

## Discharge for 2016 budget – EU institutions other than the European Commission

Parliament's Committee on Budgetary Control recommends granting discharge for eight of the administrative sections of the 2016 EU budget and postponing the decision to October 2018 in one case (European Council and Council). Parliament is expected to decide on the matter during the April plenary session.

### Background

The EU budget is composed of 10 sections, of which section III, the European Commission's, is by far the largest and is mainly spent on operational programmes and projects in the various EU policy areas. The other nine sections, which together amounted to €3.78 billion in 2016 (around 2.4 % of the EU budget), cover the administrative expenditure necessary for the functioning of the respective institutions: Parliament (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 TFEU](#)), the European Parliament (EP) scrutinises how the EU budget of two years previously was implemented, verifying compliance with relevant rules. The EP takes separate decisions on whether to grant discharge for the management of each section of the EU budget, noting that Article 55 of the [Financial Regulation](#) confers budgetary autonomy on the various institutions. The objective is to ensure overall transparency and democratic scrutiny of how public funds have been spent.

The practice of separate discharge decisions for institutions other than the Commission is defined in the EP's Rules of Procedure ([Rule 94](#) and [Rule 98\(3\)](#)). The EP's decision to scrutinise separately the Council's section as of 2003 has been a source of friction, with the latter appearing to contest the right to grant separate discharge for it. The EP and the Council have a '[gentleman's agreement](#)' to refrain from interfering in each other's administrative budgets. Whereas the Council sees this agreement as applicable to the discharge procedure, the EP considers that transparency and democratic scrutiny should extend to the implementation of the budgets of all institutions. A [workshop](#) on this topic took place in the EP in May 2017. The EP has refused to grant discharge to the Council each year since 2011 (from financial year 2009).

### Discharge reports for financial year 2016

In March 2018, Parliament's Committee on Budgetary Control (CONT) adopted the discharge reports for financial year 2016, including on the [institutions](#) other than the Commission. The accompanying motions for resolution present observations for each institution, considering documents such as their annual activity reports, the Court of Auditors' [annual report](#) and statement of assurance, and the replies given by the institutions to CONT questions. CONT proposes to grant discharge for eight administrative sections of the EU budget, but to postpone the decision for section II to October. The Secretary-General of the Council did not attend the exchange of views with the secretaries-general of the other institutions in December 2017, and the questionnaire sent to the Council secretariat again went unanswered. CONT regrets the Council's position, but also notes that the failure to grant discharge has so far not led to consequences of any kind.

2016 discharge reports: [EP](#) and [other institutions](#); Committee responsible: CONT; Rapporteurs: Derek Vaughan (S&D, United Kingdom) for section [I](#); Ingeborg Gräßle (EPP, Germany) for sections [II](#), [IV](#), [V](#), [VI](#), [VII](#), [VIII](#), [IX](#) and; and Marco Valli (EFDD, Italy) for section [X](#).

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