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DRAFT SECOND REPORT

on discharge in respect of the implementation of the general budget of the
European Union for the financial year 2016, Section II – European Council and
Council
(2017/2138(DEC))

Committee on Budgetary Control

Rapporteur: Marco Valli

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1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section II – European Council and Council (2017/2138(DEC))

The European Parliament,

- having regard to the general budget of the European Union for the financial year 2016¹,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2016 (COM(2017)0365 – C8-0249/2017)²,
 - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2016, together with the institutions' replies³,
 - having regard to the statement of assurance⁴ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318, 319 and 335 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002⁵, and in particular Articles 55, 99, and 162 to 166 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0000/2018),
1. Grants/Refuses to grant the Secretary-General of the Council discharge in respect of the implementation of the budget of the European Council and of the Council for the financial year 2016;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision and the resolution forming an integral part of it to the European Council, the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors, the European Ombudsman, the European Data Protection Supervisor and the European External Action Service, and to arrange for their publication in the *Official Journal of the European Union* (L series).

¹ OJ L 48, 24.2.2016.

² OJ C 323, 28.9.2017, p. 1.

³ OJ C 322, 28.9.2017, p. 1.

⁴ OJ C 322, 28.9.2017, p. 10.

⁵ OJ L 298, 26.10.2012, p. 1.

2. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

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 2016, Section II – European Council and Council (2018/(DEC))

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 2016, Section II – European Council and Council,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the second report of the Committee on Budgetary Control (A8-0000/2018),
- A. Whereas all Union institutions ought to be transparent and fully accountable to the citizens of the Union for the funds entrusted to them as Union institutions;
- B. Whereas the Parliament's role in respect of the budget discharge is specified in the Treaty on the Functioning of the European Union (TFEU) and in the Financial Regulation;
1. Recalls that the EU institutions have administrative autonomy in matters relating to their respective operations and underlines the importance of acting responsibly in the implementation of their budgets;
 2. Underlines the role of Parliament within the discharge procedure, as governed by the Treaty, the Financial Regulation and the Parliament's rules of procedure;
 3. Regrets that the Council did not reply to the observations made by Parliament in its discharge resolution of 18 April 2018, on the trend from previous years;

Pending issues

4. Regrets that the request for the budget of the European Council and the Council to be separated made by Parliament in previous discharge resolutions, has not been considered;
5. Regrets that the Council did not inform about its reply and progress given to the European Ombudsman strategic report on the 'Transparency of the Council legislative process' (OI/2/2017/TE);
6. Regrets that, despite the occasional exchange of information between the building departments of both institutions, the Council continues not providing detailed information on its building policy in the annual financial report; regrets this lack of information on the buildings policy and related expenditures, and asks for full public access to this information as a sign of transparency for the European citizens;

7. Reiterates its call for progress reports on building projects and a detailed breakdown of the costs incurred to date; insists in being informed on the costs related to the delayed completion of the Europa building;
8. Reiterates its call for the overview of human resources to be broken down by category, grade, gender, nationality and vocational training;
9. Welcomes the ongoing inter-institutional negotiations to strengthen the EU transparency register; reiterates its call for a successful outcome of the negotiations that enact the Council's joining the register;
10. Reiterates its call on the Council to clarify the measures taken to overcome the irregular nomination of judge to the CJEU¹;

State of play

11. Notes that the Council replied to the Parliament proposal on the Council discharge exercise procedure on 2 May 2018 with an amended proposal, and CONT coordinators decided that an exploratory contact should be held before formal meeting between representatives of the two institutions takes place;
12. Welcomes the fact that Council considers necessary to address the discharge procedure and is open to come to an agreeable solution with Parliament on how to cooperate in this matter;
13. Looks forward to constructive bilateral negotiations that, by maintaining the distinction in respect of the different roles of Parliament and the Council in the discharge procedure, converge into a mutually acceptable solution;
14. Regrets the difficulties repeatedly encountered in the discharge procedures to date, which were due to a lack of cooperation from the Council; points out that Parliament refused to grant discharge to the Secretary-General of the Council in relation to the financial years 2009, 2010, 2011, 2012, 2013, 2014 and 2015 for the reasons set out in its resolutions of 10 May 2011², 25 October 2011³, 10 May 2012⁴, 23 October 2012⁵, 17 April 2013⁶, 9 October 2013⁷, 3 April 2014⁸, 23 October 2014⁹, 27 October 2015¹⁰, 27 October 2016¹¹ and 25 October 2017¹² and postponed its decision on granting the Secretary-General of the Council discharge in relation to the financial year 2016 for the reasons set out in its resolution of 18 April 2018;

¹ ECLI:EU:T:2018:22.

² OJ L 250, 27.9.2011, p. 25.

³ OJ L 313, 26.11.2011, p. 13.

⁴ OJ L 286, 17.10.2012, p. 23.

⁵ OJ L 350, 20.12.2012, p. 71.

⁶ OJ L 308, 16.11.2013, p. 22.

⁷ OJ L 328, 7.12.2013, p. 97.

⁸ OJ L 266, 5.9.2014, p. 26.

⁹ OJ L 334, 21.11.2014, p. 95.

¹⁰ OJ L 314, 1.12.2015, p. 49.

¹¹ OJ L 333, 8.12.2016, p. 50.

¹² OJ L 318, 2.12.2017, p. 25.

15. Notes the Commission's view, expressed in January 2014, that all institutions are fully part of the follow-up process to the observations made by Parliament in the discharge exercise and that all institutions should cooperate to ensure the smooth functioning of the discharge procedure;
16. Takes note that the Commission has stated that it will not oversee the implementation of the budget of the other institutions and that giving a response to questions addressed to another institution would infringe the autonomy of that institution to implement its own section of the budget;
17. Regrets that the Council continues to fail to provide answers to Parliament's questions;
18. Insists that the expenditure of the Council must be scrutinised in the same way as that of other institutions and that the fundamental elements of such scrutiny have been laid down in its discharge resolutions of the past years;
19. Emphasises Parliament's prerogative to grant discharge pursuant to Articles 316, 317 and 319 TFEU, in line with current interpretation and practice, namely to grant discharge of each heading of the budget individually in order to maintain transparency and democratic accountability towards Union taxpayers.