

RESOLUTION (EU) 2020/2045 OF THE EUROPEAN PARLIAMENT**of 20 October 2020****with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2018, Section II – European Council and Council**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2018, Section II – European Council and Council,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the second report of the Committee on Budgetary Control (A9-0189/2020),
- A. whereas the European Council and the Council, as Union institutions, should be democratically accountable to all the citizens of the Union for the funds entrusted to them to perform their duties;
- B. whereas Parliament is the sole directly elected body among the Union institutions, with the responsibility to grant discharge in respect of the implementation of the general budget of the European Union;
- C. whereas an open and transparent discharge procedure is required to protect the Union's financial interests, to pursue the necessary fight against fraud and to guarantee transparency and democratic accountability towards Union citizens whereby every Union institution is accountable for the budget which it executes;
1. Stresses that for 10 consecutive years the Council has refused to cooperate in the discharge procedure and thus forced the Parliament to refuse to grant discharge; notes that the decision whether to grant discharge for 2018 was postponed in May 2020 similar to what was done in previous years;
 2. Underlines that this state of affairs is not tenable for either institution: for the Council because no positive decision on the implementation of its budget has been granted since 2009, and for Parliament because it shows a lack of respect for Parliament's role as discharge authority and guarantor of the transparency and democratic accountability of the budget of the Union;
 3. States that this situation damages the public trust in the financial management of the Union institutions; considers a continuation of the current situation as detrimental to the accountability of the Union and its institutions;
 4. Recalls that, pursuant to the Treaty on the Functioning of the European Union (TFEU) and the Financial Regulation, Parliament is the only discharge authority of the Union, however, in full acknowledgment of the Council's role as an institution giving recommendations on the discharge procedure; in this regard, asks the Council to give discharge recommendations with respect to the other Union institutions;
 5. Recalls that according to TFEU the institutions enjoy administrative autonomy, their expenditure is set out in separate parts of the budget, and they are individually responsible for the implementation of their budgets;
 6. Recalls that Parliament grants discharge to all Union institutions and bodies, based on the provisions of technical documents, replies to parliamentary questions and hearings; regrets that Parliament repeatedly encounters difficulties in receiving answers from the Council due to a lack of cooperation, resulting in the refusal to grant discharge for more than 10 years;
 7. Recalls that effective control of the Union's budget implementation requires loyal cooperation among the institutions; recalls the wish of Parliament to start negotiations with the Council with a view to reach a mutually satisfactory agreement to finally overcome this situation of deadlock;
 8. Emphasises the letter sent by Parliament's Committee on Budgetary Control on 25 May 2020 to the secretary-general of the Council to inform that Parliament's Committee on Budgetary Control has been mandated by Parliament's Conference of Presidents to re-open negotiations with the Council on the discharge procedure;
 9. Informs that the Parliament's negotiating team consists of the Chair of Parliament's Committee on Budgetary Control, Ms Monika Hohlmeier; the Rapporteur for the Council 2018 discharge, Mr Tomáš Zdechovský; and the 1st Vice-Chair of Parliament's Committee on Budgetary Control, Ms Isabel García Muñoz;

10. Informs that an updated version proposed by Parliament's negotiating team on 20 February 2020 of the 'non-paper' on the cooperation between Parliament and the Council during the annual discharge procedure was annexed to the letter mentioned in point 8; notes that Parliament considers the 'non-paper' to be the starting point for the negotiations;
 11. Informs that the 'non-paper' recognises the respective but different roles of both institutions in the discharge procedure by concluding that Parliament and the Council need a similar factual basis to deliver a recommendation (Council) or take a decision (Parliament);
 12. Explains that the letter mentioned in point 8 invites the Council to suggest an appropriate date to start negotiations; informs that the positive trend of this process has been interrupted by the COVID-19 pandemic;
 13. Points out that as long as no negotiations are taking place between the parties, Parliament's views stand, and that negotiations between the parties are a precondition for resolving the issue;
 14. Insists that the budget of the European Council and the budget of the Council be separated in order to contribute to more transparency, accountability and efficiency with respect to the expenditure for both institutions as recommended by Parliament in many of its discharge resolutions over the last years;
 15. Insists that the combined efforts on achieving an inter-institutional agreement on a mandatory transparency register for lobbyists, accessible in a machine-readable format, are inevitable to enhance openness of the Union decision-making process and accountability of the Union institutions; again strongly regrets that the Council has not joined the transparency register scheme; calls on the Council to continue taking part in the discussions regarding the establishment of a common register together with Parliament, which agreed to restart the negotiations on March 2020, and the Commission in order to make it *de facto* mandatory for lobbyists to register if they want meetings with Union decision-makers; calls again on all Member State presidency teams to lead by example by refusing meetings with unregistered lobbyists;
 16. Welcomes the Council's positive response to the European Ombudsman's recommendation in case 1069/2019/MIG on sponsorship of the Presidency of the Council of the European Union; takes note of the draft guidance sent by the general secretariat of the Council to the Member State delegations on 29 June 2020; reiterates that any actual or perceived conflict of interests jeopardises the reputation of the Council and the Union as a whole; calls on the Council to reflect on the non-binding character of the guidance; urges the Council to follow-up on the issue without delay;
 17. Emphasises the importance of allowing citizens to follow the legislative process of the Union easily; reminds the Council to align its working methods with the standards of a parliamentary democracy, as required by the Treaties; reminds the Council to follow up systematically all the recommendations contained in European Ombudsman's decision in strategic inquiry OI/2/2017/TE on the transparency of the Council legislative process; recalls that Parliament encouraged the European Ombudsman to continue to follow up on her inquiry;
 18. Calls on the Council to step up its transparency efforts by, inter alia, publishing Council legislative documents including minutes of working group meetings and trilogues and other milestone working documents in line with the European Ombudsman's recommendations; welcomes the improvements on the Council's website, in particular related to transparency and access to documents; welcomes the clear chapters on legislative transparency, agendas and calendar of Council meetings and minutes and voting lists; acknowledges that the Council has been taking steps to foster a stronger culture of transparency;
 19. Reiterates its deep concerns about the corporate sponsorship of Member States hosting the Union Presidency and echoes the concerns expressed by Union citizens and Members on the matter; is highly concerned by the possible reputational damage and the risk of loss of trust that this practice might cause the Union, its institutions and especially the Council in the eyes of Union citizens; moreover, strongly recommends the Council to envisage the budgetisation of Presidencies, requests the Council to forward this concern to the Member States, in particular to the current Presidency trio, and calls on the current Presidency trio to take these recommendations into serious consideration and report back to Parliament;
 20. Reiterates its deep concern over the alleged conflict of interests of a number of Member State representatives involved in policy and budget decision-making processes; asks the Council to ensure that Member State representatives who personally benefit from Union subsidies do not participate in the related policy or budgetary discussions and votes.
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