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## EU budget management: Commission and Parliament spending for 2013 approved

The European Commission managed its 2013 EU budget funds according to the rules, so Parliament should grant it a “discharge” (approval) for that year, said the Budgetary Control Committee on Tuesday. MEPs nonetheless criticised high administrative error rates in agriculture, regional and employment policy spending, which is managed mainly by EU member states. Parliament’s own management of EU funds in 2013 was also approved, in a separate vote.

On Monday, the committee postponed discharge to an EU agency and four EU-private new technology partnerships. Find more on Monday's votes [here](#).

### Agriculture, regional and employment spending errors

MEPs stated reservations about how the European Commission and member states managed EU funding for agricultural, regional and employment policies in 2013, citing a lack of proper checks.

While the Commission is legally responsible for expenditure overall, about 80% of all EU funding is in fact managed and paid locally by member states and their authorities. This spending is later reimbursed by the EU.

The estimated error rates - the percentage of payments in which administrative mistakes were made - were 5.2% for funds managed by the member states and 3.7% for the Commission. Both rates were well above the 2% threshold beneath which the European Court of Auditors could classify payments as error-free.

The most frequent errors were a disregard for rules on eligibility for support and faulty public procurement procedures.

### “Use it or lose it”

High error rates in member states stem from ineffective checks and a "use it or lose it" attitude, in which spending EU funds becomes the main objective, observed MEPs.

"Member states seem to be less scrupulous when spending EU funds compared to the way they spend their national budget", says the report, listing the worst-scoring countries on error counts in each policy area. The Commission should focus less on ensuring that EU funds get spent,

and more on what they actually achieve, recommended the committee.

As faulty local data distort the picture of how EU funds are spent, MEPs called for sanctions against incorrect or false member state reporting.

### Foreign aid doubts

MEPs criticised a series of Commission decisions in the foreign affairs field. These included delivering EU aid without recourse to public tenders, via organisations that might not have been qualified for such work. Others prompted allegations of embezzlement of EU aid to the refugee camp in Tindouf, Algeria and a payroll fraud in Ghana.

### Parliament requests report on Juncker Plan

MEPs asked the Commission to submit a report next year on how well the €315 billion “Juncker” investment plan has worked in creating jobs and growth.

### European Parliament

Spending by the European Parliament in 2013 was approved on Tuesday.

### Next steps

The Budgetary Control Committee’s recommendations will be put to a vote by Parliament as a whole between 28 and 30 April. Parliament will take its final decision on the [postponed discharges](#) in October.

### Background

In the [annual “discharge” procedure](#), Parliament, as the EU's sole discharge authority, verifies whether EU funds were spent according to the rules. It may grant, postpone or refuse to grant a discharge, which is the seal of approval required for the formal closure of institutional accounts.

### Useful information

[Committee on Budgetary Control](#)

[All draft discharge reports and amendments voted on 23-24 March](#)

[The Budgetary Control Committee's 2013 discharge page](#)

[Rapporteur on the European Commission: Ingeborg Gräßle \(EPP, DE\)](#)

[EP research: Discharge procedure for the EU budget](#)

[Consolidated annual accounts of the European Union in 2013](#)


[The 2013 annual report page of the European Court of Auditors](#)


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In the annual “discharge” procedure, Parliament, as the EU's sole discharge authority, verifies whether EU funds were spent according to the rules © BELGA/EASYFOTOSTOCK