by the end of 2020, all agencies reported having adopted the revised internal control framework (ICF) and having carried out an annual assessment. It noted the Court's recommendation that the agencies' budget implementation should be subject to effective and efficient internal controls, including ex-ante controls to avoid errors and irregularities before transactions are authorised.

Lastly, Members considered that an impact assessment should be carried out for each agency and that a review clause on the interest of the agency should be added systematically. They called on the agencies to continue developing and reviewing indicators to measure their annual performance and the impact of their work on the implementation of EU policies.