



Discharge 2012: Riga-based BEREC agency and Council fail discharge test

Committees Committee on Budgetary Control [17-03-2014 - 16:51]

The European Commission's management of EU funds in 2012 won the Budgetary Control Committee's "budget discharge" seal of approval on Tuesday. Yet MEPs expressed reservations about the high error rate in agriculture and regional policy spending at national level. In separate votes, discharges to the Council and the Riga-based electronic communications regulatory body BEREC were postponed.

On Tuesday, budgetary control MEPs approved the European Commission's management of spending for 2012, albeit with some "political reservations".

European Commission: political reservations

"Reservation is to be understood as a clear political message. The Commission must take more responsibility for the execution of structural and agricultural programmes in problematic member states and will be assessed on its progress in the next discharge procedure," said rapporteur on the discharge for the Commission Markus Pieper (EPP, DE).

Agriculture and regional policy spending were the areas where error rates, up for the third year in succession, were the highest: 7.9% and 6.8%, respectively.

MEPs were highly critical of farm spending rules that allow excessive payments for permanent pasture, while in regional policy the poor quality of first-level audits was highlighted. MEPs urged the Commission to carry out random checks to see whether member state authorities verify claims on the EU budget sufficiently rigorously.

The committee repeatedly stressed the need for national declarations by senior national officials of the regularity and reliability of the financial transactions concerned. 80% of EU funds are managed by national or regional authorities, yet final responsibility for spending regularity lies with the Commission.

European Parliament and other institutions

Spending by the European Parliament and all but one of the remaining EU institutions was also approved on Tuesday. The discharge for the Council was postponed due to the member states' failure to cooperate with the Parliament in this task.

Discharge to BEREC postponed

On Monday, MEPs criticised the Body of European Regulators for Electronic Communications (BEREC), located in the Latvian capital Riga, for shortcomings in budgetary management and planning that resulted in significant carryovers from 2012 to 2013. Its public procurement and recruitment practices were also found to be lacking in quality.

"This agency stands out from the crowd with its poor performance in 2012. Postponing the grant of discharge is necessary to give it time to convince the European Parliament it can correct its shortcomings," argued Mr Petri Sarvamaa (EPP, FI), the MEP in charge of discharges for agencies.

The rapporteur noted that weaknesses in budgetary planning, recruitment processes and public procurement as well as conflicts of interest had been recurrent problems, albeit to a lesser degree, with several other agencies.

Next steps

Press release

Parliament as whole will vote on all the committee's discharge recommendations at the first April plenary session in Brussels.

Background

The European Parliament is the sole discharge authority vetting spending of the EU annual budget and the European Development Fund. At the end of a budgetary year it may grant, postpone or refuse a discharge, which is required for the formal closure of institutional accounts.

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