



2014/2249(INI)

24.2.2016

OPINION

of the Committee on Budgetary Control

for the Committee on Constitutional Affairs

on improving the functioning of the European Union building on the potential
of the Lisbon Treaty
(2014/2249(INI))

Rapporteur: Petri Sarvamaa

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SUGGESTIONS

The Committee on Budgetary Control calls on the Committee on Constitutional Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- A. whereas the scarcity of resources is still deepened by a difficult economic and financial environment; whereas the institutions of the Union and the Member States should therefore cooperate fully in order to maximise the potential of the Lisbon Treaty when it comes to implementing and effectively protecting the budget of the European Union;
- B. whereas the EU budget remains a valuable source of funding for Member States, and in some cases the main source of public investment, with an emphasis on growth, jobs and competitiveness;
- C. whereas all EU institutions ought to be transparent and fully accountable to the citizens of the Union for the funds entrusted to them;
- D. whereas the Treaty of Lisbon reaffirmed the legal framework for the Court of Auditors to promote public accountability and assist Parliament and the Council in overseeing the implementation of the EU budget, thereby contributing to the protection of citizens' financial interests;
- E. whereas Article 318 of the Lisbon Treaty provided for additional dialogue between Parliament and the Commission and should stimulate a culture of performance in the execution of the EU budget;
- F. whereas Article 166(1) of Regulation (EU, Euratom) No 966/2012 requires each EU institution to take all appropriate steps to act on the observations accompanying Parliament's discharge decisions;

EU budget – Article 318 of the Treaty on the Functioning of the European Union

- 1. Bearing in mind that, as the tasks of the Union have expanded, Parliament's annual scrutiny of the Commission and other institutions and bodies in their task of implementing EU budget appropriations has taken on growing importance for the Union's taxpayers;
- 2. Considers it fundamental to observe budgetary discipline and use available EU funds more efficiently and effectively; notes that the existing Structural Funds should be used more effectively and in a more transparent way to foster competitiveness and social cohesion, with stringent supervision of their proper implementation;
- 3. Emphasises that, when providing Parliament and the Council with the evaluations of the Union's performance provided for in Article 318 of the Treaty on the Functioning of the European Union (TFEU), the Commission should report on the results achieved, with a strong focus on performance on the basis of precise analysis of the economy and of the efficiency and effectiveness of the outcomes achieved using EU funds, as well as an analysis of compliance with the objectives and policies laid down in the treaties;
- 4. Points out that to date, despite some progress, the evaluation report as provided for in

Article 318 TFEU is not yet a useful contribution to the evidence available when Parliament, in its power as discharge authority, grants discharge to the Commission (Article 319 TFEU); calls on the Commission to specify and set out clear and quantifiable performance indicators in its annual evaluation report;

Council discharge

5. Is concerned by fact that since 2009 the Council has refused to cooperate with the discharge procedure as implemented by Parliament, failing to provide the necessary information, answer written questions and attend hearings and debates on the implementation of its own budget; stresses that, after several years of refusing to grant discharge to the Council, that institution has still not taken the necessary action to meet the requirements of transparency and accountability to Parliament – the only directly and democratically elected European institution and the only one with a mandate to grant discharge for the entire European budget – and by doing so undermines the legitimacy and the legality of Parliament's responsibilities;
6. Points out in this connection that Parliament is the only institution to be directly elected by citizens, and considers that effective supervision of the Union's budget implementation requires cooperation between Parliament, the European Council and the Council in order to enhance the transparency of financial management and improve democratic accountability to EU taxpayers;
7. Considers that the sustained lack of cooperation by the Council makes it impossible for Parliament to take an informed decision on granting a discharge, which as a result, has a lasting negative effect on citizens' perceptions of the credibility of the EU institutions and of transparency in the use of EU funds; believes this lack of cooperation also has an adverse impact on the functioning of the institutions and discredits the procedure for political scrutiny of budget management laid down in the treaties;
8. Deplores the fact that not all the EU institutions apply the same standards in relation to transparency, and believes that the Council should make improvements in that regard; is convinced that Parliament and the Council, as joint legislators, should apply the same standards of transparency;

Court of Auditors

9. Acknowledges the crucial role of the Court of Auditors, the only European public auditing authority, in ensuring better and smarter spending of European funds; recalls that in addition to its important duty to provide information on the reliability of accounts and the legality and regularity of underlying transactions, the Court is in a pre-eminent position to provide Parliament with the information necessary for it to carry out its task and mandate of democratic scrutiny of the European budget and to offer information on the results and outcomes achieved by the Union's policies, with a view to improving the economy, efficiency and effectiveness of Union-financed activities;
10. Recommends, therefore, that the European Court of Auditors be strengthened; expects the Court to remain committed to independence, integrity, impartiality and professionalism, while building strong working relationships with its stakeholders;

11. Is of the opinion that, pursuant to Article 287(3) TFEU, closer cooperation between the Court and national supreme audit institutions, in particular in connection with conducting the value-for-money audit reports of different EU policies and programmes and with the auditing of shared-management arrangements, should be pursued; expects concrete results as regards the sharing of the Court's annual work programme;
12. Stresses that the Court's composition and its appointment procedure are laid down in Articles 285 and 286 TFEU; considers that Parliament and the Council should be on an equal footing when appointing Members of the Court of Auditors, in order to ensure democratic legitimacy, transparency and the complete independence of those Members; calls for the Council to respect decisions taken by Parliament subsequent to hearings of candidates nominated as Members of the Court of Auditors;
13. Regrets the fact that women currently make up less than 20 % of Members of the Court of Auditors; calls on the Member States to coordinate their appointments to the Court to ensure that there are equal numbers of men and women among its members;

European Public Prosecutor's Office

14. Recalls that Article 86 TFEU introduces the possibility of creating a European Public Prosecutor's Office to combat crimes affecting the financial interests of the Union; points out, likewise, that the European Public Prosecutor's Office will be able to prosecute such offences and the perpetrators and accomplices and will have the power to bring criminal proceedings before the national courts; points out that Parliament already delivered its opinion on the proposal for a regulation on the European Public Prosecutor's Office in April 2015, and urges the Council, taking account of the position expressed by Parliament, to adopt this regulation, as soon as possible, which will enable the EU to protect its financial interests more effectively.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	23.2.2016
Result of final vote	+ : 25 - : 0 0 : 0
Members present for the final vote	Nedzhmi Ali, Louis Aliot, Inés Ayala Sender, Zigmantas Balčytis, Ryszard Czarnecki, Dennis de Jong, Tamás Deutsch, Martina Dlabajová, Ingeborg Gräßle, Bogusław Liberadzki, Verónica Lope Fontagné, Monica Macovei, Dan Nica, Georgi Pirinski, Petri Sarvamaa, Claudia Schmidt, Bart Staes, Michael Theurer, Marco Valli, Derek Vaughan, Tomáš Zdechovský, Joachim Zeller
Substitutes present for the final vote	Cătălin Sorin Ivan, Benedek Jávor, Markus Pieper, Julia Pitera, Patricija Šulin