Discharge for 2018 budget – EU institutions other than the European Commission

The European Parliament’s Committee on Budgetary Control recommends granting discharge for the budgets of seven administrative sections of the EU budget for 2018, but recommends postponing the decision on granting discharge for the European Council and Council, and for the European Economic and Social Committee. The votes on the discharge reports are expected to take place during the May plenary session.

Discharge procedure

The European Parliament has the exclusive competence to grant, postpone or ultimately refuse discharge for the execution of the EU budget, after the Council has delivered its recommendation. The EU budget is structured with separate sections, each corresponding to the budget of a specific EU institution, with the exception of the European Council and the Council, which share the same section (Article 46 of the Financial Regulation). The European Commission’s section (III), covering mainly expenditure for operational programmes of EU policy areas, is by far the biggest (97.4 % of payments implemented in 2018). The other nine sections (2.6 %) cover the administrative expenditure of the: Parliament (section I); European Council and Council (II); Court of Justice (IV); Court of Auditors (V); European Economic and Social Committee (VI); Committee of the Regions (VII); European Ombudsman (VIII); European Data Protection Supervisor (IX), and European External Action Service (X).

Separate discharge decisions for each institution

Through the discharge procedure (Article 319 of the Treaty on the Functioning of the European Union, TFEU), the European Parliament scrutinises how the EU budget was implemented in the year concerned, verifying compliance with relevant rules. Parliament takes separate discharge decisions for each section (Rules 100 and 104(3) and Annex V of the Rules of Procedure) to ensure democratic scrutiny of how public funds have been spent. Parliament considers that the growing operational part in the Council’s expenditure justifies scrutiny by Parliament. The Council continues to contest the Parliament’s decision to scrutinise the Council’s section of the budget as of 2003, arguing that the long-standing ‘gentlemen’s agreement’ to refrain from interfering in each other’s administrative budgets also applies to the discharge procedure.

Discharge reports for the financial year 2018

In February 2020, Parliament’s Committee on Budgetary Control (CONT) adopted a discharge report for each institution. It proposes to grant discharge for all administrative sections of the EU budget, except for the European Council and the Council, and the Economic and Social Committee, for which it proposes to postpone the decision. The accompanying motions for resolution present observations, taking into account the Court of Auditors’ annual report and statement of assurance, the annual activity reports and the institutions’ replies to CONT. For the European Council and Council, CONT regrets the Council’s lack of cooperation, failing to provide answers to Parliament, and underlines the need to find a solution to the long-standing differences between the Council and Parliament on the granting of discharge. Parliament has refused to grant discharge to the Council every year since financial year 2009. For the Economic and Social Committee, CONT notes the cases of alleged harassment reported in 2018 and deplores OLAF’s findings. It asks the Committee to take the measures recommended by OLAF and duly inform the discharge authority before September 2020. Failure to act could trigger an action before the Court of Justice.