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Basic information		
DEC - Discharge procedure	2021/2108(DEC)	Procedure completed, awaiting publication in Official Journal
2020 discharge: General budget of the EU - European Council and Council		
Subject 8.70.03.10 2020 discharge		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Budgetary Control	 GARCÍA MUÑOZ Isabel	30/06/2022
		Shadow rapporteur	
		 LENAERS Jeroen	
		 IN 'T VELD Sophia	
		 PEKSA Mikuláš	
		 KUHS Joachim	
		 CZARNECKI Ryszard	
		 FLANAGAN Luke Ming	
	Committee for opinion	Rapporteur for opinion	Appointed
 Women's Rights and Gender Equality	The committee decided not to give an opinion.		
 Regional Development	The committee decided not to give an opinion.		
 Development	The committee decided not to give an opinion.		
 Culture and Education	The committee decided not to give an opinion.		
 Foreign Affairs	The committee decided not to give an opinion.		
 Fisheries	The committee decided not to give an opinion.		
 Agriculture and Rural Development	The committee decided not to give an opinion.		
 Environment, Public Health and Food Safety	The committee decided not to give an opinion.		
 Employment and Social Affairs	The committee decided not to give an opinion.		
 Budgets	The committee decided not to give an opinion.		

European Commission	ITRE Industry, Research and Energy	The committee decided not to give an opinion.
	JURI Legal Affairs	The committee decided not to give an opinion.
	ECON Economic and Monetary Affairs	The committee decided not to give an opinion.
	LIBE Civil Liberties, Justice and Home Affairs	The committee decided not to give an opinion.
	INTA International Trade	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.
	AFCO Constitutional Affairs	The committee decided not to give an opinion.
Commission DG Budget	Commissioner HAHN Johannes	

Key events			
30/06/2021	Non-legislative basic document published	COM(2021)0381	Summary
14/09/2021	Committee referral announced in Parliament		
28/02/2022	Vote in committee		
28/03/2022	Committee report tabled for plenary	A9-0067/2022	
04/05/2022	Debate in Parliament		
04/05/2022	Decision by Parliament	T9-0146/2022	Summary
04/05/2022	Report referred back to committee		
05/10/2022	Final act published in Official Journal		
06/10/2022	Vote in committee		
07/10/2022	Committee report tabled for plenary	A9-0236/2022	Summary
18/10/2022	Decision by Parliament	T9-0360/2022	Summary

Technical information	
Procedure reference	2021/2108(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed, awaiting publication in Official Journal
Committee dossier	CONT/9/06633; CONT/9/09320

Documentation gateway					
Non-legislative basic document		COM(2021)0381	30/06/2021	EC	Summary
Court of Auditors: opinion, report		N9-0043/2022 OJ C 430 25.10.2021, p. 0007	25/10/2021	CofA	

Committee opinion	AFCO	PE699.205	13/12/2021	EP	
Committee draft report		PE699.021	17/12/2021	EP	
Amendments tabled in committee		PE703.192	01/02/2022	EP	
Supplementary non-legislative basic document		06001/2022	03/03/2022	CSL	
Committee report tabled for plenary, single reading		A9-0067/2022	28/03/2022	EP	
Text adopted by Parliament, single reading		T9-0146/2022	04/05/2022	EP	Summary
Committee draft report		PE734.318	18/07/2022	EP	
Amendments tabled in committee		PE736.353	06/09/2022	EP	
For information		32022B1688 OJ L 258 05.10.2022, p. 0029	05/10/2022	EU	
Committee report tabled for plenary, single reading		A9-0236/2022	07/10/2022	EP	Summary
Text adopted by Parliament, single reading		T9-0360/2022	18/10/2022	EP	Summary

2020 discharge: General budget of the EU - European Council and Council

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.

Analysis of the accounts of the EU Institutions: European Council and Council

The consolidated annual accounts of the EU provide financial information on the activities of the institutions, agencies and other bodies of the EU from an accrual accounting and budgetary perspective. They are prepared according to the highest available international public sector standards.

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).

Implementation of the European Council/Councils appropriations for the financial year 2020

The total commitment appropriations amounted to EUR 649 million.

The Councils activities in 2020 were marked by:

- the COVID-19 pandemic which has had an impact on the accounting outturn for the year. Fewer physical meetings led to lower spending on delegates travel expenses and interpretation costs. This underspend has been compensated, at budgetary level, by increased spending on IT in order to develop capacity for virtual meetings and remote working so that Council business could continue. Expenditure covered, inter alia, new software acquisitions, external assistance and provision of hardware to facilitate home working;

- Brexit: on 1 February 2020, the United Kingdom ceased to be a Member State of the EU. Following the conclusion of the Withdrawal Agreement, the UK committed to pay all its obligations under the current MFF and previous financial perspectives following from its membership of the Union. The United Kingdom has paid into the 2020 EU Budget during the year, and received payments, as if it were a Member State. At the date of transmission of these accounts and based on the Withdrawal Agreement concluded and already in operation, there is no financial impact to be reported in these accounts.

2020 discharge: General budget of the EU - European Council and Council

The European Parliament decided by 555 votes to 60, with 13 abstentions, to postpone its decision on the discharge to the Secretary-General of the Council in respect of the implementation of the budget of the European Council and the Council for the financial year 2020.

Parliament deplored the fact that the Council has shown for more than a decade that it has no political will to cooperate with Parliament in the annual discharge procedure, which does not allow Parliament to take informed decisions on granting discharge. It stressed that this attitude discredits the management and democratic control of the Union's budget and undermines citizens' confidence in the Union as a transparent entity.

Furthermore, Members consider it unacceptable that the COVID-19 pandemic and the exceptional situation experienced have been used as an excuse not to resume negotiations on the discharge procedure. Convinced that an agreement on this issue is still possible, they called on

the Council to resume negotiations with Parliament without delay to find a solution within the current framework of the discharge procedure.

In its resolution, adopted by 584 votes to 37 with 22 abstentions, Parliament made the following observations.

Budgetary and financial management

In 2020, the Council had an overall budget of EUR 590 633 000 (compared to EUR 581 895 459 in 2019). Members noted an increase in the budget of 1.5% compared to 2019, which confirms a downward trend in the annual budget increase (1.6% in 2019, 2% in 2018 and 3% in 2017). They noted that the Council's share of heading 5 of the multiannual financial framework has fallen from 6.3% in 2015 to 5.8% in 2020. They noted an overall implementation rate of 93.15% (compared with 92.3% in 2019).

Parliament noted that the Court of Auditors found no significant weaknesses in the Council's audit of the areas of human resources and public procurement. On the basis of its audit work, the Court concluded that the payments for administrative expenditure of the EU institutions, including the Council for the financial year 2020, were, taken as a whole, free from material error. In addition, the Court did not identify any particular problems with the regularity of the transactions or following its examination of the Council's supervisory and control system.

Once again, Parliament reiterated its call for the separation of the budgets of the European Council and the Council to improve transparency, accountability and efficiency of spending for both institutions.

Internal management, performance, internal control

Members noted with satisfaction that the Council's timely and effective response to the COVID-19 crisis had resulted in a number of structured measures in several areas to protect staff and ensure business continuity. They welcomed the improvements in the GSC's internal organisation, focusing in particular on the need to address the operational limitations arising from the COVID-19 situation. They also noted that in 2020 the Council maintained its legislative activity at the same level as in 2019 despite the difficult working conditions.

Human resources, equality and staff welfare

The establishment plan for 2020 was set at 3 029 posts (compared to 3 033 in 2019), of which 2 905 were filled by 31 December 2020. The occupancy rate is close to 96%.

Parliament deplored the lack of information on the implementation of the Council's action plan on gender equality and on the measures taken to ensure that people with disabilities enjoy the same professional opportunities as others in the Council. It also regretted that the Council has so far ignored Parliament's call for a Council formation on gender equality, which could serve as a specific institutional discussion forum to ensure a strengthened integration of gender equality in the Union's strategies.

Ethical framework and transparency

Members welcomed the political agreement on the transparency register for interest representatives reached by Parliament, the Council and the Commission on 15 December 2020. However, they regretted the limitations mentioned in Article 5 of Parliament's decision of 27 April 2021 on the conclusion of an interinstitutional agreement on a mandatory transparency register, in particular the fact that the transparency register applies to Member States permanent representatives only under voluntary schemes.

The Council, including the Member States' representatives, is invited to harmonise, improve and enforce existing rules on ethics, in particular as regards conflicts of interest, revolving doors and lobby transparency rules.

Parliament deplored the use of corporate sponsorship by Member States to cover part of the costs they incur in financing their Council presidency. It reiterated its call on the Council to examine the budgeting of the Council Presidency in order to ensure continuity and efficiency.

Stressing the Council's key role in the nomination and appointment procedures within the Union's institutions and bodies, Members deplored the fact that the Council had repeatedly failed to take into account Parliament's recommendations in its advisory role regarding the appointment of members of the Court.

Parliament also reaffirmed its full support for the European Ombudsman's recommendations on the transparency of the legislative process in the Council, including making Member States' positions more accessible. Regretting that the decision-making process in the Council is still far from being fully transparent, Members called on the Council to take all necessary measures to implement the Ombudsman's recommendations and the relevant rulings of the European Court of Justice.

Lastly, Parliament reiterated its deep concern about the confirmed conflict of interest situations of a number of Member States' representatives involved in the political and budgetary decision-making processes.

Digital transformation, cybersecurity, data protection

The final budgetary appropriations made available to the Directorate-General for Digital Services increased substantially (EUR 10.6 million) at the mid-term and end-of-year reviews, reaching a final amount of EUR 54 675 000, with an implementation rate of 99.99%.

Parliament called on the Council to use open-source technology in order to prevent vendor lock-in, to retain control over its own technical systems, to provide stronger safeguards for the privacy and data protection of its users, and to increase security and transparency for the public.

Lastly, Parliament called on the Council to respect the obligations set out in the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, cooperation in budgetary matters and sound financial management and on new own resources.

2020 discharge: General budget of the EU - European Council and Council

The Committee on Budgetary Control adopted a second report by Isabel GARCÍA MUÑOZ (S&D, ES) on discharge in respect of the implementation of the general budget of the European Union for the financial year 2020, Section II European Council and Council.

The committee called on the European Parliament to refuse to grant the Secretary-General of the Council discharge in respect of the implementation of the Agencys budget for the financial year 2020.

For more than a decade, the Council has shown that it does not have any willingness to collaborate with Parliament in the context of the discharge procedure, making it impossible for Parliament to make an informed discharge decision. Such lack of cooperation demonstrates a complete disregard for Parliament's role and violates the principle of loyal cooperation between the institutions, resulting in the very negative effects of discrediting transparency and the democratic scrutiny of the Union budget, as well as eroding citizens trust in the Union. Members are convinced that an agreement on this matter is possible if the Council were to show any political willingness to collaborate.

Budgetary management

Members deplored the fact that the Council is still refusing to cooperate with regard to the discharge procedure, forcing Parliament to refuse discharge. They regretted that the budget of the European Council and the Council has not been divided into two separate budgets, as recommended by Parliament in previous discharge resolutions, in order to improve transparency, accountability and efficiency for each of the two institutions.

Human resources

They also regretted the lack of information on the implementation of the Councils gender action plan and on the measures taken to ensure equal opportunities for persons with disabilities employed by the Council. The Council is called on to provide information to the budgetary authority on gender balance, geographical distribution and disabilities of its members of staff and on the related internal policies.

Members also regretted that the Council exerts its prerogative in the nomination and appointment procedures for many Union institutions, bodies, offices and agencies without taking the views of the interested parties into account. It regretted in particular that the Council repeatedly failed to take into consideration the recommendations of Parliament in its consultative role regarding the appointment of the members of the Court.

Transparency

The report noted that the decision-making process in the Council is still far from fully transparent which affects the trust of the citizens in the Union as a transparent entity and thereby jeopardises the reputation of the Union as a whole. Members expressed concern about the increasing role of the European Council with respect to legislative files despite that institution having neither a legislative nor an executive function and not applying the same transparency standards as the Council, meaning that it is not being held accountable. They also regretted the fact that the participation of the Member States Permanent Representatives in the Transparency Register is completely voluntary and insisted that all Permanent Representations should take an active part in the Transparency Register before, during and after their Member States Council presidency. The Council is called on to refuse to meet with unregistered lobbyists.

Moreover, there have been confirmed conflicts of interest of Member State representatives involved in policy and budget decision-making processes.

Given that corporate sponsorship causes reputational damage and risks creating conflicts of interest, the rotating Council presidencies are urged to decline any corporate sponsorship.

Unions institutional architecture

Lastly, Members believe that the expectations of Union citizens constitute an unequivocal mandate for improving transparency and accountability, notably with respect to the Union budget and thus the discharge procedure. Therefore, they reiterated that the eventual revision of the Treaties could render the discharge procedure clearer and more transparent, notably by giving Parliament the explicit competence to grant discharge to all Union institutions, bodies, offices and agencies individually, but maintained that relaunching the negotiations between Parliament and the Council on the discharge procedure, with a view to finding a solution through better interinstitutional cooperation within the current framework set by the Treaties, would represent a first step in overcoming the current deadlock.

2020 discharge: General budget of the EU - European Council and Council

The European Parliament decided to refuse to grant discharge to the Secretary-General of the Council in respect of the implementation of the budget of the European Council and the Council for the financial year 2020.

In its resolution, adopted by 594 votes to 28 with 19 abstentions, Parliament deplored the fact that the Council has shown for more than ten years that it has no willingness to cooperate with Parliament in the annual discharge procedure, which does not allow Parliament to take informed decisions on granting discharge. Such lack of cooperation violates the principle of loyal cooperation between the institutions. This situation discredits transparency and the democratic scrutiny of the EU budget and erodes citizens overall trust in the EU.

Budgetary management

Once again, Parliament regretted that the budget of the European Council and the Council has not been divided into two separate budgets, as recommended by Parliament in previous discharge resolutions, in order to improve transparency, accountability and efficiency for each of the two institutions. The resolution recalled that key performance indicators are a widely recognised tool for measuring achievement against targets set and that the Council is called on to provide summaries of its key performance indicators and the related results in its management reports.

Human resources

Regretting the lack of information on the implementation of the Councils gender action plan and on the measures taken to ensure equal opportunities for persons with disabilities employed by the Council, Parliament called on the Council to provide information to the budgetary authority on gender balance, geographical distribution and disabilities of its members of staff and on the related internal policies. The need for a dedicated Council configuration and institutional forum on gender equality was stressed by Parliament.

Parliament also regretted that the Council exerts its prerogative in the nomination and appointment procedures for many Union institutions, bodies, offices and agencies without taking the views of the interested parties into account. It regretted in particular that the Council repeatedly failed to take into consideration the recommendations of Parliament in its consultative role regarding the appointment of the members of the Court of Auditors. In 2020, there were only 8 female members compared to 18 male members. Parliament proposed making it compulsory for Member States to present one candidate of each gender.

Transparency

Parliament regretted that the decision-making process in the Council is still far from fully transparent which affects the trust of the EU citizens as a transparent entity and thereby jeopardises the reputation of the EU as a whole. It expressed concern about the increasing role of the European Council with respect to legislative files despite that institution having neither a legislative nor an executive function and not applying the same transparency standards as the Council, meaning that it is not being held accountable. It also regretted the fact that the participation of the Member States Permanent Representatives in the Transparency Register is completely voluntary and insisted that all Permanent Representations should take an active part in the Transparency Register before, during and after their Member States Council presidency. The Council is called on to refuse to meet with unregistered lobbyists.

The resolution regretted that, despite several requests by Parliament, the code of conduct for the President of the European Council has not been brought into line with those of Parliament and the Commission, in particular in terms of activities to be approved after the President leaves the post.

Moreover, there have been confirmed conflicts of interest of Member State representatives involved in policy and budget decision-making processes.

Given that corporate sponsorship causes reputational damage and risks creating conflicts of interest, the rotating Council presidencies are urged to decline any corporate sponsorship.

Unions institutional architecture

Lastly, Parliament believes that the expectations of Union citizens constitute an unequivocal mandate for improving transparency and accountability, notably with respect to the Union budget and thus the discharge procedure. Therefore, it reiterated that the eventual revision of the Treaties could render the discharge procedure clearer and more transparent, notably by giving Parliament the explicit competence to grant discharge to all Union institutions, bodies, offices and agencies individually, but maintained that relaunching the negotiations between Parliament and the Council on the discharge procedure, with a view to finding a solution through better interinstitutional cooperation within the current framework set by the Treaties, would represent a first step in overcoming the current deadlock.