



Plenary sitting

A8-0300/2018

2.10.2018

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 its decision of 18 April 2018⁵ postponing the discharge decision for the financial year 2016, and the accompanying resolution,
 - 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 1605/2002⁶, and in particular Articles 55, 99, 164, 165 and 166 thereof,
 - 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 (A8-0300/2018),
1. 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;

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 Texts adopted, P8_TA(2018)0125

⁶ OJ L 298, 26.10.2012, p. 1.

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).

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 (2018/2138(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 (A8-0300/2018),
- 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 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 Union institutions have administrative autonomy in matters relating to their respective operations and underlines the importance of them acting responsibly in the implementation of their budgets;
 2. Underlines the role of Parliament within the discharge procedure, as governed by the TFEU, the Financial Regulation and Parliament's rules of procedure;
 3. Regrets that Council has not replied to the observations made by Parliament in its discharge resolution of 18 April 2018¹, following the trend from previous years;
 4. Deeply regrets that the recommendations of Parliament have not been followed up at all and that no reason or justification has been given; insists that Council implement the observations made in Parliament's resolution of 18 April 2018 (P8_TA-PROV(2018)0125), in particular the observations below, and immediately react to the observations;
 5. Expresses support for the successful paradigm shift towards performance-based budgeting in the Commission's budget planning introduced in September 2015 as part of the 'EU Budget Focused on Results' initiative; encourages the European Council and the Council to apply the method to their own budget-planning procedure;

Pending issues

6. Regrets that the request for the budgets of the European Council and the Council to be

¹ Texts adopted, P8_TA(2018)0125

separated, made by Parliament in previous discharge resolutions, has not been considered;

7. Notes that Council is still working on a reply to the European Ombudsman's strategic report on the 'Transparency of the Council legislative process' (OI/2/2017/TE), despite the fact that the European Ombudsman requested a reply to her recommendations and suggestions for improvements by 9 May 2018; acknowledges that Council is engaging in serious and thorough research in preparing its reply but nevertheless urges Council to respect the request of the Ombudsman; recalls that the European Ombudsman also sent her findings to Parliament and that two of its committees are currently working on a report on the findings for which reason Council is called upon to transmit its reply and findings to Parliament as soon as possible;
8. Regrets that, despite the occasional exchange of information between the building departments of both institutions, Council continues not to provide detailed information on its building policy in its annual financial report; regrets the lack of information on its buildings policy and related expenditures and asks for full public access to this information as a sign of transparency for Union citizens;
9. Reiterates its call for progress reports on building projects and a detailed breakdown of the costs incurred to date; takes note of the publication of the Council Financial Activities report 2017, which puts the cost of the Europa building at EUR 312 143 710,53;
10. Reiterates its call for an overview of human resources to be broken down by category, grade, gender, nationality and training;
11. Welcomes the ongoing inter-institutional negotiations to strengthen the Union transparency register; reiterates its call for a successful outcome of the negotiations that will lead to Council joining the register;
12. Reiterates its call on Council to clarify what measures it has taken to overcome the irregular nomination of a judge to the Court of Justice of the European Union¹;
13. Takes note of the decision by the United Kingdom to withdraw from the Union; observes that at this point no predictions can be made about the financial, administrative, human and other consequences related to the withdrawal; asks the European Council and the Council to perform impact assessments and to inform Parliament of the results by the end of the year 2018;

State of play

14. Welcomes the informal exchanges that took place between Parliament and Council in order to discuss solutions to the current impasse in respect of the discharge procedure; notes that Council replied to the Parliament proposal on the Council discharge exercise procedure on 2 May 2018 with an amended proposal, and that following an informal meeting between Parliament and Council on 10 July the Budgetary Control Committee

¹ Judgment of the General Court (Appeal Chamber) of 23 January 2018, *FV v Council of the European Union*, C-639/16 P, ECLI:EU:T:2018:22.

sent its reaction to Council's amended proposal on 21 July 2018; urges Council to react to the latest proposals from the Budgetary Control Committee swiftly, so that the new arrangements for the discharge exercise can be applied as soon as possible;

15. Regrets the difficulties repeatedly encountered in the discharge procedures to date which were due to a lack of cooperation from 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 2011¹, 25 October 2011², 10 May 2012³, 23 October 2012⁴, 17 April 2013⁵, 9 October 2013⁶, 3 April 2014⁷, 23 October 2014⁸, 27 October 2015⁹, 27 October 2016¹⁰ and 25 October 2017¹¹ 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;
16. 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;
17. Notes 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 on the autonomy of that institution to implement its own section of the budget;
18. Regrets that Council continues to fail to provide answers to Parliament's questions;
19. Insists that the expenditure of 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;
20. 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.

¹ OJ L 250, 27.9.2011, p. 25.

² OJ L 313, 26.11.2011, p. 13.

³ OJ L 286, 17.10.2012, p. 23.

⁴ OJ L 350, 20.12.2012, p. 71.

⁵ OJ L 308, 16.11.2013, p. 22.

⁶ OJ L 328, 7.12.2013, p. 97.

⁷ OJ L 266, 5.9.2014, p. 26.

⁸ OJ L 334, 21.11.2014, p. 95.

⁹ OJ L 314, 1.12.2015, p. 49.

¹⁰ OJ L 333, 8.12.2016, p. 50.

¹¹ OJ L 318, 2.12.2017, p. 25.

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	27.9.2018
Result of final vote	<div><div>+: 19</div><div>–: 0</div><div>0: 0</div></div>
Members present for the final vote	Inés Ayala Sender, Jonathan Bullock, Luke Ming Flanagan, Ingeborg Gräßle, C t lin Sorin Ivan, Wolf Klinz, Arndt Kohn, Bogusław Liberadzki, Monica Macovei, Gilles Pargneaux, Georgi Pirinski, José Ignacio Salafranca Sánchez-Neyra, Claudia Schmidt, Bart Staes, Marco Valli, Joachim Zeller, Dennis de Jong
Substitutes present for the final vote	Richard Ashworth, Miroslav Poche

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

19	+
ALDE	Wolf Klinz
ECR	Monica Macovei
EFDD	Jonathan Bullock, Marco Valli
GUE/NGL	Luke Ming Flanagan, Dennis de Jong
PPE	Richard Ashworth, Ingeborg Gräßle, José Ignacio Salafranca Sánchez-Neyra, Claudia Schmidt, Joachim Zeller
S&D	Inés Ayala Sender, Arndt Kohn, Bogusław Liberadzki, Gilles Pargneaux, Georgi Pirinski, Miroslav Poche
VERTS/ALE	Bart Staes
NI	Cătălin Sorin Ivan

0	-

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention