



Council of the  
European Union

Brussels, 17 February 2017  
(OR. en)

5876/1/17  
REV 1

FIN 64  
PE-L 7

## NOTE

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From: Budget Committee

To: Permanent Representatives Committee/Council

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Subject: Discharge to be given to the Commission in respect of the implementation of the general budget of the European Union for the financial year 2015  
– *Draft Council recommendation*

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1. At a series of meetings in January and February 2017, with representatives of the Commission and the European Court of Auditors in attendance, the Budget Committee examined the Court's annual report concerning the financial year 2015<sup>1</sup>.
2. The annual report contains assessments of the reliability of the consolidated accounts of the EU and the legality and regularity of the underlying transactions for the revenue and expenditure side of the EU budget, which form the basis for the Court's Statement of Assurance (DAS)<sup>2</sup>.

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<sup>1</sup> OJ C 375, 13.10.2016, p. 1.

<sup>2</sup> "Déclaration d'assurance".

3. For the year 2015, the Court gave a favourable assessment in respect of the EU annual accounts, "Revenue" and payments for "Administration"; for all other areas, the Court qualified its assessment.
4. The Budget Committee has reached an agreement on a draft Council recommendation on the discharge to be given to the Commission in respect of the implementation of the general budget of the European Union for the financial year 2015. The text is set out in Addendum 1 to this note.
5. In accordance with the conclusions of the ECOFIN Council meeting on 8 May 2000<sup>1</sup>, the Council's preparatory bodies responsible for monitoring the areas covered by the Court's special reports have been able at this stage to examine special reports mentioned by the Court in its annual reports, under the procedure established by the Permanent Representatives Committee. As a result of those proceedings, the Council has adopted conclusions concerning these special reports<sup>2</sup>.
6. In accordance with 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 1605/2002<sup>3</sup>, and in particular Article 208(2) thereof, and the Financial Regulation of each body, the Council is required to draw up recommendations to the European Parliament on a discharge to be given to the bodies set up under the TFEU and the Euratom Treaty and which have legal personality and receive contributions charged to the budget. These draft recommendations are submitted for adoption by the Council as a separate "A" item<sup>4</sup>.

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<sup>1</sup> Doc. 7515/00 + COR 1.

<sup>2</sup> Docs. 6014/16, 7221/16 + COR 1, 10379/16, 7084/16, 15186/15, 6910/16, 6026/16, 6878/16, 8874/16, 8873/16, 10380/16, 8825/16, 9466/16, 8165/16, 9494/16, 10381/16, 15300/16, 11346/16, 10628/16, 5430/17, 11369/16, 10683/16, 13231/16, 10021/16, 10503/16, 14181/16, 10474/16, 15676/16, 13226/16, 14867/16, 13103/16, 14171/16, 14381/16, 14127/16, 15534/16, 5334/1/17 REV 1 and 6061/17.

<sup>3</sup> OJ L 298, 26.10.2012, p. 1.

<sup>4</sup> Doc. 5873/17 ADD 1.

7. Furthermore, in accordance with Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes<sup>1</sup>, and in particular Article 14(3) thereof, and Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003<sup>2</sup>, and in particular Article 66, first paragraph, thereof, the Council is required to draw up recommendations to the European Parliament on a discharge to be given to the executive agencies. These draft recommendations are also submitted for adoption by the Council as a separate "A" item<sup>3</sup>.
8. Moreover, in accordance with the relevant establishing acts and, as for the European Joint Undertaking for ITER and the Development of Fusion Energy and for the SESAR Joint Undertaking, also in accordance with Article 208(2) of Regulation (EU, Euratom) No 966/2012, the Council is required to draw up recommendations to the European Parliament on a discharge to be given to the joint undertakings. These draft recommendations are also submitted for adoption by the Council as a separate "A" item<sup>4</sup>.

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<sup>1</sup> OJ L 11, 16.1.2003, p. 1.  
<sup>2</sup> OJ L 297, 22.9.2004, p. 6.  
<sup>3</sup> Doc. 5874/17 ADD 1.  
<sup>4</sup> Doc. 5875/17 ADD 1.

9. The Permanent Representatives Committee is asked to advise the Council to:
- adopt the Council recommendation on the discharge to be given to the Commission in respect of the implementation of the general budget of the European Union for the financial year 2015 as set out in Addendum 1;
  - approve the general comments accompanying the recommendation, as contained in the ANNEX to the same Addendum 1;
  - instruct the President of the Council to have the above mentioned Council recommendation, together with the comments accompanying it, forwarded to the European Parliament, and to approve the draft letter in the ANNEX 2 to that effect;
  - enter in its minutes the joint statement by Sweden and the Netherlands recorded in ANNEX 1.
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**Joint statement by Sweden and the Netherlands**  
**on discharge of the 2015 EU budget**

With reference to:

- the European Court of Auditors' annual report on the implementation of the EU budget concerning the financial year 2015;
- discharge to be given to the Commission in respect of the implementation of the EU budget for 2015;
- Council recommendation on the discharge to be given to the Commission in respect of the implementation of the general budget of the European Union for the financial year 2015;

**Sweden and the Netherlands:**

Appreciate that the overall estimated level of error has improved compared to last year, however, regret that for the 22nd consecutive year, the European Court of Auditors has been unable to grant an unqualified Statement of Assurance on the EU budget as a whole and that the error rate for expenditure remains significantly above the acceptable 2 % threshold;

Are of the view that further discussion needs to take place on how the EU-budget can be re-designed to better support overall political priorities, generate results and react to unforeseen challenges, and support the Commission's "Budget focused on Results" initiative in this regard;

For this purpose, call on the Commission to initiate a comprehensive spending-review with the aim to systematically evaluate each area in the EU-budget regarding their efficiency, the EU added value and the contribution towards overall EU-priorities ahead of the next multiannual financial framework;

Urge the Commission to continuously examine and identify those areas of spending in the EU-budget where sufficient results could not be achieved and to propose corrective action. The findings from this exercise should be included in the Commission's report on the evaluation of the Union's finances based on the results achieved according to article 318 of the Treaty to ensure full transparency on action taken;

Point to the fact that the levels of error vary considerably between different expenditure areas and call on the Commission to follow up on the requirement of the Financial Regulation and on the Council Recommendations regarding the discharge of the general EU-budget of 2014, to provide an analysis of areas with persistently high levels of error according to article 32(5) of the financial regulation with the aim of significantly reducing errors in the most risk-prone programs. This analysis shall be made publicly available to ensure full transparency and accountability;

Strongly urge the Commission and Member States to identify further opportunities to simplify the complex rules and regulatory framework governing EU budget expenditure and delivery systems for shared management in order to improve compliance, as well as focussing on first level controls in order to help get payments right first the time; and

Strongly urge the Commission to preserve the unanimously agreed payment ceilings, in particular by: maintaining fiscal discipline in relation to commitments; effectively de-committing unused appropriations in order to make room for new priorities and programmes; increasing transparency by providing long-term forecasts, and ensuring a balance between commitments and payments.

DRAFT LETTER

from : President of the Council

to : President of the European Parliament

Sir,

In accordance with Article 319(1) of the Treaty on the Functioning of the European Union, I am forwarding under separate cover<sup>1</sup> the Council recommendation of 21 February 2017 on the discharge to be given to the Commission in respect of the implementation of the general budget of the European Union for the financial year 2015.

[Complimentary close].

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<sup>1</sup> Doc. 5876/1/17 REV 1 + 5876/17 ADD 1.