Official Journal of the European Union

L 266

English edition

Legislation

Volume 57

5 September 2014

Contents

II *Non-legislative acts*

DECISIONS

2014/542/EU, Euratom:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section I — European Parliament** 1

Resolution of the European Parliament of 16 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section I — European Parliament 3

2014/543/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section II — European Council and Council** 24

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge for implementation of the general budget of the European Union for the financial year 2012, Section II — European Council and Council 26

2014/544/EU, Euratom:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section III — Commission and executive agencies** 30

EN

Acts whose titles are printed in light type are those relating to day-to-day management of agricultural matters, and are generally valid for a limited period.

The titles of all other acts are printed in bold type and preceded by an asterisk.

Resolution of the European Parliament of 3 April 2014 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 2012, Section III — Commission and executive agencies 32

Resolution of the European Parliament of 3 April 2014 on the Court of Auditors' special reports in the context of the 2012 Commission discharge 69

2014/545/EU, Euratom:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the Education, Audiovisual and Culture Executive Agency for the financial year 2012** 102

2014/546/EU, Euratom:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the Executive Agency for Small and Medium-sized Enterprises (formerly the Executive Agency for Competitiveness and Innovation) for the financial year 2012** 104

2014/547/EU, Euratom:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the Consumers, Health and Food Executive Agency (formerly the Executive Agency for Health and Consumers) for the financial year 2012** 106

2014/548/EU, Euratom:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the European Research Council Executive Agency for the financial year 2012** 108

2014/549/EU, Euratom:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the Research Executive Agency for the financial year 2012** 110

2014/550/EU, Euratom:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the Innovation and Networks Executive Agency (formerly the Trans-European Transport Network Executive Agency) for the financial year 2012** 112

2014/551/EU, Euratom:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the general budget of the European Union for the financial year 2012, Section III — Commission** 114

2014/552/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section X — European External Action Service** 116

II

(Non-legislative acts)

DECISIONS

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section I — European Parliament

(2014/542/EU, Euratom)

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2012 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2012 (COM(2013) 570 – C7-0274/2013) ([2]),

— having regard to the report on budgetary and financial management — Section I — European Parliament — Financial year 2012 ([3]),

— having regard to the Internal Auditor's annual report for the financial year 2012,

— having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2012, together with the institutions' replies ([4]),

— having regard to the statement of assurance ([5]) 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 2012 pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to Article 314(10) and Article 318 of the Treaty on the Functioning of the European Union, and Article 106a of the Treaty establishing the European Atomic Energy Community,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([6]), and in particular Articles 145, 146 and 147 thereof,

— 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 1605/2002 ([7]), and in particular Articles 164, 165 and 166 thereof,

— having regard to Article 13 of the Internal Rules on the implementation of the European Parliament's budget ([8]),

— having regard to Article 166(1) of Regulation (EU, Euratom) No 966/2012, which requires each Union institution to take all appropriate steps to act on the observations accompanying the European Parliament's discharge decision,

— having regard to its resolution of 9 March 2011 on the guidelines for the 2012 budget procedure – Sections I, II, IV, V, VI, VII, VIII, IX, and X ([9]),

([1]) OJ L 56, 29.2.2012.
([2]) OJ C 334, 15.11.2013, p. 1.
([3]) OJ C 188, 29.6.2013, p. 1.
([4]) OJ C 331, 14.11.2013, p. 1.
([5]) OJ C 334, 15.11.2013, p. 122.
([6]) OJ L 248, 16.9.2002, p. 1.
([7]) OJ L 298, 26.10.2012, p. 1.
([8]) PE 349.540/Bur/ann/def.
([9]) OJ C 199 E, 7.7.2012, p. 90.

— having regard to its resolution of 6 April 2011 on the estimates of revenue and expenditure of Parliament for the financial year 2012 — Section I — Parliament ([1]),

— having regard to Rules 77 and 80(3) of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0246/2014),

A. whereas the audit of the Court of Auditors stated that, as regards administrative expenditure in 2012, all the institutions satisfactorily operated the supervisory and control systems required by Regulation (EC, Euratom) No 1605/2002,

B. whereas the Secretary-General certified, on 6 September 2013, his reasonable assurance that Parliament's budget has been implemented in accordance with the principles of sound financial management and that the control framework put in place provides the necessary guarantees as to the legality and regularity of the underlying operations,

C. whereas the Secretary-General also certified that he is not aware of any fact which has not been stated which could damage the interest of the institution,

1. Grants its President discharge in respect of the implementation of the European Parliament budget for the financial year 2012;

2. Sets out its observations in its resolution of 16 April 2014 ([2]);

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President — Martin SCHULZ

The Secretary-General — Klaus WELLE

([1]) OJ C 296 E, 2.10.2012, p. 226.
([2]) Texts adopted, P7_TA(2014)0428 (see page 1 of this Official Journal).

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 16 April 2014

with observations forming an integral part of its Decision [1] on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section I — European Parliament

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2012 [2],

— having regard to the consolidated annual accounts of the European Union for the financial year 2012 (COM(2013) 570 – C7-0274/2013) [3],

— having regard to the report on budgetary and financial management — Section I — European Parliament — Financial year 2012 [4],

— having regard to the Internal Auditor's annual report for the financial year 2012,

— having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2012, together with the institutions' replies [5],

— having regard to the statement of assurance [6] 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 2012 pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to Article 314(10) and Article 318 of the Treaty on the Functioning of the European Union, and Article 106a of the Treaty establishing the European Atomic Energy Community,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities [7], and in particular Articles 145, 146 and 147 thereof,

— 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 1605/2002 [8], and in particular Articles 164, 165 and 166 thereof,

— having regard to Article 13 of the Internal Rules on the implementation of the European Parliament's budget [9],

— having regard to Article 166(1) of Regulation (EU, Euratom) No 966/2012, which requires each Union institution to take all appropriate steps to act on the observations accompanying the European Parliament's discharge decision,

— having regard to its resolution of 9 March 2011 on the guidelines for the 2012 budget procedure – Sections I, II, IV, V, VI, VII, VIII, IX, and X [10],

— having regard to its resolution of 6 April 2011 on the estimates of revenue and expenditure of Parliament for the financial year 2012 — Section I — Parliament [11],

— having regard to Rules 77 and 80(3) of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0246/2014),

---

[1] Texts adopted of 3 April 2014, P7_TA(2014)0289 (see page 3 of this Official Journal).
[2] OJ L 56, 29.2.2012.
[3] OJ C 334, 15.11.2013, p. 1.
[4] OJ C 188, 29.6.2013, p. 1.
[5] OJ C 331, 14.11.2013, p. 1.
[6] OJ C 334, 15.11.2013, p. 122.
[7] OJ L 248, 16.9.2002, p. 1.
[8] OJ L 298, 26.10.2012, p. 1.
[9] PE 349.540/Bur/ann/def.
[10] OJ C 199 E, 7.7.2012, p. 90.
[11] OJ C 296 E, 2.10.2012, p. 226.

A. whereas the President adopted Parliament's accounts for the financial year 2012 on 4 July 2013,

B. whereas in his certification of the final accounts, Parliament's accounting officer stated his reasonable assurance that the accounts present a true and fair view of the financial position of Parliament in all material respects and that no issues requiring a reservation have been brought to his attention,

C. whereas the Secretary-General certified on 6 September 2013 his reasonable assurance that Parliament's budget has been implemented in accordance with the principles of sound financial management and that the control framework put in place provides the necessary guarantees as to the legality and regularity of the underlying operations,

D. whereas the Secretary-General also certified that he is not aware of any fact which has not been stated which could damage the interest of the institution,

E. whereas, through its audit, the Court of Auditors concluded that, as regards administrative expenditure in 2012, the supervisory and control systems applied by each institution comply with the requirements of the Financial Regulation and out of the 151 transactions audited by the Court, one was affected by error while the Court estimates the most likely error to be 0 %,

F. whereas, in accordance with the usual procedure, a questionnaire was sent to the Parliament administration and replies were received and discussed by the Committee on Budgetary Control, in the presence of the Secretary-General and the Internal Auditor,

G. whereas Parliament's annual discharge procedure provides added value, involving as it does a thorough examination of the accounts, the object being to enable Parliament to fulfil its responsibility to Union citizens and to act with complete transparency by giving them a detailed insight into its financial management; whereas, secondly, it affords an opportunity for self-criticism and to do better in those areas in which there is still room for improvement in terms of quality, efficiency, and effectiveness in the management of public finances and, hence, of taxpayers' money,

Parliament's 2012 budgetary and financial management

Added value of Parliament's discharge procedure

1. Highlights the added value of the parliamentary procedure leading up to the annual Parliament discharge;

2. Points out that this resolution remains principally focussed on the budget implementation and discharge for the financial year 2012 and that its main goal is to ensure that taxpayers' public money is used in the best possible way while highlighting where improvements can be made; encourages the Parliament's responsible bodies to continue to improve, at all possible levels, efficiency in Parliament's daily work;

3. Repeats its call on the Bureau to distribute more 'White Papers' regarding the policy matters to all Members which would allow for the policy items to be discussed within the political groups in advance to a final decision;

4. Notes that the Union general budget for 2012 totalled EUR 148 200 million in commitment appropriations, of which Parliament's budget accounted for EUR 1 718 million; notes, furthermore, that this figure represents just over 1 % of the Union general budget and amounts to 20 % of the amount of EUR 8 278 million set aside for the 2012 administrative expenditure of the Union institutions as a whole; notes that this is in line with the Interinstitutional Agreement between Parliament, the Council and the Commission on budgetary discipline, and sound financial management covering expenditure on buildings and infrastructure, staff salaries and pensions, information technology, and security;

5. Notes that in Parliament's budget, the four major chapters were Chapter 10 (Members of the institution), Chapter 12 (Officials and temporary staff), Chapter 20 (Buildings and associated costs) and Chapter 42 (Expenditure relating to parliamentary assistance) which accounted for 70 % of total commitments;

6. Notes that authorised appropriations in Parliament's final budget for 2012 totalled EUR 1 717 868 121, representing a 1,9 % increase over the 2011 budget (EUR 1 685 829 393), and that, as in 2011, no amending budget was introduced; is of the opinion that Parliament showed its budgetary responsibility and self-restraint by staying under the 2,6 % inflation rate in 2012; expects that for the 2015 budget, the same self-restraint will prevail by keeping the budget under the 20 % of Chapter 5;

7. Points out that in 2012, 99 % (93 % in 2011) of the final current appropriations were committed, with a cancellation rate of 1 % (6 % in 2011) and that, as in previous years, a high level of budget implementation was achieved, though this was influenced by an end of the year transfer of unspent funds at the request of the Joint Working Group of the Bureau and Committee on Budgets and a positive opinion by the Committee on Budgets;

Parliament's report on budgetary and financial management

8. Notes that total revenue entered in Parliament's accounts at 31 December 2012 amounted to EUR 175 541 860 in 2012 (EUR 173 293 432 in 2011), which included EUR 22 274 843 (EUR 23 815 077 in 2011) in assigned revenue;

9. Notes that Parliament decided to conduct an end-of-year 'mopping-up' transfer from various budget lines amounting to EUR 45 000 000 in unspent funds intended for the second instalment of the acquisition of the Trebel building in Brussels (EUR 35 000 000) and the construction of the new KAD building in Luxembourg; understands that as a result of this, an estimated EUR 10,4 million in financing charges will be saved over the construction and loan amortisation periods; deplores, nevertheless, the fact that Parliament has repeatedly requested that in the interest of budgetary clarity, buildings expenditure be entered in the budget rather than being financed through a 'mopping-up' transfer as requested in several previous discharge resolutions;

Parliament's 2012 accounts

10. Takes note of the figures on the basis of which Parliament's accounts for the financial year 2012 were closed, namely:

(EUR)

(a) **Available appropriations**	
appropriations for 2012:	1 717 868 121
non-automatic carry-overs from financial year 2011:	21 700 000
automatic carry-overs from financial year 2011:	222 900 384
appropriations corresponding to assigned revenue for 2012:	22 274 843
carry-overs corresponding to assigned revenue from 2011:	107 592 247
Total:	2 092 335 595
(b) **Utilisation of appropriations in the financial year 2012**	
commitments:	2 061 149 089
payments made:	1 623 172 878
appropriations carried forward automatically including those arising from assigned revenue:	412 253 714
appropriations carried forward non-automatically:	0
appropriations cancelled:	55 790 384

(c) **Budgetary receipts**	
received in 2012:	175 541 860
(d) **Total balance sheet at 31 December 2012**	1 539 591 147

11. Points out the high level of carry-overs into 2012 (EUR 244 600 384) and urges that the planning of expenditure be improved;

12. Notes that in his certification of the final accounts, Parliament's accounting officer has stated his reasonable assurance that the accounts present a true and fair view of the financial position of Parliament in all material respects; notes further his representation that no issues requiring a reservation have been brought to his attention;

13. Recalls the decision by its President of 4 July 2013 concerning the adoption of the accounts for the financial year 2012;

Court of Auditors' opinions on the reliability of the 2012 accounts and on the legality and regularity of the transactions underlying those accounts

14. Welcomes the fact that the Court of Auditors found, in its specific assessment of the administrative and other expenditure as a whole, that the testing of transactions indicates that the most likely error present in the population is nil and that the supervisory and control systems of the administrative expenditure were assessed as effective; welcomes, furthermore, the fact that the audit by the Court of Auditors indicates that the payments in 2012 of accepted expenditure were not affected by a material level of error; notes that the audit involved an examination of a sample of 151 payment transactions - 91 payments of salaries, pensions and related allowances and 60 payments on contracts relating to buildings and other expenditure — against 56 payments audited in 2011;

15. Notes that administrative and other expenditure comprises expenditure on human resources (salaries, allowances and pensions), which accounts for 60 % of total administrative and other expenditure, and expenditure on buildings, equipment, energy, communications, and information technology is considered as a low risk area; points out that according to the Court of Auditors, the main risks regarding administrative and other expenditure are non-compliance with the procedures for procurement, for the implementation of contracts, for recruitment and for the calculation of salaries and allowances;

Recruitment of temporary and contract staff

16. Notes with satisfaction that the Court of Auditors' audit of 15 recruitment procedures in Parliament in 2012 did not reveal errors or weaknesses; calls, however, on the Secretary-General to strictly apply the rules applicable to the nomination or promotion of staff in general, and in particular those in management positions;

Procurement

17. Notes that the Court of Auditors' audit examined 18 of Parliament's procurement procedures; stresses that the Court of Auditors found weaknesses in the application of an award criterion in one case and in the management and documentation of the procurement procedure in another case;

18. Recommends that authorising officers improve the design, coordination and performance of Parliament's procurement framework and procedures through appropriate checks and clearer guidance; notes that the implementation of the new Financial Regulation and its Rules of Application should be accompanied by the design of new templates of contracts and invitations to tender, as well as the development of specific training courses on how to define and apply selection and award criteria;

19. Endorses the responses given by Parliament in the contradictory procedure with the Court of Auditors;

Court of Auditors' review of progress in addressing recommendations made in previous annual reports

Performance of the ex ante verification of recruitment procedures

20. Recalls the Court of Auditors' finding that in file procedures for the recruitment of accredited parliamentary assistants (APAs), there were no documents on file proving that the *ex ante* checks of recruitment documents had been performed; takes note of the fact that the Court of Auditors considers that Parliament has fully implemented its recommendation to ensure that appropriate documentation is now established and the underlying documentation for those verifications is now being kept to justify the recruitment decisions of temporary and contract staff; calls on the Secretary-General to inform its Committee on Budgetary Control by September 2014 on the effectiveness of the measures taken including those based on the findings of the Internal Auditor, also in view of the recruitment of many new APAs after the elections;

Procurement

21. Regrets that the Court of Auditors' examination of a sample of procurement procedures showed that errors persist in the design, coordination and performance of procurement procedures and that, therefore, the Court of Auditors' analysis of the progress made is that its previous recommendation is, in most respects, still being implemented; reiterates its call to secure real progress, without further delay, on all control mechanisms for public procurement in order to overcome the shortcomings identified by the Court of Auditors, as well as to guarantee the most competitive prices for the goods and services acquired;

Payment of social allowances and benefits to staff members

22. Recalls the Court of Auditors' specific finding concerning the information available to Parliament's services on the situation of staff members; is satisfied that the Court of Auditors' audit did not show any new weakness but that the risk of making incorrect or undue payments remains; notes, furthermore, that Parliament took measures in 2012 that improved even further the response rate for the annual procedure for the electronic verification and updating of staff members' personal data and that, where necessary, staff members' declarations are accompanied by the appropriate supporting documents;

Internal Auditor Annual Report

23. Notes that at the competent committee's meeting with the Internal Auditor held on 21 January 2014, the Internal Auditor presented his annual report signed 12 July 2013, stating that in 2012, he performed the following audit work on Parliament's administration:

— a consultation of the Internal Audit Service (IAS) on the process for selecting ToIP ([1]) telephones;

— a transversal Follow-Up of Open Actions from Internal Audit Reports — Phase I 2012;

— a transversal Follow-Up of Open Actions from Internal Audit Reports — Phase II 2012;

— an audit of APAs employed as other servants of the Union;

— an audit of the Accruals Accounting Process;

— a follow-up to the Audit of Building Policy: Planning, Assessment & Management of Accommodation Needs;

24. Points out that among the more significant conclusions set out in the Internal Auditor's annual report were the following:

— that budgetary regularisation of expenditure from certain permanent imprest funds (Information Offices & Members' Travel) remains subject to significant delays;

— that progress was made in the area of contributions to political parties and foundations at European level;

([1]) Telephone over internet Protocol.

— that the consultation engagement of the IAS on the process for selecting ToIP telephones found weaknesses in the formalisation of decision-making on the ToIP project, for which DG ITEC indicated that it was already taking the necessary steps to mitigate any related risks;

— that important steps were taken in the areas of IT Governance and IT applications' development, especially DG ITEC's methodological advances in applications' development;

— that the first follow-up to the audit of Visitors' Groups showed that all actions remain open, though with a partial reduction in related residual risk;

— that five open actions for which the measures required are beyond the decision-making powers of the Directorates-General concerned have passed to a higher authority for resolution;

25. Notes and supports the views expressed by the Internal Auditor concerning the 'Follow-Up to the Audit of Building Policy: Planning, assessment & management of accommodation needs' as to:

— define appropriate planning of accommodation needs over the medium and long terms, linked to the projected growth of the population of occupants of office space;

— realise an assignment of office space based on criteria agreed at institutional level and the existence of rules and procedures enabling these criteria to be enforced; and

— implement the efficient and effective use of office space;

26. Notes and supports the views expressed by the Internal Auditor concerning the 'Audit of Accredited Parliamentary Assistants employed as other servants of the European Communities' that, overall, the control environment and control activities in DGs Personnel and Finance provide reasonable assurances that APAs are recruited in compliance with the statutory rules and that their financial entitlements are correctly charged to the Members' Parliamentary Assistance Allowance (PAA); asks both DGs to ensure that these guarantees become solid and unequivocal by any means necessary;

27. Takes note of the fact that in 2012, a transfer had been necessary from sub-item for local assistants (line 4220-01) to sub-item 4220-02 (Accredited assistants) for EUR 7,3 million and sub-item 4220-01 has been reduced by a total of EUR 14,1 million (14,3 %), which is due to a wrong estimation of the needs for both local assistants and accredited assistants, despite the fact that the number of accredited assistants only increased marginally in 2012 compared to 2011; believes that in the future, a better estimation of the needs for these sub-items will be necessary in order to respect the principles of good financial management and to be able to respond to real needs;

28. Notes, nevertheless, that in order to meet the internal control objectives fully and consistently and to ensure the correct application not only of Parliament's Rules of Procedure and the relevant deriving rules adopted by Parliament's competent bodies but also the Financial Regulation, there is scope for further strengthening certain management and control procedures that entail moderate exposure to residual risk and concern the following areas:

— ensuring, in a timely manner, regular information to APAs on any update or change to their applicable rules and their applicable rules by analogy, and presenting to their representatives a reasoned report on these changes or updating them in order to guarantee the transparency and the principles of equal treatment and opportunities;

— ensuring timely and adequately reporting to Members and APAs on the work rights and duties related to the end of the APAs' contracts (leave, unemployment, pension rights, etc.);

— enhancing internal controls to monitor the use of the PAA;

— ensure a smoother and more efficient administration of the recruitment of new APAs after the 2014 elections by early planning and the provision of necessary resources, in particular human resources, and to guarantee continuous assistance to Members elected for the new term by ensuring no gaps in the contracts of APAs continuing to provide assistance;

29. Recalls once more that, after five years of implementation of the new Statute of Assistants, it is necessary to carry out a full evaluation of this Statute including possible adaptations of the rules as soon as possible;

Audit of the Internal Control Framework

30. Recalls that the original review of the Internal Control Framework in 2003 and 2004 resulted in 14 audit reports, covering all departments and the central services and containing 452 agreed actions aimed at improving the overall levels of:

— compliance with the institution's minimum standards of internal control,

— the achievement of the institution's key control objectives (compliance with applicable laws, regulations and policies; reliability of management information and recording; and the economy, effectiveness and efficiency of operations);

Remaining 'open actions'

31. Notes that at the end of 2012, after successive follow-up audits, 15 actions still remained incomplete out of the 452 internal control framework actions initially agreed; takes note of the conclusion of the Internal auditor that for two DGs (Finance and Infrastructure and Logistics), there was evidence of improvement in their public procurement processes;

32. Notes the Internal Audit's new transversal and monitoring process to follow-up agreed actions from its reports in which each follow-up assignment is transversal, simultaneously covering all open actions that are due to be implemented; notes, furthermore, that the assignments are now performed biannually, in line with Parliament's resolution of 10 May 2011 on its discharge for the financial year 2009;

33. Notes that by the end of 2012, the Internal Auditor considered that 73 actions have yet to be implemented, including two critical actions, 35 significant risk actions and 36 moderate risk actions; notes with satisfaction that during 2012, 80 actions have been fully implemented and therefore closed, including two critical actions; encourages all its Directorates-General concerned to continue their efforts to improve their respective management and control procedures; calls on the Internal Auditor to set stricter timetables on actions to be implemented; calls on the Internal Auditor to keep the Committee on Budgetary Control informed on all outstanding actions of the original review of the Internal Control Framework; reiterates its call on the departmental and central management to implement the remaining 'open actions' before the end of the current legislative term;

34. Notes the conclusions of the Internal Audit Service that the 2012 follow-up process showed overall evidence of improvement, with the closure of 80 of the 153 open actions validated as well as a reduction in the number of high-risk critical actions (from eight to three); is concerned, however, about the relatively high number of 73 overdue actions which were carried forward to 2013; recognises that the Parliament's risk profile for the open actions at year-end shows a higher proportion of actions in the moderate risk category than at the beginning of 2012, indicating that the services made progress, even in areas were the actions have not yet been closed;

Follow-up by the Secretary-General to the 2011 discharge resolution

35. Takes note of the written answers to the 2011 discharge resolution provided to the Committee on Budgetary Control on 25 October 2013 and, therefore, received before the start of the 2012 discharge exercise; welcomes the subsequent presentation by the Secretary-General on the replies and follow-up of Parliament's administration on 25 November 2013 to the various questions and requests of Parliament's 2011 discharge resolution and the exchange of views with Members that followed;

36. Welcomes the fact that since 2011, Parliament's translation and interpretation services are undergoing significant changes; acknowledges that throughout this process, efficiency could be considerably increased and subsequently, financial means reduced, while the quality and offer for Members is maintained; notes that in the framework of the resource-efficient full multilingualism policy, the on-demand translation of the verbatim reports of proceedings and of written questions has allowed for a reduction in external translation of EUR 11 million on a permanent basis;

37. Recalls the second decision taken by the Bureau on 12 March 2012 on resource efficient full multilingualism which provided that delegations requiring derogations for travel during Committee weeks would only be provided with a limited language regime not exceeding interpretation into one language; notes that as result of this measure, the number of missions held during weeks set aside for external parliamentary activities increased from 36 % of all missions in 2011 to 46 % in 2012, while the number of interpreter days on mission decreased by 23 % between 2011 and 2012;

38. Notes the subsequent decision by the Secretary-General on 23 March 2013 which provided that Tuesday and Wednesday afternoons of Committee weeks became reserved for meetings of committees and of trilogues exclusively; notes positively that as a result of the measures already implemented, the share of the external interpretation costs in the total Parliament budget decreased from 3,5 % in 2011 to 2,6 % in 2012; believes that the principle of sound financial management needs to apply to interpretation as well and that with a view to ensuring the best value for money for Union taxpayers, critical analysis should continually be undertaken to assess where and how efficiency can be improved and costs controlled or limited; calls on the Secretary-General to make the annual report on the application of the Code of Conduct for Multilingualism public to Members of the responsible committee;

39. Notes the Secretary-General's reply indicating that the cost of the LUX prize was reduced, as proposed by the Committee on Budgetary Control and voted in plenary in the 2010 discharge report; notes that a series of concrete measures have been taken in order to minimise the LUX Prize expenditure, in particular cutting costs related to promotional activities at international festivals and within Parliament premises; takes note that the expenditure of LUX Prize in 2012 was EUR 434 421, which represents a reduction of 24 % as compared to 2011 (EUR 573 722); calls for further efficiencies to be found;

40. Considers prizes not to be a core activity of Parliament and requests that a cost-benefit analysis be carried out before any new prize initiatives are developed;

41. Notes that in light of the ever growing amount of customers and the evolution of the institution, the Bureau adopted at its meeting on 10 June 2013 a comprehensive strategy that sets out the main orientations for the catering policy at Parliament until 2019; recalls that overall catering activities increased by around 150 % from 2002 to 2011, from 1,472 million customers in 2002 compared to 3,711 million customers in 2011; notes that Parliament's catering services continue to be marked by an operational deficit that should not be compensated exclusively by price increases; notes that price policies in Parliament should remain in line with the other institutions and that Parliament is better positioned to achieve better conditions from contractors and economies of scale in those operations, taking into account the number of customers served;

42. Notes that some requests made in the annual discharge reports endorsed by Parliament's plenary are not met; notes that the Secretary-General argues that these requests fall within the remit of the Bureau of the Parliament or the Conference of Presidents of the Parliament; insists that plenary requests made in the annual discharge reports are fully implemented;

Parliament's 2012 discharge

43. Notes that the scope of the discharge procedure should cover not only the budget implementation and the managerial activities of the Secretary-General and Administration for the financial year 2012, but also the decisions taken by its governing bodies, i.e. its President, Bureau and Conference of Presidents; stresses that Parliament, in a critical scrutiny of the institution's financial management, grants discharge not to the Secretary-General, but rather, to its President;

44. Welcomes, in this respect, the quality of the exchange of views between the Secretary-General and the Committee on Budgetary Control in the presence of the Internal Auditor, on 21 January 2014 in the context of the 2012 Parliament discharge; reiterates that Parliament's governing bodies and administration are held accountable throughout this process and that it is therefore essential for the entire decision-making procedure to take place in a completely transparent manner to ensure that citizens of the Union are provided with a true and accurate view of the way that Parliament takes its decisions and uses the resources placed at its disposal; calls, accordingly, for the agendas for meetings of, and the decisions taken by, Parliament's decision-making bodies to be communicated without delay both to the Members and staff of Parliament as a whole and to the general public;

45. Points out that the main references, free of any political consideration, to assess the implementation of Parliament's budget should be first and foremost the opinion of its external independent auditor and secondly the opinion provided by Parliament's Internal Auditor and his assessment of Parliaments' internal control system; reiterates its satisfaction with the positive opinion provided by the Court of Auditors on the reliability of Parliament's accounts and on the legality and regularity of the transactions underlying those accounts;

46. Recalls that the Code of Conduct for Parliament's Members with respect to financial interests and conflicts of interest, adopted by the plenary on 1 December 2011, requires Members to fully disclose any remunerated activities outside Parliament, the remuneration they receive and any other function they perform which may give rise to conflicts of interest and that the code expressly prohibits Members from accepting any sum of money or other gift in exchange for influencing Parliament decisions; notes that it lays down clear rules on accepting gifts and on former Members engaging in lobbying; asks that the administration scrutinises at least 15 % of these declarations on a regular and annual basis;

47. Takes note that the implementing measures for the Code of Conduct for Members were adopted by the Bureau on 15 April 2013; notes with satisfaction that implementing measures in respect of Article 5(3), to ensure transparency with regard to Members' travel, accommodation and subsistence expenses paid by third parties, in force since 1 July 2013, stipulate that all reimbursement of travel, accommodation or subsistence expenses covered by third parties for Members' attendance at events organised by third parties shall be declared; notes, furthermore, that if no such reimbursement is made, but only the cost of a meal, entrance ticket or similar below the value of EUR 150 is paid, no declaration needs to be made;

48. Calls for all annexes to written parliamentary questions (Rule 117 of Parliament's Rules of Procedure) to be posted, together with the questions concerned, on Parliament's website;

49. Believes that Parliament is the only European public institution that pays an allowance intended to meet the costs of office administration into private and personal bank accounts without requiring any receipts to be kept or the auditing of the expenditure; suspects that Members would be deeply critical of any other body that similarly failed to supervise the use of public money; calls on the Secretary-General to propose light touch arrangements to ensure that the General Expenditure Allowance is used for the purpose intended and cannot provide a supplementary private income for Members;

50. Requests an evaluation of the daily subsistence allowance for Members concerning its amount and use; requests that the Bureau revise this implementing measure accordingly to ensure that this allowance is used in as cost-efficient a manner as possible;

The President's political activities

51. Calls for detailed information on how the President, as a politically neutral figure, has kept his duties in office separate from his preparations to head the Socialists and Democrats' list in the European elections, in particular with regard to the staff in his cabinet and in Parliament's information offices and to travel expenses; is of the opinion that in connection with many of those activities, no distinction has been made between the two roles; calls for clear segregation of office holders' functions, following the Commission's approach, so that Union taxpayers do not have to pay for the election campaigns of European list leaders;

Working places of Parliament

52. Notes that Protocol 6, annexed to the Treaties, on the location of the seats of the institutions, decided by common agreement of the governments of the Member States, imposes on Parliament its three working places; notes the call expressed in its resolution of 17 April 2013 on the 2011 discharge [1] for 'the Secretary-General and the Bureau to provide Members with up-to-date figures and information on the financial and environmental impact of the multiple seat arrangement' that followed its resolution of 6 February 2013 on the guidelines for the 2014 budget procedure [2] and its resolution of 20 November 2013 on the location of the seats of the European Union's Institutions [3];

[1] OJ L 308, 16.11.2013, p. 3.
[2] Texts adopted, P7_TA(2013)0048.
[3] Texts adopted, P7_TA(2013)0498.

53. Recalls that significant historical reasons motivated the seat of the Parliament to be established and that the question of determination of the seat of an Union institution is the exclusive competence of the Member States; notes in this respect that any decision to change the seat arrangement of Parliament would require a change of the Treaties, a decision which would have to be taken unanimously by the Member States;

54. Notes that the expenditure arising from the geographic dispersion of Parliament constitutes an important identified area of potential savings; welcomes the Secretary-General's report [1] of August 2013 regarding the financial impact of the geographic dispersion of the European Parliament; underlines that the report factored in the calculations the following parameters:

— the 2014 draft budget was used as the baseline;

— underlying calculations have been updated where more recent data have become available (for example, statistics on missions);

— the method for assessing depreciation costs has been adapted to reflect the proposition that Brussels would be the single place of work which decreased such costs;

— costs resulting from the Strasbourg and Luxembourg sites have been declared separately;

— new estimations have been made to show any additional recurrent expenditure as a result of there being a single place of work, as well as, one-off investments and costs related to the merging of the places of work;

55. Points out that the report expresses a theoretical net saving when consolidating the three places of work into one, in Brussels, at estimated EUR 88,9 million per year which represents roughly 5 % of Parliament's budget in 2014, 1,03 % of the total administrative budget of the Union, and 0,06 % of the overall budget of the Union; takes note of the estimated net effect per Union citizen per year of EUR 0,18 if the three places of work of the Parliament were to be consolidated into one;

56. Points out that the report indicates that a possible merger of Luxembourg into Brussels would result in additional expenditure of EUR 14 million per year; stresses the reported different qualitative and quantitative level of support provided by the host states to the Parliament; notes that those potential costs have not been translated into the equation on potential savings with regard to assuming Brussels as a single seat;

57. Emphasises the fact that 10 703 tonnes of CO_2 emissions per year would be saved if Strasbourg (10 235) and Luxembourg (468) were no longer used as places of work; regrets the fact that this environmental impact of the geographic dispersion of Parliament in terms of carbon emissions accounts for 11,16 % of Parliament's total carbon footprint in 2011;

58. Is looking forward to the publication of the Court of Auditors study to provide a comprehensive analysis of the potential savings for the Union budget if Parliament had only one working place, as requested in its resolution of 20 November 2013 on the location of the seats of the European Union's Institutions and asks that this analysis includes budgetary aspects and ancillary costs such as savings made through the reduced loss of working time and greater efficiency; asks not only to look into the travel costs for Parliament staff (including interim staff, external experts and temporary agents) but also to the increased travel costs for Commission and Council staff due to the multiple location sites;

Management of Parliament's administration: strengthening operational efficiency

59. Reaffirms, yet again, that this resolution remains principally focussed on the budget implementation and discharge for the financial year 2012 and that its main goal is to ensure that taxpayers' public money is used in the best possible way while highlighting where more efficient gains may be achievable; calls on Parliament's responsible bodies to continue improving, at all possible levels, efficiency in Parliament's daily work while always aiming to deliver an enhanced service to the citizens of the Union; expects that the Secretary-General will focus more on efficiency and effectiveness of expenditure in his next annual report to the Committee on Budgetary Control;

[1] The three places of work of the European Parliament – financial, environmental and regional impacts of geographic dispersion, note prepared by the Secretary-General of the European Parliament on 30 August 2013.

60. Is of the opinion that during the 2009-2014 legislative term, in a difficult economic and financial context, often random and temporary, although significant, savings were achieved; believes that Parliament's administration should identify additional efficiency measures that carry systematic and definitive structural savings, firstly by reducing Parliament's budget and secondly by allowing for the redeployment of resources to Parliament's new areas of intervention, notably to reinforce the scrutiny dimension over the Commission's implementation of the Union's policies;

61. Calls on Parliament's administration to consider increasing the use of the available technologies such as teleconferences and teleworking in order to reduce the administrative and travelling costs; requests that a concrete proposal for the enlarged use of both technologies is made available; estimates that significant extra savings, without compromising the quality of actions, may be achieved and that, apart from financial gains, the use of videoconferencing and teleworking could also contribute to a more efficient use of time and a more environmentally friendly Parliament;

62. Calls on the administration to apply further smart cost-cutting measures to enable savings to be made without impairing the effectiveness, efficiency, and quality of parliamentary activities;

Directorate-General Presidency

63. Notes that DG PRES has been reorganised, resulting in the creation of a new DG EPRS (Parliamentary Research Service) and that Parliament's security services have been internalised, resulting in the creation of DG Security; expresses satisfaction that the internalisation of security is projected to produce savings of more than EUR 11 million over the period 2013-2016; notes, however, that five members of the President's Cabinet are earmarked for posts as directors-general or directors in Parliament's administration; criticises this political hijacking of management positions and the undermining of the Staff Regulations; points out that the Union criticises political patronage around the world, and calls for that principle to be observed with regard to Parliament's administration, too; would like to be informed by the Secretary-General on an annual basis on the exact amount saved, which might be a good example leading to the internalisation of other services now provided by third parties;

64. Notes that a Director-General's post has been filled but that six months after the appointment, the staff member selected has still not taken up the post; calls for that Director-General's post to be abolished;

Directorate-General for External Policies

65. Notes with concern that because of general calls for thrift, the interparliamentary delegations might become less able to maintain Parliament's external relations profile, enabling it to remain as visible as the other Union institutions, especially the Commission and the Council, and that the effect might be to undermine the parliamentary approach to external policy and the consolidation of parliamentary diplomacy to complement the activities of the Commission and the EEAS; considers it vital, therefore, to preserve the knowledge and experience which Parliament has acquired in overseeing European projects and making them visible and to ensure that the measures proposed do not weaken the power and effectiveness of Parliament's interparliamentary dialogue with other countries, especially at times of political instability and danger to democracy (the Arab Spring, conflict in the Middle East, conflict in Ukraine, run-up to controversial elections, etc.); strongly recommends that the appropriate level of coordination with the EEAS services for the preparation and effective capacity response be ensured to guarantee the security aspects of Parliament's external delegations and missions;

Directorate-General for Communication

66. Notes that DG COMM has a large budget under line 3 242, 'Publication, information and participation in public meetings'; sees more and more outsourcing with additional costs for the taxpayer; asks for a detailed list on outsourcing measures and cost thereof in DG COMM;

67. Is concerned about possible undetected conflicts of interest in connection with the award of grants from Parliament's budget; points to Article 58 of the Financial Regulation and to the Administration's obligation to verify declarations issued by grantees and contractors; calls for information as to what risk analyses are carried out by Parliament's Administration in respect of those declarations in order to verify the veracity thereof;

Information Offices

68. Notes that mission expenses in 2012 for the staff of the Information Offices amounted to EUR 1,8 million with missions to Strasbourg accounting for just over EUR 1 million; insists that priority should be given to the use of videoconferences, making both structural cost reductions to the Parliament's budget and environmental improvements, which do not detract from Parliament's work;

Visitors' groups

69. Notes that since January 2012, a new set of rules came into force governing the reception of visitors' groups, including the method of paying subsidies; notes that the Bureau decided to maintain the option to make cash payments to visitor groups; is concerned about the significant reputational and security risk entailed in making cash payments to visitor groups; asks for a new decision of the bureau to abolish cash payments which constitutes a violation of Directive 2005/60/EC of the European Parliament and of the Council [1]; takes note that out of approximately 2 000 visitor groups annually, only 365 in 2012 received more than EUR 15 000 but that the majority of these visitors' groups opt for cash payment method, although Parliament's administration encourages payment by bank transfer or a mix of both methods instead;

House of European History

70. Takes note that co-financing from the Commission for the running costs of the House of European History has been secured with EUR 800 000 in commitment appropriations in its 2014 budget, assigned to Heading 3 of the Multiannual Financial Framework; notes further that the amount corresponds to 30 % of the budgeted running costs for that year and is also intended to cover the expenditure allowing a seventh opening day every week;

71. Notes that on 22 October 2012, the Bureau fundamentally endorsed the concept for the permanent exhibition at the House of European History;

EuroparlTV

72. Notes that in the 2012 budget adopted by Parliament in plenary, EUR 8,5 million was earmarked for the EuroparlTV under the budget line 3246; recognises that whereas the budget for the EuroparlTV has been substantially reduced from EUR 9 million in 2008 to EUR 5 million in 2014, the performance of this service has been improved with a number of new activities and projects, inter alia, a larger proportion of ready to use audiovisual products with a longer lifespan, and a series of exclusive co-productions with national TV channels in several Member States, resulting in increasing audiences numbers; welcomes the ever increasing number of Parliament's followers on social media, in particular on Facebook with its current more than 1,2 millions 'friends', for which exclusive EuroparlTV productions are developed; looks forward to receiving the independent evaluation study of Parliament's online multimedia production commissioned in accordance with the decision of the Bureau of 3 December 2012;

73. Considers EuroparlTV not to be a core activity of Parliament and requests that a cost-benefit analysis be carried out before any new EuroparlTV activities are developed;

Directorate-General for Personnel

74. Points to the difficulties in recruiting officials or agents from certain Member States such as Germany, the UK, Austria or the Netherlands, for which the proportion of staff in Parliament's Secretariat is significantly lower than the 'demographic weight' of the given country within the Union and observes the relatively high numbers of staff of holding the nationality of Belgium (13,6 %) or Luxembourg (2,2 %) as a result of the working places of Parliament; asks the Bureau to review recruitment procedures and requirements to ascertain what part they may play in creating difficulties to recruit staff from these Member States;

75. Calls for information on the employment arrangements for local ushers in Strasbourg and the employment arrangements for ushers in Brussels during Strasbourg weeks; calls for a report by Parliament's administration on whether, in the case of local ushers in Strasbourg, Union labour and social security law is complied with and on the precautions taken against bogus self-employment; calls for a cost comparison, with a view to establishing the best option for the taxpayer;

[1] Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing (OJ L 309, 25.11.2005, p. 15).

76. Takes good note of the Civil Service Tribunal Decision of 12 December 2013 on Case F-129/12 and deeply regrets the fact that Parliament was condemned for being unable to provide assistance in cases of harassment and irregular lay-offs; therefore instructs the competent services to take all necessary measures in order to avoid similar situations in the future;

77. Asks for a report on the increase in AD and AST posts in Parliament's administration between 2005 and the current financial year; asks for a breakdown by grade and nationality;

78. Asks for a report on the increase in posts for Directors and Directors-General in Parliament's administration since 2005; asks for a breakdown by nationality;

79. Asks for a report on how many political group staff have become officials since 2009 (a) under a conventional selection procedure and (b) on the basis of the 'passarelle' clause;

80. Points out that over 1 500 members of Parliament's staff have children enrolled at the European Schools; maintains that Parliament has to play a leading role within the organisational structure of the schools;

Directorate-General for Infrastructure and Logistics (DG INLO)

Parliaments' Buildings policy

81. Highlights the fact that the Parliament has become, over the years, a property owner and that this strategy has inherent risks and that costs for the operation and maintenance of the technical facilities will necessarily increase in the future years to cope with ageing buildings; stresses in particular that any property and buildings strategy must also take into account those rising costs and the necessity over the medium term of building renovations; points out that the property and buildings strategy must ensure the sustainability of Parliament's budget and conserve a certain degree of flexibility with a combination of acquisitions, renting or usufruct in order to ensure the best value for money for Parliament; underlines that purchasing a building may not be always the best solution;

82. Takes note that during 2012, a series of contractual revisions began, case by case, concerning the financial terms, particularly in light of trends on the property rental market; welcomes that these renegotiations will result in the following structural savings in the years ahead:

— usufruct of the Wiertz Building translated into a cost reduction of EUR 0,45 million per annum on property tax and charges;

— removal to the Geos Building in 2014 translated into a cost reduction of EUR 5 million over 45 months;

— contractual revision of the lease on the Goldbell Building translated into a cost reduction of EUR 2,5 million up to the end of 2017;

— contractual revision of the lease on the Madrid Information Office translated into a cost reduction of EUR 0,27 million;

Konrad Adenauer building (KAD)

83. Recalls the initial failure to select candidates in connection with the invitation to tender for the Konrad Adenauer Building project because the proposed prices submitted in response to the invitation to tender were considerably higher than the estimates; notes the subsequent decision of the Bureau in 2012 to redesign the calls for tenders for the KAD building, which led to considerably lower offers, allowing for the budget initially agreed upon for this building project to be respected; takes note that works began in September 2013 with a new project manager and enhanced partnership arrangements involving the Luxembourg Government support; expects that the initially agreed global budget for the construction of the project is respected, in spite of the unavoidable delay;

Parliament's Brussels Chamber

84. Takes note that repairing the ceiling support frame in Parliament's Brussels Chamber will involve costs just above EUR 2 million, a figure below the EUR 3 million estimated and that due to the age of the building, no legal proceedings could subsequently be taken; acknowledges that the regular on-going inspection and preventive maintenance policy for Parliament's buildings introduced in 2012 detected the structural defects in the wooden ceiling beams, thus preventing a major disaster, potentially including the loss of life and huge damage to the building in question; takes note that it was possible to relocate the displaced services to Parliament's other buildings, with zone A of the Paul-Henri Spaak (PHS) being temporarily closed and that the Chamber is available for use again since the beginning of April 2014;

Directorate-General for Interpretation and Conferences and Directorate-General for Translation

85. Notes with satisfaction that the implementation of the Bureau decision on a Resource efficient multilingualism produced in 2012 savings of EUR 10,9 million and EUR 10 million in the interpretation and in the translation services respectively, without affecting the principle of multilingualism or impairing the quality of parliamentary work; reiterates that interinstitutional cooperation is essential in order to exchange best practices that promote effectiveness and allow savings to be made;

Directorate-General for Finance

Voluntary Pension Fund

86. Notes that in 2012 the value of the assets of the Voluntary Pension Fund [1] increased with investment returns of 9,4 % as the investment markets continued to recover from the global financial crisis,

87. Notes, however, that the Voluntary Pension Fund increased its estimated actuarial deficit, calculated on the basis of the assets of the Fund, to EUR 207,9 million at the end of 2012; emphasises that these projected future liabilities are spread over several decades;

88. Notes, nevertheless, that this raises concerns about the possible exhaustion of the Fund and that Parliament is guaranteeing the payment of pension rights for all former and some current Members of this Fund, when and if this fund is not able to meet its obligations; recalls that the Voluntary Pension Fund was conceived as a transitory solution before the new Statute for Members of the European Parliament that was effective as of 14 July 2009;

89. Takes note that the Court of Justice of the European Union ruled in 2013 that the decisions taken by the Bureau in 2009, notably to increase the age of retirement for the Fund subscribers from 60 to 63 years, in order to avoid the early exhaustion of the capital and to align it with the new Statute for Members of the European Parliament were valid; recalls that two-thirds of payments into the fund were made directly by Parliament, rather than by individual members;

Directorate-General for Innovation and Technological Support

90. Is deeply worried that personal and confidential individual mail-boxes of selected Members, parliamentary assistants and officials have been compromised after the Parliament has been subject to a man-in-the-middle attack where a hacker has captured the communication between private smartphones and the public Wi-Fi of the Parliament; insists that an independent third party ICT security audit be carried out on all parliamentary ICT and telecommunications systems in accordance with the specifications referred to in paragraph 99 with a view to completing a clear roadmap towards a more robust ICT security policy in 2015;

91. Considers that guest users should have access to a Wi-Fi network that cannot grant access to the intranet or internal IT services of the Parliament such as the webmail, thus separating the functionalities of the private Wi-Fi network and the guest Wi-Fi network; is of the opinion that an independent security audit should be carried out on the whole of Parliament's IT and telecommunication infrastructure that reassures that Parliament operates within the highest available security standards against hacking and telephone tapping activities;

[1] The Voluntary Pension Fund was established as an Association sans but lucrative (ASBL) formed under Luxembourg law on 14 July 1993.

92. Considers that important advancements must be supported by adequate investments in support and maintenance activities for these projects, as well as the appropriate cooperation with members and staff; points out in particular the successful launch of the AT4AM system; regrets the discontinuation of the Parliament Linux distribution configuration, which was never marketed or targeted towards members and staff who would have had an interest in such a project; notes that the introduction of new working tools for Members and staff assumes that pilot-phase testing of such working tools is done only in cooperation with such members and staff that are willing to endure the additional work that pilot-phase testing entails;

93. Insists in the same spirit that Parliament cooperation collaborates further with the Commission's Directorate-General for Informatics to identify not only new, disruptive ICT tools from non-incumbent vendors, but also suitable replacements for old ICT tools and infrastructures that go in the direction of open, interoperable and non-vendor dependent solutions with a view to social, ethical and economical responsibility;

94. Takes note of the process of internalisation of staff in the Directorate-General for Innovation and Technological Support and the promised reduction of costs and the increased level of expertise corporate identity among the staff in the IT area; recalls that the increased level of expertise concerning permanent innovations was also the reason given to externalise this sector several years ago; questions the argument of reduced costs; is aware of the constraints and challenges with regard to the recruitment of the best professionals available on the market; calls on the Secretary-General to cooperate with the European Personnel Selection Office to find ways how to accelerate the recruitment procedure and to attract the best experts in the area of IT technologies and security;

95. Maintains that Parliament itself must have the final say in all ICT-related matters;

96. Notes that the existing ICT infrastructure of Parliament is only partially open-source based and therefore limits Parliaments' use of hardware and software applications; calls for a gradual transition to an open-based ICT infrastructure leading to more cost efficiency and interoperability while allowing for the highest level of security; calls in this respect also for sufficient technical and administrative support that ensures an adequate maintenance;

97. Proposes that new information and communication technologies be used to a greater extent in the translation and interpretation services;

98. Urges the Secretary-General to additionally secure that ICT support staff are available to members and staff at the work location, to enable both ICT support staff and parliamentary staff and members with the security and comfort of interacting face-to-face; reminds the Secretary-General that remote-access ICT support can be uncomfortable and less appropriate for the establishment of trust relationships between IT maintenance staff and those in need of IT maintenance; points also to the unsuitability of relying entirely on remote solutions until the above-mentioned security audit is adequately carried out;

99. Demands that the Secretary-General ensures that by 1 December 2014, at least the following auditing actions will have been undertaken:

— black box penetration testing

— white box penetration testing

— review of crypto protocols

— review of applications

— review of the Access Control Lists to the applications

— review of the Access Control Lists to the physical infrastructures

— review of compilation chain for applications

— review of source code for applications;

Expects the results of the audit to be presented to the Committee on Budgetary Control and the Committee on Budgets together with an estimation of expenditures, staff resources and time necessary to remedy any security deficiencies found in the audit;

100. Takes the view that the availability of data must not be constrained by the use of platform- or system-specific architecture and that the data format must be based on widely used and freely accessible standards and be supported and maintained by organisations which are independent of manufacturers; stresses that full documentation relating to format and all extensions must be made freely available;

Travel agency

101. Welcomes the fact that as called for by the Committee on Budgetary Control, the new travel agency contract, which entered into force on 1 January 2014, allows financial and performance audits to be carried out; notes that the only company to bid for the contract was BCD Travel N.V., the agency which held the previous contract and that the present contract is to run for two years;

102. Suggests that, where appropriate, for Members' air travel within Europe, the use of economy class tickets should be encouraged;

Annual report on contracts awarded

103. Recalls that the Financial Regulation and its Rules of Application (RAP), which came into force on 1 January 2013, lay down the information to be provided to the budgetary authority and to the public concerning the award of contracts by the institution; notes that the new Financial Regulation requires to publish the contracts awarded with a value of more than EUR 15 000 (as against EUR 25 000 previously), a value that corresponds to the new threshold above which a competitive tendering became compulsory;

104. Notes that all of Parliament's Directorates-General awarded contracts with a value greater than EUR 25 000 in 2012 and that the combined value of those contracts was EUR 724 million (EUR 603 million in 2011); further notes that central services established, on the basis of information entered by the authorising departments in the register of contracts awarded, the annual report to the budgetary authority on contracts awarded in 2012;

105. Notes the breakdown of contracts awarded in 2012 and 2011 by type of contract used as follows:

Type of contract (between EUR 15 000 and EUR 25 000)	2012	
	Number	Value (EUR)
Services	66	1 363 733
Supplies	13	246 663
Works	15	289 561
Building	0	0
Total	**94**	**1 899 957**

Type of contract (worth EUR 25 000 or more)	2012		2011	
	Number	Percentage	Number	Percentage
Services	167	73 %	168	68 %
Supplies	39	17 %	43	18 %
Works	21	9 %	29	12 %
Building	3	1 %	5	2 %
Total	**230**	**100 %**	**245**	**100 %**

Type of contract (worth EUR 25 000 or more)	2012		2011	
	Value (EUR)	Percentage	Value (EUR)	Percentage
Services	478 867 118	66 %	372 679 542	61 %
Supplies	20 050 555	3 %	181 515 814	30 %
Works	48 097 311	7 %	33 142 238	6 %
Building	177 282 082	24 %	15 881 213	3 %
Total	**724 297 066**	**100 %**	**603 218 807**	**100 %**

(Annual report on the contracts awarded by the European Parliament, 2012, p. 6)

106. Notes the breakdown of contracts awarded in 2012 and 2011 by type of procedure used as follows:

Type of procedure (between EUR 15 000 and EUR 25 000)	2012	
	Number	Value (EUR)
Open	0	0
Restricted	0	0
Negotiated	94	1 899 958
Competition	—	—
Exception	—	—
Total	**94**	**1 899 958**

Type of procedure (worth EUR 25 000 or more)	2012		2011	
	Number	Percentage	Number	Percentage
Open	93	40 %	90	37 %
Restricted	4	2 %	12	5 %
Negotiated	133	58 %	138	56 %
Competition	—	—	2	1 %
Exception	—	—	3	1 %
Total	**230**	**100 %**	**245**	**100 %**

Type of procedure (worth EUR 25 000 or more)	2012		2011	
	Value (EUR)	Percentage	Value (EUR)	Percentage
Open	268 775 678	37 %	436 253 061	72 %
Restricted	245 111 639	34 %	126 420 563	21 %
Negotiated	210 409 749	29 %	31 283 089	5 %
Competition	—	—	4 668 600	1 %
Exception	—	—	4 593 494	1 %
Total	**724 297 066**	**100 %**	**603 218 807**	**100 %**

(Annual report on the contracts awarded by the European Parliament, 2012, p. 8)

107. Notes that of a total of 230 contracts awarded in 2012, 97, with a value of EUR 514 million, were based on open or restricted procedures, and 133, with a value of EUR 210 million, were based on negotiated procedures; takes note that the considerable increase in the use of negotiated procedures, from 2011 to 2012, in terms of value, lay in the three building contract procedures, with a combined value of EUR 177,28 million, which substantially increased the overall amount;

108. Regrets that due to a reduction in administrative burden for low value contracts, aimed at increasing SME participation in tenders for these contracts, the administration does not dispose of the number of SMEs that secured low value contracts; therefore the Secretariat- General is not able to show whether or not the reduction in administrative burden actually led to an increased SME participation and thus the effectiveness of the measures taken; requests to monitor the number of SMEs that secured low value contracts;

109. Is of the opinion that for contracts below the threshold of EUR 60 000, full transparency should be given on the award criteria and a conflicts of interest check should be provided for;

Exceptional negotiated procedures

110. Signals that the use of exceptional negotiated procedures by Parliament fell in terms of numbers in 2012 (from 59 in 2011 to 43 in 2012), a reduction of 27 % for the institution and five Directorates-General did not use this type of procedure in 2012, while one Directorate-General awarded the same number of contracts under it as in 2011, while two of them awarded more; points out, furthermore, that since 2012, the authorising officer responsible must systematically state the reasons, in an annex attached to the annual activity reports, for making use of an exceptional negotiated procedure;

Political Groups (budget item 4 0 0)

111. Is of the opinion that the political groups are key actors for Parliament and the Union as a whole as their transnational nature represents a unique model in the world and their role is crucial in order to guarantee a strong democratic accountability of all Union institutions;

112. Notes that in 2012, the appropriations entered under budget item 4 0 0 were used as follows:

Group	2012					2011				
	Annual appropriations (*)	Own resources and carried-over appropriations	Expenditure	Rate of use of annual appropriations	Amounts carried over to next period	Annual appropriations	Own resources and carried-over appropriations	Expenditure	Rate of use of annual appropriations	Amounts carried over to next period (2011)
EPP	21 128	2 024	18 974	89,81 %	4 178	20 336	1 918	20 442	100,42 %	1 832
S&D	14 908	6 313	14 520	97,40 %	6 702	14 302	5 499	13 696	95,76 %	6 105
ALDE	6 673	2 281	6 855	102,72 %	2 100	6 477	2 416	6 676	103,07 %	2 217
Greens/EFA	4 319	1 460	4 002	92,65 %	1 778	4 025	1 242	3 820	94,91 %	1 447
GUE/NGL	2 563	1 094	2 602	101,52 %	1 055	2 535	1 088	2 553	100,71 %	1 070
ECR	3 765	1 219	3 407	90,51 %	1 577	3 831	720	3 375	88,09 %	1 176
EFD	2 538	881	2 494	98,29 %	925	2 088	835	2 046	98,03 %	876
Non-attached Members	1 362	413	963	70,73 %	367	1 270	409	924	72,72 %	413
Total	**57 255**	**15 687**	**53 817**	**94,00 %**	**18 680**	**54 866**	**14 126**	**53 514**	**97,53 %**	**15 137**

(*) all amounts in thousand EUR

European Political Parties and European Political Foundations

113. Notes that in 2012 the appropriations entered under budget item 4 0 2 were used as follows ([1]):

Party	Abbreviation	Own resources (*)	EP grant	Total revenue	EP grant as % of eligible expenditure (max. 85 %)	Revenue surplus (transfer to reserves) or loss
European People's Party	EPP	1 471	6 483	8 863	85 %	242
Party of European Socialists	PES	977	4 323	5 514	85 %	91
Alliance of Liberals and Democrats for Europe Party	ALDE	440	1 950	2 784	85 %	60
European Green Party	EGP	397	1 333	1 908	84 %	127
Alliance of European Conservatives and Reformists	AECR	216	1 139	1 701	85 %	13
Party of the European Left	EL	269	835	1 263	79 %	47
European Democratic Party	EDP/PDE	79	363	630	84 %	0
European Free Alliance	EFA	91	382	530	85 %	23
EUDemocrats	EUD	29	195	271	85 %	– 6
European Christian Political Movement	ECPM	44	242	285	85 %	0,6
European Alliance for Freedom	EAF	65	357	428	85 %	2
European Alliance of National Movements	AEMN	44	186	333	85 %	– 2
Movement for a Europe of Liberties and Democracy	MELD	81	458	702	85 %	0
Total		**4 203**	**18 247**	**25 214**	**84 %**	**598**

(*) all amounts in thousands EUR

114. Notes that in 2012 the appropriations entered under budget item 4 0 3 were used as follows ([2]):

Foundation	Abbreviation	Affiliated to party	Own resources (*)	EP grant	Total revenue	EP grant as % of eligible expenditure (max. 85 %)
Centre for European Studies	CES	EPP	786	3 719	4 505	83 %
Foundation for European Progressive Studies	FEPS	PES	517	2 795	3 312	85 %

([1]) Source: PV BUR. 9.9.2013 (PE 512.496/BUR) point 14 and PV BUR. 7.10.2013 (PE 516.110/BUR) point 12.
([2]) Source: PV BUR. 9.9.2013 (PE 512.496/BUR) point 14, SG Note to the Bureau: D(2013)33164

Foundation	Abbreviation	Affiliated to party	Own resources (*)	EP grant	Total revenue	EP grant as % of eligible expenditure (max. 85 %)
European Liberal Forum	ELF	ALDE	183	996	1 179	85 %
Green European Foundation	GEF	EGP	156	865	1 020	85 %
Transform Europe	TE	EL	120	550	671	83 %
Institute of European Democrats	IED	PDE	48	238	286	85 %
Organisation For European Interstate Cooperation	OEIC	EUD	20	132	152	85 %
Centre Maurits Coppieters	CMC	EFA	36	200	235	85 %
New Direction	ND	AECR	141	679	820	85 %
European Christian Political Foundation	ECPF	ECPM	30	167	197	82 %
European Foundation for Freedom	EFF	EAF	44	234	279	84 %
Foundation for a Europe of Liberties and Democracy	FELD	MELD	56	194	250	78 %
Total			**2 136**	**10 768**	**12 905**	**84 %**

(*) all amounts in thousands EUR

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section II — European Council and Council

(2014/543/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2012 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2012 (COM(2013) 570 – C7-0275/2013) ([2]),

— having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2012, together with the institutions' replies ([3]),

— having regard to the statement of assurance ([4]) 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 2012 pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]), and in particular Articles 50, 86, 145, 146 and 147 thereof,

— 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 1605/2002 ([6]), and in particular Articles 164, 165 and 166 thereof,

— having regard to the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management ([7]),

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0189/2014),

1. Postpones its decision on granting the Secretary-General of the Council discharge in respect of the implementation of the European Council's and the Council's budget for the financial year 2012;

([1]) OJ L 56, 29.2.2012.
([2]) OJ C 334, 15.11.2013, p. 1.
([3]) OJ C 331, 14.11.2013, p. 1.
([4]) OJ C 334, 15.11.2013, p. 122.
([5]) OJ L 248, 16.9.2002, p. 1.
([6]) OJ L 298, 26.10.2012, p. 1.
([7]) OJ C 373, 20.12.2013, p. 1.

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms 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 and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge for implementation of the general budget of the European Union for the financial year 2012, Section II — European Council and Council

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2012 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2012 (COM(2013) 570 – C7-0275/2013) ([2]),

— having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2012, together with the institutions' replies ([3]),

— having regard to the statement of assurance ([4]) 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 2012 pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]), and in particular Articles 50, 86, 145, 146 and 147 thereof,

— 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 1605/2002 ([6]), and in particular Articles 164, 165 and 166 thereof,

— having regard to the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management ([7]),

— having regard to the letter of Commissioner Algirdas Šemeta, dated 25 November 2011, replying to question 58 of the 2011 discharge questionnaire,

— having regard to the letter of Mr Maroš Šefčovič, representing the European Commission, dated 23 January 2014, replying to the questions of the rapporteur addressed to the Council,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0189/2014),

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 in the absence of replies to Parliament's questions and lack of sufficient information, Parliament is not in the position to make an informed decision about granting the discharge,

([1]) OJ L 56, 29.2.2012.
([2]) OJ C 334, 15.11.2013, p. 1.
([3]) OJ C 331, 14.11.2013, p. 1.
([4]) OJ C 334, 15.11.2013, p. 122.
([5]) OJ L 248, 16.9.2002, p. 1.
([6]) OJ L 298, 26.10.2012, p. 1.
([7]) OJ C 373, 20.12.2013, p. 1.

1. Notes with satisfaction that, on the basis of its audit work, the Court of Auditors concluded that the payments as a whole for the year ended on 31 December 2012 for administrative and other expenditure of the institutions and bodies were free from material error;

2. Points out that in the 2012 annual report, the Court of Auditors included observations on the European Council and the Council concerning errors in the design of procurement procedures; observes that one error relates to the performance of a negotiated procedure and that another relates to the application of a selection criterion;

3. Takes note of the replies given to the Court of Auditors' observations and concurs with the Court of Auditors' recommendations that authorising officers should improve the design, coordination and performance of procurement procedures by means of appropriate checks and better guidance; recommends, furthermore, a stricter application of the procurement rules, with which all the Union institutions are bound to comply;

4. Notes that in 2012, the European Council and the Council had an overall budget of EUR 533 920 000 (EUR 563 262 480 in 2011), with an implementation of 91,8 %; is concerned that the underspending rate continues to be high and calls for the development of key performance indicators within the most critical areas, such as delegations' travel envelopes, logistics and interpretation;

5. Takes note that EUR 44 000 000 of commitments were cancelled in 2012 due to underspending and a reduction in the use of facilities;

6. Reiterates that the budget of the European Council and the Council should be separated in order to contribute to the transparency of the financial management of the institutions and to improve the accountability of both institutions;

7. Following last year's request, calls on the European Council and the Council to send Parliament their annual activity report with a comprehensive overview of all human resources available to both institutions, broken down by category, grade, sex, nationality and vocational training;

8. Supports the establishment of an Audit Committee in the Council's General Secretariat; invites the Council to share the recommendations of that committee with Parliament;

9. Acknowledges the improvement made (87 %, compared to 84 % in 2011) in monitoring the follow-up remarks made by the internal audit; calls on the European Council and the Council to further improve the result with the creation of the Audit Committee;

10. Takes special note of the internal audit recommendation to create a specific framework on anti-fraud policy, which is lacking at the Council's General Secretariat; calls on the Council to act in accordance with the recommendation to include the measures taken to implement this recommendation in the annual activity report;

11. Takes note that the 'Europa' building project continues to be closely monitored and that some of the audit recommendations are still lagging behind execution; calls on the Council to inform the discharge authority about the construction progress and the final costs projection compared to the initial budget of EUR 240 million; invites the Council to explain any cost increases incurred between the beginning of the construction works in 2008 and the projected completion in 2014;

12. Calls on the Council to provide an explanation of how measures from the previous period that were adopted with a view to improving the results of the 'Europa' building project are being implemented; calls on the Council, furthermore, to explain what added value is brought by the permanent team responsible for monitoring the execution of this project;

13. Calls for a progress report on the 'Résidence Palace' building project and a detailed breakdown of the costs incurred to date;

14. Reiterates its call for the Council to provide a thorough written explanation detailing the total amount of appropriations used in the purchase of the Résidence Palace building, the budget items from which these appropriations were drawn, the instalments that have been paid thus far, the instalments that remain to be paid and the purpose that the building will serve;

15. Takes note of the zero growth in the Council's budget appropriations for 2012; considers it a positive trend and expects it to continue in the coming years;

16. Welcomes the process of administrative modernisation within the Council; regrets, nonetheless, the lack of information on the concrete implementing measures of that process and on the anticipated impact on the Council's budget; calls on the Council to provide the missing information as soon as possible;

17. Wishes to receive more information on the Service Level Agreements established with the EEAS, and not only in respect of the administrative modernisation process;

18. Calls on the Council to cooperate with other institutions to come up with a unified methodology of presenting the translation costs in order to simplify the analysis and comparison of the costs;

19. Considers that the Council acted disdainfully towards Parliament by appointing a Member of the Court of Auditors, despite the fact that Parliament gave a negative opinion; urges the Council to pay attention to the opinions expressed by Parliament on the nomination of members of the Court of Auditors and to the declarations of prospective members of the Court of Auditors before they are nominated;

Reasons of postponement of the decision on granting discharge

20. Considers that effective supervision of the Union's budget implementation requires cooperation between Parliament, the European Council, and the Council through a working arrangement;

21. Regrets the difficulties repeatedly encountered in the discharge procedures up to date; points out that Parliament refused to grant discharge to the Secretary-General of the Council for the implementation of the Council's budget for the financial years 2009, 2010 and 2011 for the reasons set out in its resolutions of 10 May 2011, 25 October 2011, 10 May 2012 and 23 October 2012, 17 April 2013 and 9 October 2013;

22. Reiterates that it is only possible to implement effective budgetary control with the cooperation of Parliament and the Council, the main elements of which must comprise formal meetings between representatives of the Council and Parliament's Committee on Budgetary Control, answering questions asked by the committee's members on the basis of a written questionnaire and submitting documents to serve as background material for budgetary controls on request; is of the opinion that the fundamental elements of an effective budgetary control is laid down in its resolution of 23 October 2012;

23. Reiterates that without the cooperation of the Council as stated above, Parliament is not in the position to make an informed decision on granting discharge;

24. Emphasises that the Commission, in its reply of 25 November 2011 to the letter from the Chair of the Committee on Budgetary Control, already said that it was desirable for Parliament to continue to give, postpone or refuse discharge to the other institutions – including the Council – as has been the case up until now;

25. Points out that Parliament in its discharge resolution adopted in April 2013 decided to send the Council's questions to the Commission; notes that the Commission replied by letter of 23 January 2014;

26. Fully endorses and supports the Commission's views in its letter of 23 January 2014 that all institutions are fully part of the follow-up process to the observations made by the Parliament in the discharge exercise and that all institutions should cooperate to ensure the smooth functioning of the discharge procedure in full respect of the relevant provisions in the Treaty on the Functioning of the European Union and in the relevant secondary law;

27. Informs the Council that the Commission also states in its letter that it will not oversee the implementation of the budgets 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; reminds the Council that one of the European Council's conclusions of 18 and 19 October 2012 was that 'democratic legitimacy and accountability should be further explored'; recalls that Parliament grants discharge to the other institutions after considering the documents provided and the replies given to the questions; regrets that the Parliament repeatedly encounters problems in receiving answers from the Council;

28. Welcomes the efforts of the Greek presidency to reopen the negotiations between the institutions; underlines, however, that such negotiations did not bring expected results in the past;

29. Considers it desirable for Parliament to exercise its power to grant discharge pursuant to Articles 316, 317 and 319 of the Treaty on the Functioning of the European Union in line with current interpretation and practice, namely to grant discharge to each heading of the budget individually in order to maintain transparency and democratic accountability towards Union taxpayers;

30. Recommends organising a workshop focussing on the legal analysis of Parliament's function of budgetary control and of the Council's duty to cooperate; recommends the drafting of an own initiative report focussing on possible amendments to the Treaty on the Functioning of the European Union as a way forward in order to prepare for the possibility of instigating legal proceedings, as well as the possibility of a change or clarification of the rules on granting discharge to other institutions stated in the Treaty on the Functioning of the European Union;

31. Regrets that not all the Union institutions respect the same standards in relation to transparency and believes that the Council should make improvements in that regard; is convinced that Parliament and the Council, as joint legislators, should apply the same standards of transparency;

32. Recalls that good cooperation between the Parliament and the Council is of outmost importance in ensuring a good implementation of the Union budget;

33. Calls on the Court of Auditors, therefore, to conduct a thorough audit of the administrative and operational activities of the European Council, the Council, and the European External Action Service, without encroaching on the powers and responsibilities laid down in the Treaties, and to report on the findings to Parliament;

34. Calls on the Court of Auditors to include in its next annual report a review of the follow-up by the European Council and the Council of Parliament's recommendations in this resolution.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section III — Commission and executive agencies

(2014/544/EU, Euratom)

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2012 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2012 (COM(2013) 570 – C7-0273/2013) ([2]),

— having regard to the Commission's report on the follow-up to the discharge for the 2011 financial year (COM(2013) 668), and to the Commission staff working documents accompanying that report (SWD(2013) 348 and SWD(2013) 349),

— having regard to the Commission communication of 5 June 2013 entitled 'Synthesis of the Commission's management achievements in 2012' (COM(2013) 334),

— having regard to the Commission's report on the evaluation of the Union's finances based on the results achieved (COM(2013) 461), and to the Commission staff working documents accompanying that report (SWD(2013) 228 and SWD(2013) 229),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2012 (COM(2013) 606), and to the Commission staff working document accompanying that report (SWD(2013) 314),

— having regard to the Court of Auditors' Annual Report on the implementation of the budget for the financial year 2012, together with the institutions' replies ([3]), and to the Court of Auditors' special reports,

— having regard to the statement of assurance ([4]) 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 2012, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2014 on discharge to be granted to the Commission in respect of the implementation of the budget for the financial year 2012 (05848/2014 – C7-0048/2014),

— having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union and Article 106a of the Treaty establishing the European Atomic Energy Community,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]), and in particular Articles 55, 145, 146 and 147 thereof,

— 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 1605/2002 ([6]), and in particular Articles 62, 164, 165 and 166 thereof,

— having regard to Rule 76 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A7-0242/2014),

([1]) OJ L 56, 29.2.2012.
([2]) OJ C 334, 15.11.2013, p. 1.
([3]) OJ C 331, 14.11.2013, p. 1.
([4]) OJ C 331, 14.11.2013, p. 10.
([5]) OJ L 248, 16.9.2002, p. 1.
([6]) OJ L 298, 26.10.2012, p. 1.

A. whereas, under Article 17(1) of the Treaty on European Union, the Commission is to execute the budget and manage the programmes and is to do so pursuant to Article 317 of the Treaty on the Functioning of the European Union, in cooperation with the Member States, on its own responsibility, having regard to the principle of sound financial management,

1. Grants the Commission discharge in respect of the implementation of the general budget of the European Union for the financial year 2012;

2. Sets out its observations in the resolution forming an integral part of its decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section III – Commission and executive agencies, and in its resolution of 3 April 2014 on the Court of Auditors' special reports in the context of the 2012 Commission discharge [1];

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the governments and parliaments of the Member States, the Ministers of Finance and Agriculture of the Member-States, the national Courts of Auditors, the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors and the European Investment Bank, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

[1] Texts adopted, P7_TA(2014)0288 (see page 69 of this Official Journal).

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

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 2012, Section III — Commission and executive agencies

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2012 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2012 (COM(2013) 570 – C7-0273/2013) ([2]),

— having regard to the Commission's report on the follow-up to the discharge for the 2011 financial year (COM(2013) 668), and to the Commission staff working documents accompanying that report (SWD(2013) 348 and SWD(2013) 349),

— having regard to the Commission communication of 5 June 2013 entitled 'Synthesis of the Commission's management achievements in 2012' (COM(2013) 334),

— having regard to the Commission's report on the evaluation of the Union's finances based on the results achieved (COM(2013) 461), and to the Commission staff working documents accompanying that report (SWD(2013) 228 and SWD(2013) 229),

— having regard to the Commission communication on the protection of the European Union budget to end 2012 (COM(2013) 682),

— having regard to the Commission communication on the application of net financial corrections on Member States for Agriculture and Cohesion Policy (COM(2013) 934),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2012 (COM(2013) 606), and to the Commission staff working document accompanying that report (SWD(2013) 314),

— having regard to the Court of Auditors' Annual Report on the implementation of the budget for the financial year 2012, together with the institutions' replies ([3]) (Annual Report), and to the Court of Auditors' special reports,

— having regard to the statement of assurance ([4]) 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 2012 pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2014 on discharge to be granted to the Commission in respect of the implementation of the budget for the financial year 2012 (05848/2014 – C7-0048/2014),

— having regard to the Council's recommendation of 18 February 2014 on discharge to be granted to the executive agencies in respect of the implementation of the budget for the financial year 2012 (05850/2014 – C7-0049/2014),

— having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union and Article 106a of the Treaty establishing the European Atomic Energy Community,

([1]) OJ L 56, 29.2.2012.
([2]) OJ C 334, 15.11.2013, p. 1.
([3]) OJ C 331, 14.11.2013, p. 1.
([4]) OJ C 331, 14.11.2013, p. 10.

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities [1], and in particular Articles 55, 145, 146 and 147 thereof,

— 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 1605/2002 [2], and in particular Articles 62, 164, 165 and 166 thereof,

— having regard to 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 [3], and in particular Article 14(2) and (3) thereof,

— having regard to its previous discharge decisions and resolutions;

— having regard to Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 [4];

— having regard to Rule 76 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A7-0242/2014),

A. whereas, for the 19th time in succession, the Court of Auditors was unable to grant a positive statement of assurance regarding the legality and regularity of the payments underlying the accounts,

B. whereas the continued absence of a positive statement of assurance risks eroding the legitimacy of Union spending and policies,

C. whereas, in a situation in which resources are scarce on account of the economic and financial crisis, greater importance attaches to the need to observe budgetary discipline and to use funds economically,

D. whereas the Union has entered a new Multiannual Financial Framework (MFF) 2014-2020 [5],

E. whereas, according to the Treaty on the Functioning of the European Union (TFEU), the Commission bears the ultimate responsibility for the implementation of the Union budget, while Member States are required to sincerely cooperate with the Commission to ensure that the appropriations are used in accordance with the principles of sound financial management,

F. whereas Article 287 TFEU provides: 'The Court of Auditors shall provide the European Parliament and the Council with a statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions (…)',

G. whereas performance audits measuring the extent to which spending has achieved the objectives pursued are becoming ever more important,

[1] OJ L 248, 16.9.2002, p. 1.
[2] OJ L 298, 26.10.2012, p. 1.
[3] OJ L 11, 16.1.2003, p. 1.
[4] OJ L 347, 20.12.2013, p. 320.
[5] Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the Multiannual Financial Framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884).

H. whereas the Commission's management should be presented fairly, along with that of the Member States responsible under shared management of funds, with a view to reinforcing public trust in the Institutions,

I. whereas the evaluation report (Article 318 TFEU) on the finances of the Union, which is based on the results achieved, in particular, with reference to the requirements, provides the opportunity to propose a new performance culture within the Commission,

J. whereas the Committee on Budgetary Control should be even more closely involved in monitoring Commission spending in future; looking forward to closer cooperation with the Court of Auditors in order to produce wide-ranging proposals on improving efficiency in audit procedures,

Agricultural and Regional Policy: Deficiencies in the Commission's and Member States' management

Letter of 5 November 2013 from the rapporteur and the shadow rapporteurs to the President of the Commission and the latter's reply

1. Calls on the Commission, in light of repeated error concentration in a few Member States, to assume greater and more substantial responsibility for safeguarding the Union budget against financial losses;

2. Observes that in the 2012 financial year the error rate rose for the third time in succession;

3. Calls, therefore, on the Commission to apply Article 32(5) of the Financial Regulation (EU, Euratom) No 966/2012 more strictly in case of a persistently high level of error, and consequently to identify the weaknesses in the control systems and take or propose appropriate action in terms of the possible simplification, the further strengthening of control systems and the redesign of programmes or delivery systems;

4. Is of the view that the risk of error of Union policy areas, in particular in the area of shared management, is higher if the related policies are particularly complex and Member States are reluctant to implement adequate control and reporting systems; urges all relevant actors involved in Union decision-making to simplify further, notably by drafting eligibility rules that are simple and verifiable, cutting red tape and devising appropriate and effective controls;

5. Notes that, according to the Communication from the Commission on protection of the European Union budget ([1]), eight Member States are responsible for 90 % of the financial corrections in the fields under shared management; urges the Commission therefore to direct its particular attention to those countries;

6. Notes that the rapporteur and shadow rapporteurs for the discharge to the Commission for the financial year 2012 called for more stringent financial corrections to be imposed on those Member States whose management and monitoring systems display persistent and systematic weaknesses;

7. Notes that, in his reply, the President of the Commission undertook to:

   (a) step up supervision and control in those Member States with the biggest risk profile in terms of management and control of Union programmes;

   (b) continue to suspend payments and halt programmes, if legally possible, in cases where serious shortcomings have occurred;

   (c) continue to supply necessary financial data, which facilitates a thorough analysis of Member States;

([1]) COM(2013) 682, 26 September 2013.

8. Welcomes the Commission communication on the protection of the Union budget, which for the first time gives an overview of the situation regarding financial adjustments in the individual Member States, while calling for a more detailed annual assessment of the situation in each of them, indicating how much money could actually be channelled back into the Union budget;

Commission communication on the application of net financial corrections on Member States for Agriculture and Cohesion Policy ([1])

9. Welcomes the fact that, in response to the letter from Members of Parliament, the Commission published this communication as early as December 2013;

10. Welcomes the new rules for the 2014-2020 programming period, decided through the ordinary legislative procedure, including measures such as the designations of audit and certifying authorities, accreditations of audit authorities, audit examination and acceptance of accounts, financial corrections and net financial corrections, proportional control, *ex ante* conditionalities that aim to further contribute to the reduction of the level of error; supports in this respect the growing results orientation and the thematic concentration of cohesion policy that should ensure high added-value of the co-financed operations; welcomes also the definition of serious deficiency and the anticipated increased level of corrections for repeated deficiencies;

11. Welcomes the fact that, in the new programming period 2014-2020, net financial corrections can and must be imposed in the event of serious deficiencies in the implementation of cohesion policy and will remain the standard in the area of agriculture;

12. Considers swiftly and correctly applied net financial corrections an effective tool for protecting the Union budget and is of the view that recoveries and financial corrections have to be taken into account in any comprehensive assessment of the overall system of internal control; therefore asks the Court of Auditors to come to an agreement with the Commission on how to incorporate the impact of these corrective measures on the protection of the Union budget;

Assessment of the Communication

(a) Agriculture and Natural Resources

13. Notes that all financial corrections in the field of agriculture are net corrections; stresses that the application of net financial corrections in the field of agriculture does not yet constitute the anticipated progress, as

(a) the Commission's existing internal indicative benchmarks already stipulate that the duration of conformity procedures must not exceed two years; and

(b) the so-called 'new' criteria and methodology for determining the proportionality of the financial corrections to be applied, as mentioned in Annex I to the Communication refer explicitly to guidelines that will be based on the existing ones adopted by the Commission as long ago as 23 December 1997; is surprised that for almost 20 years the Commission has not been able to bring the duration of the clearance procedures below the self-inflicted benchmarks; considers it necessary, however, for the conformity procedure to have its full effect to accelerate the procedure and to further improve the criteria and methods for the application of financial corrections beyond the new guidelines foreseen; and

(c) Member States fail to provide, quickly, simply and effectively, proof that the net financial correction envisaged by the Commission is not justified, the result being frequent delays in dealing with cases involving corrections;

(b) Cohesion Policy

14. Notes that it depends on many factors whether the new instrument will lead to more net corrections and hence to a lower error rate in cohesion policy; considers it problematic, moreover, that there are ways in which Member States can avoid net financial corrections (no limit on the replacement of projects until 15 February of year 'n+1', no time limit on notification by Member States of their own past errors, protracted objection procedures);

([1]) COM(2013) 934, 13 December 2013.

15. Asks the Commission to submit without delay a proposal on limiting if not banning replacement projects all together;

16. Considers that the effectiveness of this instrument for cohesion policy cannot yet be assessed because its application depends on the detail adopted in a delegated act expected in April 2014;

17. Notes furthermore that some audit reports of several Member States, which constitute one of the elements feeding into the Commission's declaration of assurance, are themselves often faulty, underestimate the level of risk and error and are therefore partially unreliable ([1]); notes furthermore that the Court of Auditors only recently confirmed that '(…) the European Commission cannot unquestioningly rely on the results of audits performed by the Member States in relation to Union regional funding appropriations' ([2]);

Commission's Reservations, reasons for binding commitments

18. Recalls that, when it took office in 2005, the Barroso Commission made it one of its objectives to enhance accountability 'by striving for a positive declaration of assurance from the European Court of Auditors' ([3]);

19. Recalls that good cooperation is vital, especially in the area of shared management; therefore, urges all relevant actors involved in Union decision making to increase efficiency, notably by drafting eligibility rules that are simple and verifiable, by establishing clear rules and procedures for accessing the Union funds, by cutting red tape and by devising appropriate and cost effective controls;

20. Expresses concern that in the 2012 financial year the error rate rose for the third time in succession even taking into account the new methodology of the Courts of Auditors;

21. Remains very concerned that for years the majority of the errors identified by the Court of Auditors ought to be have been identified by the Member States themselves; considers, therefore, that in some Member States the control statistics, audit results and procedures constitute an inadequate basis for assessments and financial corrections by the Commission, and expects significant improvements in this regard in the funding period 2014-2020;

22. Calls, therefore, pursuant to Article 287(3) TFEU, for cooperation between national audit institutions and the Court of Auditors as regards shared-management controls to be stepped up;

23. Acknowledges, as the Commission over and over indicates, that around 80 % of the funds are being spend under shared management; nevertheless recalls that Article 317 TFEU stipulates that the Commission bears the ultimate responsibility for the implementation of the budget; expects full cooperation from Member States, however, in ensuring that they fully apply the rules on sound financial management and controls;

24. Regards mandatory reporting and improvement as an effective and appropriate budget discharge instrument designed to have tangible effects on error rates;

25. Underlines that Parliament only issues reservation in areas for which it has not received adequate assurance from the Commission and/or the Court of Auditors to refute its concerns, deems it a priority that the Commission proves to Parliament in the case of reservations in which way convincing remedial measures have been taken to overcome the latter's concerns;

([1]) Commission Staff Working Document – Summary of Executive Summaries Internal Audit Engagements finalised by the IAS in 2012 (SWD(2013) 314), p. 22 ff as well as Annual Activity Report of the Directorate-General for Agriculture and Rural Development, p. 6.
([2]) Press release ECA/13/47 of the Court of Auditors on Special Report 16/2013 on the 'single audit', 18 December 2013.
([3]) COM(2005) 12, 26 January 2005, p. 6.

26. Regards reservations as a new and effective budgetary control instrument, being a commitment by Parliament to monitor closely the measures taken by the Commission and Member States to eliminate these problems, so as to justify in the eyes of the public in particular the decision to grant discharge;

… in the field of agriculture

27. Observes that the error rate in the field of rural development, environment, fisheries and health is 7,9 %; regrets that due to the delay between payment claims, payments, controls and reported statistics, no significant impact on reducing the error rate can be expected before 2014 at the earliest, although an action plan was adopted in 2012;

28. Notes that the Internal Audit Service of the Commission (IAS) found that the audit strategy of DG AGRI was not sufficiently formalised, namely that there were gaps in the definition of the audit universe, the setting up of quantitative and measurable objectives (e.g. audit coverage), and the related capacity analysis; is worried about the IAS's finding that audit plans were not sufficiently supported by risk assessments and that there was a significant audit backlog (13 % of engagements of 2007-2010 still open), despite DG AGRI's efforts to reduce it;

29. Notes that the Commission reports the errors in the Land Parcel Identification System (LPIS) in France and Portugal since 2006; notes that before 2010 no own initiative action plan had been initiated in these countries; criticises the fact that 'action plans' instigated by the Commission have only started in 2010 for Portugal and as late as in 2013 for France; considers that, although the way in which the Commission addresses the deficiencies detected in the LPIS systems in order to calculate the financial corrections gives rise to lengthy conformity procedures, delays in the adoption of action plans and reservations in the annual activity reports it makes for real financial corrections, as called for by Parliament and the Court of Auditors, rather than flat-rate corrections which are open to challenge by the Member States and recipients; supports the Commission in its approach, and calls for the systems to be improved in any way possible, including the provision of training to staff, in order to enhance their effectiveness and rapidity;

30. Would like to be informed on the total amount of the Union's subsidies, grants and other financial instruments that were spent in setting up and improving the LPIS system since the decision was taken, if possible divided by Member-State;

31. Points out in particular that, despite decisions on flat-rate corrections by the Member States, the errors detected in 2006 by the Court of Auditors in France and Portugal and confirmed by the Commission in 2008 were still not fully remedied in 2012; stresses that from 2006 to 2013 direct payments were made whose legality and regularity were not fully guaranteed; is concerned about the Union budget because of the failure to make the financial corrections in respect of mistakenly disbursed amounts in the years from 2008 to 2013 in France and from 2010 to 2013 in Portugal arising from continuing errors in the LPIS, which were discovered in 2006; notes, however, that the Commission applied net financial corrections as early as 2008 in France and 2010 in Portugal; calls on the Commission to offset the entire financial risk of such errors in the Union budget through net corrections;

32. Observes that the conformity clearance procedures take far too long to protect the Union budget effectively; regrets the administrative capacities that have been frozen for years and the loss in revenue and interest to the EU budget;

33. Notes that the Director-General of DG AGRI has maintained a reputational reservation concerning deficiencies in the supervision and control of certified organic products; expects remedial action of the Commission to ensure that the absence of sufficient controls does not lead to unfair distortion of competition between organic and conventional farmers;

34. Endorses the reservations issued by the Director-General of DG AGRI:

— a reservation with regard to serious deficiencies in the direct payment systems in Bulgaria, France and Portugal;

— a reservation with regard to all rural development expenditure;

— a reservation with regard to deficiencies in the supervisory and control systems for organic production;

….in the field of regional policy, energy and transport

35. Notes that the error rate in regional policy is 6,8 %;

36. Observes that according to the audits of both the Court of Auditors and the Commission, some audit authorities of Member States are not carrying out their audits with the requisite thoroughness and that it is not sufficiently apparent whether and in what respect they are permanently improving their supervisory and control systems;

37. Notes that Member States' authorities have interpreted guidance in different ways, in particularly as regards statistical sampling and coverage of the audit universe; is deeply worried since the IAS found significant variations in the extent and depth of on-the-spot tests;

38. Observes that the Commission does not conduct enough random sample audits of its own at national management authorities and final beneficiaries;

39. Endorses the reservation issued by the Director-General of DG REGIO concerning ERDF/Cohesion Fund/IPA management and control systems for the 2007-2013 programming period in 17 Member States (72 programmes) and 12 European Territorial Cooperation programmes; endorses furthermore the reservation concerning ERDF/ Cohesion Fund/IPA management and control systems for the 2000-2006 programming period in 5 Member States (11 programmes) on programmes; in this context points out in particular:

— audit authorities of all Member States must take their auditing task more seriously in order to bring about lasting improvements to management, supervisory and control systems;

— the Commission must perform more audits of final beneficiaries and authorising authorities in year 'n' in Member States where shortcomings have been found in administrative and audit systems in year 'n-1';

— the Commission must commit itself to audit all operational programmes at least once in the course of the programming period;

— the Commission must report in time for the 2013 discharge procedure on the operational applicability of the term 'serious deficiencies' in the delegated act and on the net financial corrections it generated;

While not calling into question its decision to grant discharge, stresses its reservations as referred to in paragraphs 34 and 39 leading to the following binding commitments to be made

40. Calls on the Commission, in the area of agricultural policy, for conformity clearance procedures in standard cases to be completed in less than two years, as foreseen in the Commission's internal benchmarking adopted more than 15 years ago.

41. Calls on the Commission, in the field of agriculture, to resolve without delay the problems occurring in Paying Agencies whose residual risk of error lies above the materiality threshold of 2 % as identified by the Commission; suggests to focus its efforts especially on the Paying Agencies in France, Bulgaria, Romania, Portugal and Latvia;

42. Calls, in order to remedy shortcomings in LPIS systems, for action plans to be implemented promptly; calls, in the event of failure to comply with the deadlines set in the action plans for proportional net financial corrections as part of the conformity clearance procedure; notes that adversarial procedures should be completed in general in two years;

43. Calls on the Commission to report on the state of play of the implementation of the action plans for France and Portugal by 30 June 2014;

44. Takes the view that recurrent land parcel identification shortcomings must be met by progressively increasing corrective penalties well beyond existing net and flat-rate corrections; calls for a Commission proposal along these lines;

45. Calls on DG AGRI to develop and formalise its control strategy, re-engineer its risk assessments according to the targets established, and ensure proper monitoring through better quantitative and qualitative key performance indicators whose disclosure in the Annual Activity Report should be improved;

46. Calls, in the field of regional policy, following the Commission's and the Court of Auditors' recommendations, for the Member States to drastically step up their first-level checks and render them more stringent;

47. Calls on the Commission, in the activity reports of the directorates-general, to report the extent to which Member States' control statistics or audit reports have been examined, verified and validated and the depth in which this has been done;

48. Calls on the Commission, in its annual activity reports, to indicate how its own risk analyses have influenced the use of its own audit capacities, which countries were concerned and whether the shortcomings were remedied; calls for more direct audits of random samples taken from national granting authorities and final beneficiaries; notes that this could be made possible by redeploying staff and/or by reducing the number of audits in Member States with low error rates;

49. Stresses that the guidelines for audits by the Commission itself ought to constitute a self-imposed obligation on the Commission; calls on the Commission already to present them as part of the 2013 discharge procedure; calls for clear indications, to this end, of the extent to which Member States and programmes which have attracted attention in the past have been subjected to a special audit approach and the extent to which net financial corrections can be accelerated; stresses that this approach should already be adopted in the impending delegated acts and implementing acts;

50. expects that the Commission improves its own checks on the audit authorities' annual control reports, to ensure that auditors are able to reach conclusions on the impact of the reliability of error rates from Member States' audits and to strengthen its assurance process; is of the opinion that these inconsistencies need to be addressed as soon as possible to minimise the risk of non-detection of system weaknesses and/or errors and irregularities;

51. Is aware that forthcoming net financial corrections cannot entail automatic penalties, as this would be contrary to the rule of law; calls, therefore, on the Commission to do everything in its power to shorten the adversarial procedures preceding the imposition of net corrections or interruptions of payments; calls on the Commission to submit a report and a proposal on the subject; undertakes as of now that Parliament will support the Commission in this matter if Member States raise objections;

52. Calls on the Commission to insert in the annual report on the protection of the Union budget a chapter on net financial corrections per Member State;

53. Calls on the Commission to identify in the Communication on shared fund management the three Member States with the highest error rates and financial corrections, which will subsequently receive a hearing from the discharge authority as part of the discharge procedure;

54. Calls on the legislative authority at the first opportunity to limit in time and in financial terms the option of replacing projects affected by errors with new projects before 15 February of year 'n+1';

55. Calls on the Court of Auditors to make more use of performance audits to compare expenditure programmes in a number of countries; calls once again for special country reports from the Court of Auditors for Member States which are particularly prone to error (with federal administrative structures) and which have attracted particular attention (through high error rates);

56. Asks for the following:

— the DGs concerned should build up a new and reinforced audit strategy to counter weaknesses found in in some Member States as referred to in paragraphs 47, 48 and 49;

— Intensification of quality checks on Member-States audit and control reports as referred to in paragraphs 47 and 48;

— increase in the random sampling based audits by the Commission in the spot and the more systematic use of net financial corrections as referred to in paragraph 13;

— detailed rules in the CPR delegated act to provide for definition of serious deficiencies and assessment of key requirements for management and control systems as referred to in paragraph 216;

— application of progressively increasing payment reductions and administrative sanctions where eligibility criteria have not been respected by the final beneficiary receiving direct payments or rural development support and recurrent LPIS shortcomings;

— suspension mechanism to be used as an *ex ante* instrument for protection of the Union budget as referred to in paragraph 42;

— the use of interruptions, suspensions, financial corrections, and recoveries will be detailed in the next annual report on the protection of the Union budget, and specifically for structural and cohesion funds in the reports for 2016 onwards as referred to in paragraph 52;

— Annual Activity Reports (AARs) from the DGs should include information on reservations regarding risk to the Union budget and such reservations should only be lifted when the weaknesses have been addressed through Member State action and correction of irregular expenditure, and AARs also to error rate and residual risk estimates particularly when Member States have carried out corrective actions;

— a new horizontal report should be prepared on how new preventive and corrective tools are implemented under the 2014-2020 MFF, and assessing any risk from the gap between the final legislation compared to the Commission proposals;

— contradictory and conciliation procedures should be streamlined so that the whole conformity procedure will be shortened to two years in all standard cases as referred to in paragraph 40;

— for France and Portugal, comprehensive action plans should be established in the field of agriculture in among other the updating of their LPIS systems as requested in paragraph 44;

— the introduction of a template and recommendations for national management declarations;

— limit the option of replacing projects affected by error with new projects before 15 February n+ 1;

— making better use of RAL and limiting the period covered by pre-financing;

— the Commission should reach binding bilateral agreements with Member States which have attracted particular attention, along the lines of the European Semester;

57. Calls for the above commitments to be sent, by the newly elected President of Parliament, to all candidates for the post of President of the Commission calling for binding commitments for the delivery of the above following the 2014 European parliament elections; asks furthermore the new Parliament to include the above commitments in the written procedure at the hearings of the designated members of the new Commission and to demand appropriate pledges in order to improve protection of the Union budget;

58. Calls on the Commission to establish a registry for all Union funds going to media in the Member States from the structural funds or agricultural funds including rural development;

59. calls on the Commission to concentrate on those Member States which are vulnerable or conspicuous in this respect;

60. Calls on the Member States which did not already introduce a voluntary Member State Declaration to do so on the basis of the management declaration as foreseen by Article 59 of the Financial Regulation (EU, Euratom) No 966/2012; urges the Commission to establish the template for the management declaration as soon as possible; reiterates in this respect the on-going work of the interinstitutional working group on Member State Declarations which for its result is very dependent on the new content of the management declarations;

61. Calls on the Commission to monitor the certification process of the national audit authorities in the Member States dealing with repeatedly high error rates more frequently; encourages the Commission to present a communication and legislative proposal to this end;

62. Calls on the Commission to apply Article 32(5) of the Financial Regulation (EU, Euratom) No 966/2012 if the level of error is persistently high, and consequently to identify the weaknesses in the control systems, analyse the costs and benefits of possible corrective measures and take or propose appropriate action in terms of simplification, improvement of control systems and redesign of programmes or delivery systems;

63. Calls for significant reductions in those reporting requirements and control densities for Member States that operate permanently with very low error rates; encourages the Commission to present a communication including an efficient and effective control policy to this end, allowing for more resources to be made available for control measures in and for countries with high error rates;

64. Urges the Commission to tackle the problem of 'frontmen' being used for the purpose of obtaining public contracts and calls for every stage of public procurement procedures to be published on internet, ensuring maximum transparency, and identifying subcontractors also;

65. Calls on the Commission to examine its internal shared management arrangements and make recommendations to the European Parliament regarding the appointment of Union officials at the head of national payment, management and audit authorities in the Member States with responsibility for the disbursement of Union funds;

66. Recommends that the newly elected Parliament ensures through the relevant committees that the respective Commissioners commit themselves formally, in the written procedure prior to the hearings, to take remedial action within the defined timeframe; these commitments, together with the reports from the Commission and the Council will allow Parliament to take an informed decision during the discharge procedure 2013;

67. Calls on the newly elected Parliament, in the spirit of the above, to probe all legal means of achieving further legislative improvements, if appropriate, in the context of the mid-term review of the Multiannual Financial Framework;

The Court of Auditors' Statement of Assurance

Accounts – clean opinion

68. Welcomes the fact that the annual accounts of the Union for the financial year 2012 present fairly, and in all material respects, the position of the Union as at 31 December 2012 and the results of its operations, its cash flows and the changes in net assets for the then completed year;

69. Points out that in addition to delivering one opinion on the reliability of the accounts, the Court of Auditors delivers three on the legality and regularity of the underlying operations; takes the view that this plethora of opinions makes it more difficult for Members of Parliament to assess the Commission's implementation of the budget;

70. Regards it as abnormal that the annual accounts should show net assets of -EUR 40,4 billion, and wonders whether the amounts to be called from Member States for staff pensions, which are estimated at EUR 42,5 billion, should not be entered as assets, given that this clearly constitutes a commitment; notes the Commission accounting officer's explanations to the effect that international public-sector accounting standards have been applied; calls for the Court of Auditors to state clearly its position on this matter; calls for a figure to be put on the risk of the above amount not being made available, in the light of the Member States' financial positions; proposes that consideration should be given to setting up a Community pension fund in order to get these financial commitments vis-à-vis staff off the balance sheet;

Legality and regularity of revenue – clean opinion

71. Notes with satisfaction that revenue underlying the accounts for the year ended 31 December 2012 is legal and regular in all material respects;

Legality and regularity of commitments – clean opinion

72. Notes with satisfaction that commitments underlying the accounts for the year ended 31 December 2012 are legal and regular in all material respects;

Legality and regularity of payments – adverse opinion

73. Deeply regrets that payments remain materially affected by error; reminds the Commission that Parliament has a zero-tolerance approach to errors;

74. Urges the Court of Auditors to assess the pertinence of an analysis based on the simple error rate and, in keeping with its independent status, to consider the materiality threshold ([1]);

75. Points out that, in accordance with international audit standards, the external auditor should set the materiality threshold for errors independently;

76. Respects the Court of Auditors' method of taking the random sample with different priority countries and programmes each year for the 'representative cross-section'; calls, however, in addition, for risk-based and programme-specific country reports starting with the annual report for 2014;

77. Understands that the basis for the adverse opinion of the Court of Auditors is the observation that the supervisory and control systems are only partially effective and that, as a result, payments are affected by a most likely error rate of 4,8 %;

78. Notes with concern that all policy groups covering operational expenditure are materially affected by error;

([1]) European Parliament resolution of 4 February 2014 on the future role of the Court of Auditors. The procedure on the appointment of Court of Auditors' Members: European Parliament consultation (Texts adopted, P7_TA(2014)0060).

79. Emphasises that a distinction must be drawn between errors and fraud, and considers that, in the vast majority of cases, errors stem from administrative mistakes, many of which are linked to the complexity of Union and national rules, which can be corrected; expects that the institutions concerned pay due attention to this distinction in their communications with the wider public and the media;

80. Recalls that the most likely error rate for payments in the financial year 2011 was estimated at 3,9 %, in the financial year 2010 at 3,7 % and in the financial year 2009 at 3,3 %; deplores this increase because it reverses the positive trend observed in the years 2007, 2008 and 2009; acknowledges, however, that the increased number of payments during the closing phase of programmes could be one reason for a rise in error rates;

81. Deeply regrets that the commitment given by the Commission chaired by Mr Barroso to reach a fully positive DAS has not been honoured [1];

82. Notes with concern that all areas of operational expenditure contributed to this increase, with the rural development, environment, fisheries and health remaining the most error-prone policy group with an estimated error rate of 7,9 %, followed by regional policy, energy and transport with an estimated error rate of 6,8 %;

83. Points out that the increases in the estimated error rate were greatest for the spending areas employment and social affairs, agriculture: rural development, market measures and direct support and regional policy energy and transport;

84. Stresses that the increase in the estimated error rate is partly due to the change of the Court of Auditors' sampling approach, the sample of transactions including now only interim payments, final payments and clearing of advances;

85. Notes that the change in the most likely error rate attributable to the modification of the Court of Auditors' sampling approach does not exceed 0.3 percentage points and that this change is the main reason for the increase in the estimated error rate for external relations, aid and enlargement, research and other internal policies;

86. Welcomes the fact that the Court of Auditors decided in 2012 to treat serious procurement errors made by all Union institutions and bodies as quantifiable, as it already did for the Member States and international organisations; notes that the Court of Auditors has not backdated its approach to cover procurement activities by the Union institutions and bodies which took place before 2011;

87. Urges the Court of Auditors, together with the Commission, to adopt a jointly agreed method of counting errors, given that a divergent approach simply obscures the real impact of an error on the success of a project and hampers any realistic assessment thereof;

88. Notes with satisfaction that this change of approach makes it possible to compare the estimated error rate on shared management expenditure (amounting to 5,3 %) with all other forms of operational expenditures (amounting to 4,3 %);

89. Welcomes the fact that the Court of Auditors' estimated error rate on administrative expenditure managed directly by the Union institutions is 0 %;

90. Stresses that eligibility errors account for more than two thirds of the overall estimated error rate, including serious failures to respect public procurement rules (1,4 percentage points), wholly ineligible projects/activities or beneficiaries (1,1 percentage points), ineligible costs included in cost claims (1,0 percentage point) and incorrect declarations in the field of agriculture (0,8 percentage points);

91. Refers to the Commission's EU anti-corruption report (COM(2014) 38), which identifies public procurement as being particularly exposed to corruption; endorses, in this connection, calls for higher standards of integrity and improved control mechanisms in a number of Member States;

[1] On 26 January 2005, Mr Barroso presented to Parliament his Commission's strategic objectives for 2005-2009. One of the priorities for the five-year period was that the Commission's 'accountability should be enhanced by striving for a positive declaration of assurance from the European Court of Auditors' (COM(2005) 12, p. 6).

92. Notes that the financial corrections reported as implemented in 2012 amounted to EUR 3,7 billion, more than three times the figure for 2011 (EUR 1,1 billion) while recoveries remained essentially constant at EUR 678 million (EUR 733 million in 2011) and that most corrections in 2012 refer to the 2000-2006 programming period;

93. Welcomes the fact that the Commission succeeded in rapidly imposing a significant number of financial corrections in 2012 whilst many financial corrections are in general made many years after initial disbursement of funds; is critical of the fact that the Union budget incurs additional administrative costs and losses of revenue and interest due to excessively protracted procedures, thereby blocking budget resources; considers effective *ex ante* controls a better way of protecting the Union budget than *ex post* financial corrections;

94. Welcomes the country-specific statements in the Communication from the Commission to the European Parliament on the protection of the European Union budget to end 2012 ([1]); is critical, however, of the fact that it does not yet provide reliable information on withdrawals, recoveries and pending recoveries of structural funds for the individual Member States, and calls on the Commission to supply country-specific information in the appropriate depth and on the basis of meaningful time series;

95. Takes note that, in financial terms, the total amount of financial corrections and recoveries implemented in 2012 represented 3,2 % of all 2012 budget payments and that the average amount of financial corrections and recoveries implemented per year by the Commission during the period 2009-2012 was EUR 2,6 billion or 2 % of the average amount of payments from the Union budget ([2]);

96. Considers that these measures have still had too little impact on the Union budget and asks the Commission to provide Parliament and the Council with precise amounts and the use made thereof in this regard in the next communication on the protection of the Union budget for the financial year 2013;

97. Notes that the 2012 accounts record a EUR 1,8 billion financial correction on the 2000-2006 use of cohesion policy funds in Spain, which corresponds to 49 % of the total corrections in 2012; regrets that in accordance with current rules, authorities in Spain were entitled to further funding amounting to EUR 1 390 million;

98. Welcomes the fact that the Court of Auditors excludes from the estimation of the error rate only the financial corrections incorporating detailed corrections at project level, but recognises that flat-rate corrections decided by the Commission could be an efficient tool to protect the Union budget;

99. Notes that only approximately 1 % of the financial corrections implemented in 2012 involved a net reduction of Union funding to the programme and the Member State concerned in cohesion policy;

100. Encourages the Commission to present information reconciling as far as possible the year in which payment is made, the year in which the related error is detected and the year in which recoveries or financial corrections are disclosed in the notes to the accounts;

The Synthesis Report and the annual activity reports

101. Takes note that 12 directors-general and two directors of executive agencies made a total of 23 quantified reservations related to the expenditure and that the Director-General of DG Budget qualified his declaration on revenue;

102. Deplores the fact that the term 'amounts at risk' is not defined within the 'Synthesis of the Commission's management achievements in 2012' (Synthesis Report) adopted by the Commission on 5 June 2013 and that such amounts are not calculated on a consistent basis by the various directorates-general; calls on the Commission to develop a joint approach among the directorates-general with regard to establishing amounts at risk;

([1]) COM(2013) 682/2, 30 September 2013.
([2]) See points 4 and 5 of the Communication (COM(2013) 682/2).

103. Points out that, as the Commission quantifies the amount at risk at between 1,9 % (EUR 2,6 billion) and 2,6 % (EUR 3,5 billion) of total payments for the year, it acknowledges that the level of error in expenditure is likely to be material, especially since the Commission itself states that amounts at risk in a number of areas, in particular rural development, are likely to be underestimated; emphasises, however, that these amounts do not include the potential future financial corrections, which substantially reduce the final risk; urges the Commission to adequately protect the Union budget and finds the average level of past financial corrections and recoveries encouraging;

104. Considers that the comparison made by the Commission's Synthesis Report of the total for 'amounts at risk' with the average level of financial corrections over the last years should be put into context (timing and impact of the financial corrections on Member States and beneficiaries, likely underestimation of the amounts at risk and re-use of the funds);

105. Regrets that the Commission continues to ignore Parliament's long standing request to add the individual Commissioner's signature to the annual activity reports of his/her related Directorate-General for which he/she is responsible; notes that the synthesis report is adopted by the College of Commissioners, but deems this unsatisfactory in the light of democratic accountability principles;

Pressure on the budget

106. Notes the cuts in payments brought by the Council, which have resulted in decreases in payment appropriations as compared to the adopted budgets; underlines that Council keeps following its strategy to artificially cut the level of payments, without taking into consideration real needs, and notes with concern that the substantial gap between appropriations for commitment and payment, coupled with a large amount of underspending at the start of the 2007-2013 programming period, has caused a build-up equivalent to two years and three months' worth of unused commitments;

107. Stresses that the recurrent shortages of payment appropriations have been the main cause of the unprecedentedly high level of RALs especially in the last years of the 2007 -2013 MFF; notes with deep concern that the Commission is finding it increasingly difficult to meet all requests for payments in the year within the budget appropriations for payment and that the cumulative total of commitment appropriations available for payments over the period 2007-2013 has exceeded the cumulative total of payment appropriations available over the same period by EUR 114 billon; notes that this is EUR 64 billion more than the difference of EUR 50 billion between the total of commitment appropriations and payment appropriations envisaged in the financial framework;

108. Expresses concern over the fact that the Commission's outstanding budgetary commitments for which payments and/or decommitments have not yet been made increased by EUR 10 billion to EUR 217 billion and that EUR 16,2 billion of claims for payment were outstanding at the end of 2012 (EUR 10,7 billion at the end of 2011 and EUR 6,4 billion at the end of 2010); is further concerned that 52 % of the payment appropriations requested in the draft budget 2014 are devoted to the completion of 2007 - 2013 MFF programmes;

109. Deplores that the Commission's DG for Humanitarian Aid and Civil Protection was unable to honour EUR 60 million of its payment obligations in a timely way in 2012 (and EUR 160 million in 2013) with grave consequences for both vulnerable people and those NGOs trying to support them; given the urgent lifesaving nature, rapid project cycle and modest budget (EUR 2 per citizen per year) involved in the Union emergency response, calls on the Commission and the budgetary authority to recognise the exceptional nature and specificity of these actions by ensuring matching levels of commitment and payment appropriations for humanitarian aid in the annual budgetary cycle;

110. Points out that as of 30 June 2013 gross pre-financing amounted to EUR 81 billion of which 75 % (approximately EUR 61 billion) existed already more than 18 months ago and 20 % (EUR 16 billion) existed more than six years ago; notes that unnecessary extended periods of pre-financing can lead to an increased risk of error or loss, is of the opinion that pre-financing can and should not exceed EUR 50 billion; notes that under shared management pre-financing payments are not conditioned by the existence of a guarantee; suggests therefore that the Commission should provide in the reports of the accounting officer a breakdown of pre-financing payments by year of their accrual and by Member State;

111. Is worried since EUR 4,8 billion from the previous programming period 2000-2006 was paid from the Union budget as pre-financing to projects in the structural domain as of 30 June 2013, which neither have been cleared nor had the amounts been recovered by the Commission or the Member States; demands information on the state of play of those projects and information about the schedule for recovery or clearance of those funds;

112. Demands a detailed breakdown and a detailed explanation of the EUR 2,3 billion of pre-financing that: (a) had been adjusted due to technical corrections made to the opening balance when accruals-based accounts were first prepared or (b) had been transferred from the Commissions balance sheet to other Union bodies (agencies and joint undertakings) at the time of their creation;

113. Is worried that the Commission received in the development and cooperation area only guarantees for a total of EUR 700 million while an amount of EUR 10,1 billion in pre-financing has already been paid; expects the Commission to undertake the necessary steps to minimise the credit risk; is convinced that NGOs, international organisations and other beneficiaries of grants or contracting parties should be subject to guarantee requirements for pre-financed amounts;

114. Urges the Commission to prepare and publish a 'long-range cash flow forecast', projecting future payment requirements to ensure that necessary payments can be met from approved annual budgets;

115. Recalls the Parliament's proposal for a full-time Commissioner for Budgetary Control;

Responsibilities of the Commission and Member States in shared management

116. Stresses that the authorities of the Member States for the majority of transactions affected by error in shared management areas (e.g. agriculture and cohesion) had sufficient information to detect and correct the errors; therefore, once again requests the Member States to urgently reinforce the primary controls to address this unacceptably high level of mismanagement; moreover, calls on the Commission to shield the Union budget from the resulting risk of irregular payment by applying financial corrections in the event that such weaknesses in Member States' management and control systems are found; calls, therefore, on the Member States and the Commission once again to urgently reinforce first-level checks to address this unacceptably high level of mismanagement;

117. Calls on the Court of Auditors, pursuant to the second subparagraph of Article 287(4) TFEU, to deliver an opinion on the independence of the national audit authorities with regard to shared management;

118. Notes that the lack of reliability of the first-level checks performed by some Member States undermines the credibility of the annual activity reports drafted by the Commission services and the Synthesis Report adopted by the Commission, as they are partially based on the results of the checks performed by the national authorities; reiterates, consequently, its previous demand that the Commission establish reliable and objective annual activity reports;

119. Proposes that consideration be given to the possibility for national audit institutions, in their capacity as independent external auditors, and with due regard for international audit standards, to issue national audit certificates for the management of Union funds, which would be submitted to Member State governments with a view to being produced during the discharge process in accordance with an appropriate interinstitutional procedure to be introduced;

120. Emphasises the fact that, in accordance with TFEU Article 317, the Commission is ultimately responsible for the implementation of the Union's budget; points out that, where the Commission implements the budget under shared management, implementation tasks are delegated to Member States pursuant to Article 59 of the Financial Regulation (EU, Euratom) No 966/2012;

121. Welcomes the fact that, in accordance with Article 59(3), (4) and (5) of the Financial Regulation (EU, Euratom) No 966/2012, Member States' management authorities are to be required annually to provide the Commission with their accounts accompanied by a management declaration, an annual summary of their final audit report and of controls and an opinion from an independent audit body, and notes that, in addition, Member States may provide voluntary national management declarations signed at the appropriate level based on the sections of the Financial Regulation referred to above;

122. Requests the Commission to forward each year to Parliament the annual summaries of the final audit reports and of the controls carried out by the Member States pursuant to Article 59(5)(b) of Regulation (EU, Euratom) No 966/2012 at the latest two months after their receipt by the Commission under the necessary safeguards laid down in the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management ([1]); notes that Parliament's competent committee received those annual summaries for the financial year 2012 only on 19 February 2014;

123. Welcomes the fact that the Commission, within the context of that Interinstitutional Agreement accompanying the multiannual financial framework for 2014-2020, set up a working group composed of representatives of Parliament, the Council and the Commission in order to establish a template for such a declaration and to make the national declarations useful for the Commission's own assurance process;

124. Requests the Commission, after the establishment of the template, to actively and constantly encourage the Member States to use that template in order to receive useful and reliable national declarations from all Member States;

The Council discharge recommendations

125. Calls for the Council to adopt a more critical position on the discharge and the ultimate use made of Union tax revenue in the Member States, notes in this connection the critical stance taken by Sweden, the United Kingdom and the Netherlands on the discharge for 2012; hopes that during their respective Presidencies, they will provide the necessary information, as requested by Parliament, on the execution of the Council's budget, preventing a further refusal by Parliament to grant discharge; furthermore endorses the calls for national management declarations;

126. Requests that the Council report on the implementation of the remedial measures falling under the Member States' responsibility, at the same time it adopts its next discharge recommendation by the end of October 2014;

Revenue

127. Notes that the Court of Auditors' audit did not find any substantial error in the Commission's calculation of Member States' contributions and their payment, most of which are based on forecast Gross National Income (GNI) data for 2012;

128. Notes that the Court of Auditors was unable to demonstrate the correctness of EUR 8 million of the EFTA contribution (EUR 240 million); calls on the Court of Auditors and the Commission to investigate this finding and report on the correctness of the EFTA contribution in the follow-up to the discharge for 2012;

129. Calls on the Commission to inform the Committee on Budgetary Control during the follow-up to the 2012 discharge procedure what efforts have been made to remove reservations regarding the communication of data from the GNI field;

130. Is astonished that GNI figures can only be regarded as final four years after they have been communicated; regards this period of time as disproportionate;

([1]) OJ C 373, 20.12.2013, p. 1.

131. Expresses its concern about the weaknesses of the Value Added Tax (VAT) systems of the Member States; refers in this connection to the findings of a study [1] which estimated losses of VAT revenue in 2011 due to infringements or failure to collect the tax at EUR 193 billion for public finances in the Member States; notes that this is equivalent to 18 % of the theoretical VAT revenue or 1,5 % of GDP (0,5 % more than the present Union budget for 2014-2020); wishes therefore to be informed what measures the Commission has taken to remove existing reservations relating to the national VAT system of the Member States, which may date from as long ago as the 1990s;

132. Takes note that the above mentioned study shows that Italy (EUR 36 billion), France (EUR 32 billion), Germany (EUR 26,9 billion) and the United Kingdom (EUR 19 billion) contributed over half of the total VAT gap in quantitative terms, mainly because they are the largest Union economies; also notes that, in terms of ratio to their own GDP, Romania (EUR 10 billion), Greece (EUR 9,7 billion) Lithuania (EUR 4,4 billion) and Latvia (EUR 0,9 billion) were the Member States with the largest VAT gap in 2001; takes note that the study also shows a marked upward trend in the VAT gap in many Member States since 2008, as a result of the economic crisis (this was especially the case in Spain, Greece, Latvia, Ireland, Portugal and Slovakia); notes that on average across the Union, the VAT gap increased by 5 percentage points once the economic crisis hit;

133. Notes in this connection the Commission's answer that 21 of the current 108 existing reservations were imposed by Member States themselves; observes that 27 further reservations are based on the fact that national legislation does not accord with Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax [2]; welcomes the fact that it has proved possible to remove 12 of the 16 longstanding reservations;

134. Regrets that Belgium, Finland and Poland, which the Court of Auditors visited in 2012 in the course of its audits, are characterised by shortcomings in customs surveillance at national level in connection with retrospective audits and risk analysis; calls on the Commission to investigate these shortcomings;

135. Concludes from the above audits and from the Commission's audits in 2010 and 2011 that similar shortcomings could also exist in other countries, and therefore calls on Member States and the Commission to step up their customs surveillance, especially in the major ports; calls on the Commission to report on the matter during the preparation of the discharge for 2013;

136. Expresses its concern that EUR 200 million in fines which have been imposed but not yet paid have no cover of any kind;

137. Notes on the basis of the letter of 12 April 2013 [3] from Commissioner Šemeta that at present it is impossible for technical reasons to introduce the modernised Customs Code;

138. Notes the Communication from the Commission 'action plan on fighting tax fraud and tax evasion' of 6 December 2012 (COM(2012) 722) and the Commission's answers of 26 September 2013 (COM(2013) 349);

139. Welcomes the announcement by Commissioner Šemeta that he will forward to Parliament by 1 May 2014 an overview of the measures to combat tax evasion and avoidance;

140. Considers that VAT fraud, and in particular the so-called carousel or missing trader fraud, distorts competition, and deprives national budgets from significant resources and is detrimental to the Union budget; calls on the Commission to use all means to enforce the obligation of Member States to provide information in a timely manner to the Commission; welcomes in this regard the promise of the Commissioner to provide Parliament until 1 May 2014 with an overview of the developments of the initiatives taken to tackle tax evasion and avoidance taking place within the Union and in relation to third countries;

---

[1] Study to quantify and analyse the VAT Gap in the EU-27 Member States – Final Report (TAXUD/2012//EN/316) http://ec.europa.eu/taxation_customs/taxation/vat/key_documents/reports_published/index_en.htm

[2] OJ L 347, 11.12.2006, p. 1.

[3] ARES(2013) 684754.

Agriculture

Market and direct support

141. Regrets that the European Agriculture Guarantee Fund (EAGF) payments are not free from material error in 2012, that the supervisory and control systems examined for expensed payments were partially effective and deplores the increase of the most likely error rate to 3,8 %, (2,9 % in 2011);

142. Notes that for a significant number of transactions affected by error, the Court of Auditors considers that the national authorities had enough information to detect and correct the errors concerned; asks the Court of Auditors to give precise information in this regard;

143. Is deeply concerned about the fact that the critical observations made in the annual report of the Court of Auditors for the financial year 2012 and the systematic weaknesses detected by the latter have already been reported by the Court of Auditors in its previous reports, and in particular, as regards the eligibility of permanent pasture, since 2007; notes the Commission's explanations and calls on the Commission and the Court of Auditors, in the context of the adversarial procedure, to reach agreement on the eligibility criteria for permanent pasture;

144. Points out, in particular, that the most frequent accuracy errors relate to overstated area declarations and administrative errors, and that the bigger accuracy errors relate mostly to excessive payments for permanent grassland; regrets that overdeclarations in the cross-checks of declared parcels on the basis of the LPIS in certain Member States have not been discovered since the LPIS database is only partially reliable;

145. Points out that the audit by the Court of Auditors covered cross-compliance requirements and that cases where cross-compliance obligations were not met were treated as error where it was established that the infringement existed in the year in which the farmer applied for aid;

146. Points out that the Court of Auditors includes deficiencies in the area of the cross-compliance in their calculation of the error rate while noting that, in the view of the Commission, cross-compliance does not concern the eligibility to payments but only triggers administrative penalties ([1]);

147. Recalls that 'the error rate must be used with great care and not be treated as an overall assessment of the respect of the cross-compliance obligations by farmers' because the Court of Auditors has restricted its audit only to certain cross-compliance requirements ([2]);

148. Is deeply concerned about the fact that the Court of Auditors' audits show once again that the effectiveness of the Internal Management and Control System (IACS) is adversely affected mainly by inaccurate databases used for cross-checks; in particular points out that significant deficiencies were found in the LPIS audited in England and Northern Ireland;

149. Regrets also that with regard to the accuracy of payments, but also to the quality of the on-the-spot measurements, the Court of Auditors found deficiencies in the three paying agencies audited in England, Northern Ireland and Luxembourg;

150. Shares the concern of the Court of Auditors as regards the change in the approach used by DG AGRI to calculate the residual error rate for decoupled area aid in 2012, as it takes into account the fact that the inspection statistics can be affected by deficiencies impacting their reliability and that they do not cover all components of the residual error rate;

151. Deplores the fact that the results of this new approach confirm that only limited assurance can be gained from certain Member States' inspection statistics, from the declarations of the directors of paying agencies and from the work carried out by the certification bodies; calls for this new approach to extend to all CAP expenditure in DG AGRI's next Annual Activity Report;

([1]) Footnote 15, point 3.9 of the Annual Report for 2012.
([2]) Certain Statutory Management Requirements and the Good Agricultural and Environmental Condition (GAEC).

152. Regrets that out of seven recommendations issued by the Court of Auditors in its annual reports for the financial years 2009 and 2010, only two were implemented in most respects and four in some respects by the Commission;

153. Endorses the recommendation made by the Court of Auditors that the eligibility of land and in particular permanent pasture be properly recorded in LPIS (see paragraphs 3.13, 3.25 and box 3.3 of the Annual Report for 2012); urges the Commission, in cooperation with the Member States, to address the problems with regard to permanent pasture and ensure that it is correctly recorded in the LPIS; urges the Commission to inform Parliament on a six months basis on progress made;

154. Asks the Commission and the Member States to take immediate remedial action when administrative and control systems, and/or IACS databases, are found to be deficient or out of date;

155. Deplores in this regard that deficiencies were detected by the Court of Auditors and the Commission in the LPIS systems in Portugal and in France in the course of the 2006/2007 audits, whilst the Director-General of DG AGRI only entered a reservation accompanied by an action plan on these grounds as regards Portugal in his DG's annual activity report of 2011 and as regards France in 2012;

156. Considers that the adverse effects on effective Union budget protection can result from any delay in making the reservation to be accompanied by a request for an action plan and points out that the Commission bears particular responsibility in this regard;

157. States with deep concern that the Court of Auditors found systemic deficiencies in the LPIS audited in Italy and Spain in 2008, 2009 and 2010 and that since 2007 deficiencies were found in the LPIS of 12 Member States [1]; notes the reply by the Commission and the Spanish authorities to the effect that, despite the limited extent of the deficiencies, an error correction system is being applied, involving the incorporation of an eligibility coefficient into regulation of the next period;

158. Shares the concern voiced by the Court of Auditors as regards the slowness of conformity procedures resulting in financial corrections (point 4.31 of the Annual Report for 2012) and regrets that a sample of conformity procedures showed that in 2012 the actual duration (more than four years) was twice as long as the Commission's internal benchmark, which therefore ultimately led to a considerable backlog; takes note of the fact that the contradictory procedure, the conciliation mechanism and the calculation of corrections makes it difficult to close conformity clearance procedures in time; expects the Commission to make all efforts to reduce the duration of the conformity procedure in standard cases to maximum two years [2];

159. Urges the Commission and the Member States to ensure that payments are based on inspection results and that on-the-spot inspections are of the quality necessary to determine eligible area in a reliable manner;

160. Urges the Commission to ensure that the design and quality of the work performed by the directors of paying agencies and the certification bodies provide a reliable basis for the assessment of the legality and regularity of underlying transactions;

Rural development, environment, fisheries and health

161. Regrets that the payments in rural development, environment, fisheries and health are not free from material error in 2012, that the supervisory and control systems examined for expensed payments were partially effective or — in one case — not effective, and deplores the increase in the most likely error rate to 7,9 % (7,7 % in 2011);

[1] Lithuania, Slovakia, Cyprus, Malta, Italy, Spain, United Kingdom, France, Greece, Portugal, Austria, Sweden (see the Annual Reports since 2007).

[2] See also the answer to Written Question No 12 to Commissioner Cioloş, hearing of 17 December 2013: average duration of audits with financial corrections after conciliation procedure 1 124 days.

162. Notes that, for a significant number of transactions affected by error, the Court of Auditors considers that the national authorities had enough information to detect and correct the errors concerned; asks the Court of Auditors to give precise information in this regard;

163. Points out that, as in 2011, the major component (65 %) of the most likely error rate reported by the Court of Auditors concerns non-area-related measures, and stresses that the reason for most quantifiable errors was that the beneficiaries did not respect the eligibility requirements, in particular those concerning agri-environment commitments, special requirements for investment projects and public procurement rules;

164. Is deeply concerned about the fact that once again the Court of Auditors identifies significant problems concerning the implementation of cross-compliance requirements for the identification and registration of animals; calls on the Member States to improve the quality of checks throughout the year without imposing an additional administrative load on the beneficiaries;

165. Reiterates its regret that in 2012 the Commission applied different methodologies to quantify public procurement errors in the policy areas of agriculture and cohesion, both of which furthermore are not in line with the Court of Auditors' methodology, and calls on the Commission and the Court of Auditors to harmonise the treatment of public procurement errors in shared management without delay and to report to the discharge authority on the changes;

166. Reiterates its concern about the fact that many errors were detected when beneficiaries were public bodies and that those errors concerned issues such as declaring ineligible VAT or not complying with public procurement rules; calls, therefore, on the Commission and the Member States to ensure that the existing rules are better enforced;

167. Regrets that the Court of Auditors identified weaknesses [1] in the supervisory and control systems of France, Sweden, Germany, Poland, Bulgaria and Romania for rural development and that the three elements audited were affected by deficiencies: i.e. the administrative and control systems to ensure correct payment, the control systems based on physical on-the-spot checks, and systems to ensure implementation and control of cross-compliance;

168. Notes with concern that the weaknesses detected in 2012 in the above-mentioned Member States were very similar to those found and reported in the six different Member States which were audited in 2011 (Denmark, Spain, Italy, Hungary, Austria and Finland);

169. Is concerned that ultimately similar errors might exist in all Member States;

170. Notes with concern that the most important weakness detected by the Court of Auditors this year concerned ineffective checks of compliance with procurement rules which were apparent in Sweden, Germany (Brandenburg and Berlin), Poland, Bulgaria and Romania, and that overall the audit detected more than EUR 9 million of ineligible expenditure resulting from the non-respect of the procurement rules;

171. Regrets that, on account of differences in approach between the Court of Auditors and the Commission on the issue of financial clearance, Parliament cannot assess with accuracy its impact on the legality and regularity of the underlying operations; notes that, according to the Court of Auditors, the results of the conformity audits were not sufficiently taken into account for the financial clearance decision; calls on the Commission and the Court of Auditors, in the context of the adversarial procedure, to reach agreement on the financial clearance procedure;

172. Shares the concerns voiced by the Court of Auditors concerning the weaknesses detected in the conformity audit work as regards quality control, audit documentation and the manner of evaluating evidence and forming conclusions;

[1] Main weaknesses identified: deficiencies in administrative checks related to eligibility conditions and commitments such as non-detection of ineligible VAT or double financing, insufficient evaluation of the reasonableness of the costs (Germany – Brandenburg and Berlin – Poland, Romania and Sweden), weaknesses in the application of reductions or recoveries, deficiencies in the design and implementation of the control system for cross-compliance checks: insufficient GAEC standards or incorrect implementation of the nitrate directive.

173. Welcomes the fact that the Commission has increased the total amount of financial corrections in recent years whilst reducing the proportion of flat-rate corrections significantly in 2012; recognises at the same time that flat-rate corrections, under certain circumstances, can also be an appropriate means to protect the Union budget

174. Shares nevertheless the concern expressed by the Court of Auditors that the use of flat-rate corrections does not sufficiently take into account the nature and gravity of the infringement and that the length of the procedure is a persistent problem with conformity decisions; deems flat-rate corrections however a necessary tool for situations where a more precise calculation is not feasible; therefore requests that the Commission set out criteria for the calculation of flat rate corrections that will ensure that the nature and gravity of the deficiency is adequately taken into account;

175. Is disappointed by the fact that the Court of Auditors found serious deficiencies in the implementation of the reinforcement-of-assurance procedure in 4 of the 5 Member States which applied this new procedure: Bulgaria and Romania for European Agricultural Fund for Rural Development (EAFRD) and Luxembourg and the United Kingdom (Northern Ireland) for European Agricultural Guarantee Fund (EAGF);

176. Notes that DG AGRI's annual activity report contains a reservation for the total EAFRD expenditure for 2012 and that this reservation is due to concerns about the quality of controls in some Member States as well as the error rate reported by the Court of Auditors;

177. Regrets however that DG AGRI's reservation for EAFRD suffers from two deficiencies: DG AGRI was unable to provide its own quantified estimate of the residual error rate or to make an assessment for each paying agency on whether or not to apply a higher error rate on the basis on information from its own audits;

178. Calls on the Member States to carry out their existing administrative checks in an efficient way by using all relevant information available to the paying agencies, as this has the potential to detect and correct the majority of the errors;

179. Calls on the Commission to continue to provide guidance and assistance to Member States by means of best practice, through systematic interruptions of payments, financial corrections according to the severity of the error and also, in addition, by drawing up short term and *ad hoc* action plans;

180. Calls on the Commission to ensure in the area of rural development that uniform standards and procedures are being equally applied and observed both by its approving and auditing bodies; stresses that the application of different standards between approving and auditing bodies has consequently led to confusion at the level of national paying agencies and project applicants in the past, resulting in delays and restrictions in project applications; stresses that any changes in the application and approval procedure for an EAFRD contribution may only be binding for the future and thus shall not apply to any previously approved projects;

181. Calls on the Commission to ensure that any future guidelines on eligibility conditions and selection criteria for the new programming period 2014-2020 of EAFRD are being equally set as a common standard not only for national competent bodies and paying agencies but also for its approving and auditing bodies; stresses that those guidelines should be constructed in a way that practicable implementation on the ground is possible;

182. Notes with disappointment that the Director-General of DG AGRI himself announced in the DG's annual activity report for 2012 that despite the fact that the Commission set up a comprehensive action plan to address the increase of the error rate in rural development 'it is to be noted that it will not be feasible to produce a significant impact on the error rate before 2014 at the earliest'; points out that the Court of Auditors agreed with this latter assessment in its Annual Report for the financial year 2012;

183. Stresses that this assertion justifies that the discharge authority requires formal commitments with binding requirements and deadlines for the Commission and certain Member States to implement in full all remedial measures referred to under paragraphs 40 to 67 of this resolution, leading to a reduction of the error rates in the future;

184. Notes that the amounts declared irrecoverable from the EAGF due to insolvency of the beneficiary amount to EUR 351,6 million since 2007 as reported by the Commission; notes also that a further EUR 6 million have not been recovered since 2007 for the reason that the costs exceeded the benefits of the recovery; expects the Commission to provide those amounts each year in its Annual Activity report and elaborate ways how Member States can diminish the risk of funding beneficiaries at the brink to insolvency;

185. Notes that in accordance with Article 33(7) (EAFRD) of Council Regulation (EC) No 1290/2005 [1] a Member State may decide to halt the recovery procedure subject to the conditions laid down in Article 32(6) of that Regulation, only after closure of the programme; notes that all amounts in relation to EAFRD debts declared irrecoverable in the financial years 2007-2012, i.e. EUR 0,9 million of debts, do not have any valid justification; asks the Commission to explain what it is planning to do in this regard;

186. Observes that some Member States ran multiannual programs in the MFF 2007-2013 and some paying agencies were obliged to undertake recoveries from beneficiaries even when small amounts of no more than some cents were concerned (since Article 33(7) in connection with Article 32(6) of Regulation (EC) No 1290/2005 was only applicable after closure of a rural development program); is worried since for these small amounts costs for the recovery clearly exceeded the amounts to be recovered; notes that for the financial year 2013 and 2014 no changes are in sight for the Member States concerned; notes that the Commission was informed about the problem early on; is surprised that the Commission has not reacted faster to remedy the embarrassing situation for the Union; calls on the Commission to take a more pro-active approach in solving such nuisances in the coming MFF when they come to the Commission's attention;

Recommendations as regards direct payments and rural development

187. Endorses the following recommendations of the Court of Auditors: the Commission should address all the weaknesses identified in its conformity audits and the persistent problem of long delays in the conformity procedure as a whole; the Commission should further improve its method of determining financial corrections so as to take better account of the nature and gravity of the infringements detected; the Commission should address the weaknesses identified in systems for procurement and grant agreements;

188. Supports the recommendations and good practices to reduce errors by addressing gold-plating as suggested in the Parliament's study on 'Gold-Plating in the EAFRD: To what extent do national rules unnecessarily add to complexity and, as a result, increase the risk of errors?'; notes that there are forms of gold-plating where benefits outweigh the costs and where regulation is justified ('good' gold-plating practices), whereas numerous other practices of gold-plating appear to be disproportionate and costs outweigh the benefits ('bad' gold-plating practices); demands that the latter gold-plating forms be addressed;

189. Requests in this respect the immediate implementation of the so-called 'quick wins' to assess potential costs together with expected policy benefits when introducing ambitious requirements and commitments, to tackle problematic administrative and procedural requirements, as well as to avoid ambiguous and unclear requirements;

190. Asks also for structural changes leading to long-term solutions such as a permanent knowledge-sharing platform among managing authorities and paying agencies across the Union so that EAFRD specific bodies can learn by examples and best practices when discussing areas of ambiguity as well as overly complex requirements and controls; demands in this respect the accessibility to this platform in all Member States;

[1] Council Regulation (EC) No 1290/2005 of 21 June 2005 on the financing of the common agricultural policy (OJ L 209, 11.8.2005, p. 1).

Conclusions as regards the common agricultural policy

191. Considers that the way in which the Commission addresses the deficiencies detected in the LPIS system (excessively long conformity procedures leading to the flat-rate corrections with delayed inclusion of action plans and reservations in the annual activity reports) creates a financial risk to the budget of the Union; calls, in order to remedy shortcomings in LPIS systems, for action plans to be implemented promptly; calls, in the event of failure to comply with the deadlines, for proportionate reduction and suspension of monthly or intermediate payments to the Member States concerned in order to avoid creating a financial risk to the budget of the Union.

192. Points out in particular that despite decisions on flat rate corrections the errors detected by the Court of Auditors in 2006 in France and Portugal and confirmed by the Commission in 2008 were still not fully remedied by the Member States in 2012; stresses that from 2006 to 2013 direct payments were made whose legality and regularity were not fully guaranteed; is concerned about the Union budget, since financial corrections have not yet been made for wrongly paid appropriations between 2008 and 2013 in France and between 2010 and 2013 in Portugal, as a result of persistent errors in the LPIS that were detected in 2006; notes, however, that the Commission applied net financial corrections for the financial years prior to 2008 in France and prior to 2010 in Portugal; calls on the Commission to offset the entire financial risk of such errors in the Union budget through net corrections;

193. Welcomes the Communication from the Commission to the European Parliament and the Council on the application of net financial corrections on Member States for Agriculture and Cohesion policy (COM(2013) 934), because the Commission committed itself not only to 'speed up the conformity procedure so that in standard cases the financial corrections can be decided two years after the initial audit took place' but also to align the interruption and suspension for the common agricultural policy with cohesion policy funds; notes that both commitments have been called for by Parliament for many years, particularly in its resolution on the discharge for the financial year 2011 ([1]);

194. Notes that all financial corrections in the field of agriculture are net financial corrections; considers it necessary, however, for the conformity procedure to have its full effect to accelerate the procedure and to further improve the criteria and methods for the application of net financial corrections beyond the new guidelines foreseen that will be based on the existing guidelines as decided on by the Commission already on 23 December 1997 ([2]),

195. Stresses in particular that the shortening of the conformity procedure leading to financial corrections announced by the Commission cannot be evaluated before mid-2016, which means that Parliament will engage with the matter only as soon as in the course of the discharge procedure in the years 2017 and 2018;

196. Endorses the reservations issued by the Director-General of DG AGRI:

— a reservation with regard to serious deficiencies in the direct payment systems in Bulgaria, France and Portugal;

— a reservation with regard to all rural development expenditure;

— a reservation with regard to deficiencies in the supervisory and control systems for organic production;

calls on the newly elected Parliament to demand a firm undertaking from the new Commissioner to remedy the situation including preparing specific arrangements with the most exposed Member States in order to reinforce the protection of the Union budget;

([1]) OJ L 308, 16.11.2013, p. 27.

([2]) The precise description for each CAP measure of the key and ancillary controls and the level of flat rates to be applied for each situation resulting from the criteria described in the annex should be fixed in Commission guidelines based on the existing ones which are solidly established and have allowed the Commission to obtain positive rulings from the Court of Justice on most of the cases contested by the Member States.

Regional policy, energy and transport

197. Stresses that regional policy, which is implemented primarily through the European Regional Development Fund (ERDF) and the Cohesion Fund (CF), accounts for 96 % of expenditure in this field of policy, and that, in 2012, 97 % of regional policy expenditure was implemented through the ERDF (with payments of EUR 27,5 billion) and the CF (with payments of EUR 9,6 billion);

198. Observes that, of the 180 transactions audited by the Court of Auditors, 88 (49 %) were affected by errors; observes furthermore that, on the basis of the errors quantified by the Court, it estimates the most likely error rate to be 6,8 %, which means an increase of 0,8 percentage points in comparison with the previous year; notes that the Commission observes that the error rates would have remained unaltered if the Court of Auditors had taken account of flat-rate corrections;

199. Stresses that the findings of the Court of Auditors' audit indicate weaknesses in the 'first-level checks' on expenditure; observes that, for 56 % of the regional policy transactions affected by error (quantifiable and/or non-quantifiable), the Court of Auditors considers that sufficient information was available for the Member State authorities to have detected and corrected one or more of the errors before certifying the expenditure to the Commission; observes furthermore that the main source of error is the financing of projects which do not accord with Union and/or national public procurement rules or do not meet the conditions for financial support, and payment of ineligible costs;

200. Draws attention to the multiannuality of the cohesion policy management system and underlines that the final evaluation of irregularities related to the policy implementation will be possible only at the closure of the programming period;

201. Considers it unacceptable that, for years, errors of the same kind continue to be identified, often in the same Member States; acknowledges that suspension and interruptions of payments by the Commission ensures that corrective actions are carried out in cases where deficiencies were identified; calls on the Commission to step up monitoring of national and regional management and control systems in the light of this finding, and to ease monitoring in countries where management and control systems have proved reliable;

202. Agrees with the Court of Auditors that Member States have a duty to prevent or detect and correct irregular expenditure and reporting on this subject to the Commission; observes that the administrative and certification authorities in the Member States therefore have a key role to play in ensuring the regularity of the expenditure reimbursed by the Commission (point 5.12 of the Annual Report for 2012);

203. Observes that the Court of Auditors audited the supervisory and control systems of four audit authorities in four countries, finding the systems in Belgium (Wallonia), Malta and the United Kingdom (England, in the case of the European Social Fund (ESF)) to be only partially effective, while it found the systems in Slovakia to be effective;

204. Welcomes that, since 2009, 62 of the 112 audit authorities have been checked by the Directorate-General for Regional and Urban Policy and the Directorate-General for Employment, Social Affairs and Inclusion; observes that these audit authorities are responsible for 257 of the 317 ERDF/CF operational programmes and 48 of the 117 ESF operational programmes; observes, furthermore, that the audit authorities examined during the four-year period were responsible for 95 % of the ERDF/CF appropriations for the 2007-2013 programming period;

205. Notes with concern that the Court of Auditors audited the reports by national audit authorities on 138 ERDF/CF and ESF operational programmes and in many cases found shortcomings in them; notes that the Commission stresses in this connection that in cases in which the Commission judged the reported error rate to be unreliable, flat-rate corrections were made where appropriate;

206. Is concerned that the Commission takes the opinions, the annual audit reports and the management declarations which it receives up to 15 February of year 'n+1' as a basis for its risk analysis and for its own audits, although the documents frequently contain inaccuracies; observes that they therefore do not permit a definite risk analysis;

207. Calls on the Commission, therefore, on the basis of an independent audit procedure (using risk analyses of its own, reports by the Court of Auditors and other sources) to perform audits of final beneficiaries and granting authorities in year 'n+1' in those Member States which have attracted attention because of shortcomings in administrative and audit systems in year 'n-1'; calls therefore for a comprehensible automatic system;

208. Calls on the Commission, during the 2014-2020 programming period, itself to audit, by means of random samples taken by itself, all operational programmes which have attracted attention because of the level of funding, the frequency of errors or shortcomings in supervisory and control systems;

209. Would consider it right for the guidelines for audits by the Commission itself to be laid down in the form of an obligation imposed on itself by the Commission; calls on the Commission already to present them in the run-up to the 2013 budget discharge procedure; calls for clear indications, to this end, of the extent to which Member States and programmes which have attracted attention in the past are being subjected to a special audit approach and the extent to which net financial corrections can be accelerated; considers that this approach should also be reflected in forthcoming delegated acts;

210. Is aware that automatic penalties cannot be imposed, as this would be contrary to the rule of law; calls, therefore, on the Commission to do everything in its power to shorten the adversarial procedures preceding the imposition of net corrections or interruptions of payments; calls on the Commission, before the 2013 discharge procedure, to report on the progress made;

211. Welcomes further that between mid-2010 and November 2013 the Commission performed additional checks on audit authorities, intermediate bodies and beneficiaries (77 audits on more than 70 operational programmes in 16 Member States) to verify the quality of administrative audits;

212. Stresses that, according to statistics from the 2012 activity report of DG REGIO, risk-affected payments ranged between EUR 755,8 million (minimum) and 1 706,8 million (maximum); observes that, in this context, the Commission expressed 61 reservations for programmes or parts thereof and 25 reputation reservations, primarily concerning Spain, Sweden, European territorial cooperation and the Czech Republic; impresses on the Commission that it needs to continue to pursue the greatest possible simplification in order to avoid to the maximum any possibility of error;

213. Welcomes the fact that the new Common Provisions Regulation (EU) No 1303/2013 of the European Parliament and of the Council [1] introduces a series of improvements: payment of the first instalment only after adoption of the operational programme; decommitment three years after expiry of the programme ('n+3'); reduction of advance payments; 10 % of the calculated amount of invoices is withheld from payments until the final statement has been approved; country-specific recommendations may be included in partnership agreements;

214. Welcomes the new rules for the 2014-2020 programming period, decided through the ordinary legislative procedure, including measures such as the designations of audit and certifying authorities, accreditations of audit authorities, audit examination and acceptance of accounts, financial corrections and net financial corrections, proportional control, *ex ante* conditionalities that aim to further contribute to the reduction of the level of error; supports in this respect the growing results orientation and the thematic concentration of cohesion policy that should assure high added-value of the co-financed operations; welcomes also the definition of serious deficiency and the anticipated increased level of corrections for repeated deficiencies;

215. Regrets, however, that under the new ERDF Regulation (EU) No 1301/2013 of the European Parliament and of the Council [2] too, Member States may replace projects affected by errors which were identified in year 'n' with new projects, eliminating an essential incentive for the careful use of appropriations; considers that this arrangement should be restricted at the earliest opportunity and fundamentally re-regulated by 2020 at the latest;

---

[1] Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (OJ L 347, 20.12.2013, p. 320).

[2] Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006 (OJ L 347, 20.12.2013, p. 289).

216. Regrets furthermore that the criteria for assessing the systems ('serious deficiencies') and for establishing the level of flat rate financial corrections were not conclusively defined in the Regulation (EU) No 1301/2013; expects the detailed and operational criteria that will allow the Commission to apply the notion of 'serious deficiency' to be laid down in a delegated act;

217. Recognises that in the course of the discharge procedure a number of bilateral meetings have taken place between the rapporteur and the Commission on horizontal issues of the delegated act specifying further how 'serious deficiencies' could be more clearly defined and on how financial corrections could be tightened in case of persisting serious deficiencies; regrets that the proposals of the Committee on Budgetary Control on the level of financial corrections (adding a 50 % and a 75 % rate) were not taken into consideration; deplores that in the latest draft delegated act (of 4 February 2014) the initial automatism for inflicting financial corrections at a higher level, if the same serious deficiency is identified in a subsequent accounting year, has become optional and, as a consequence, the requirement for Member States to put in place supervisory and control systems guaranteeing sound financial management has been weakened;

218. Welcomes the communication from the Commission concerning net financial corrections on Member States (COM(2013) 934); has doubts, however, as to whether the documents submitted by Member States by 15 February of year 'n+1' provide a sound basis for a risk analysis; observes furthermore that the adversarial procedure which may lead to the imposition of net corrections takes four months, which is too long;

219. Calls, in light of the high levels of public procurement errors in cohesion policy and with regard to the Court of Auditor's seminar on EU public procurement in January 2014, for a stronger and immediate implementation of existing rules in this area in the Member States; calls furthermore for a better coordination of public procurement rules at the level of all stakeholders and a simplification and harmonisation of rules and financial corrections;

220. Welcomes the possible introduction of voluntary national declarations on the administration of appropriations by the Member States in shared management fields;

221. Demands the Commission to annually involve Parliament in due time into TEN-T/CEF co-financing, with information on the choice of transport infrastructure projects and amounts; asks the Commission to provide Parliament annually with lists of transport projects and amounts of co-financing through the regional and cohesion funds;

222. Calls on the Commission to define and take rapid action to address the weaknesses of the audit system in the policy areas of cohesion;

223. Endorses the reservation issued by the Director-General of DG REGIO concerning ERDF/Cohesion Fund/IPA management and control systems for the 2007-2013 programming period in 17 Member States (72 programmes) and 12 European Territorial Cooperation programmes; endorses furthermore the reservation concerning ERDF/ Cohesion Fund/IPA management and control systems for the 2000-2006 programming period in 5 Member States (11 programmes) on programmes; in this context points out in particular:

— audit authorities of all Member States must take their auditing task more seriously in order to bring about lasting improvements to management, supervisory and control systems;

— the Commission must perform more audits of final beneficiaries and authorising authorities in year 'n' in Member States where shortcomings have been found in administrative and audit systems in year 'n-1'; systems;

— the Commission must commit itself to audit all operational programmes at least once in the course of the programming period;

— the Commission must report in time for the 2013 discharge procedure on the operational applicability of the term 'serious deficiencies' in the delegated act and on the net financial corrections it generated;

calls on the newly elected Parliament to demand a firm undertaking from the new Commissioner to remedy the situation including preparing specific arrangements with the most exposed Member States in order to reinforce the protection of the Union budget;

224. Stresses that, under Regulation (EC) No 1080/2006 of the European Parliament and of the Council ([1]), firms may not receive EU funding for investment which would lead to job losses in those firms in another region of the EU; welcomes the fact, therefore, that the Commission has launched an investigation into possible relocation of operations in connection with major projects involving more than EUR 50 million which are under direct Commission control; looks to the Commission to launch an investigation into the scale of such improper use of EU funding in connection with projects involving less than EUR 50 million and projects under shared management; looks similarly to the Commission to make sure that EU funding which is disbursed in contravention of the rules is paid back;

225. Insists that the Commission make sure that EU structural fund monies are not used in a way which directly or indirectly supports the relocation of services or production to other Member States;

226. Calls on the newly elected Parliament to establish action to remedy the weaknesses detected in the fields of agriculture and regional policy as urgent tasks in the new European Commission's work programme;

227. Calls on the newly elected Parliament to raise the issue of the weaknesses in the fields of agricultural and regional policy indicated here in the written procedure prior to the hearings of the designated members of the new Commission and to demand appropriate pledges in order to improve protection of the Union budget;

228. Calls on the newly elected Parliament, in the spirit of the above, to probe all legal means of achieving further legislative improvements, if appropriate, in the context of the mid-term review of the Multiannual Financial Framework;

Commission Task Force for Greece

229. Appreciates the work of the Task Force for Greece; notes that of the 181 priority projects identified by the Group the following projects amounting to EUR 415,7 million are at risk:

— new port of Igoumenitsa, phase C with an approved volume of EUR 81,25 million;

— suburban train section Piraeus-3 Gefyres with a co-financed budget of EUR 70 million;

— construction of pier in Symi port with an approved volume of EUR 4,1 million;

— national registry with an approved volume of EUR 41,9 million;

— cadastre with a co-financed budget of EUR 130 million;

— e-ticket with an approved volume of EUR 34,76 million;

— rehabilitation of Karla lake with an approved volume of EUR 41 million;

([1]) Regulation (EC) No 1080/2006 of the European Parliament and of the Council of 5 July 2006 on the European Regional Development Fund and repealing Regulation (EC) No 1783/1999 (OJ L 210, 31.7.2006, p. 1).

— improvement of the access road to the landfill of the 2nd geographical unit of the Prefecture of Aitolo Akarnania with an approved volume of EUR 11,4 million;

— improvement — widening of Provincial Road Velo — Stimagka — Koutsi – Nemea with an approved volume of EUR 7,1 million;

— replacement of the central water mains of Zakynthos with an approved volume of EUR 9,6 million;

requests the Commission to inform Parliament in detail about the problems encountered with those projects;

230. Requests that the Commission evaluate the possibility to establish a Task Force for those Member States that struggle with the implementation of Union funds;

Employment and social affairs

231. Underlines that employment and social policy is implemented primarily by means of the European Social Fund (ESF), and that some EUR 11 782 million – 97 % of the appropriations – is made available via the ESF;

232. Observes that, of the 180 transactions audited by the Court of Auditors, 63 (35 %) were affected by errors; observes that, on the basis of the errors quantified by the Court of Auditors in 31 transactions, it estimates the likely error rate to be 3,2 %, which means an increase of 1 % in comparison with the previous year; notes that the Commission observes that the error rates would have remained unaltered – i.e. close to the materiality threshold – if the Court had taken account of flat-rate corrections implemented in 2012, and which were especially high (a 25 % flat rate) in one Member State;

233. Stresses that the findings of the Court of Auditors' audit indicate weaknesses in the 'first-level checks' on expenditure; notes that, as in previous years, the Court of Auditors considers that for 67 % of the transactions affected by error (both quantifiable and non-quantifiable) sufficient information was available for the Member State authorities to have detected and corrected at least one or more of the errors prior to certifying the expenditure to the Commission; observes furthermore that the main source of error is payment of ineligible costs and breaches of public procurement rules;

234. Supports the Commission in its objective of introducing across the board in accounts the 'simplified cost option', which has existed since 2007, and calls on Member States to apply simplified costs wherever possible as projects will be less prone to error as a result, as the Court of Auditors confirms;

235. Welcomes the fact that the new ESF Regulation ([1]) extends the scope for applying the simplified cost option; as from 2014, this will permit flat-rate amounts of up to EUR 100 000 to be settled, and the application of the simplified cost option will be compulsory for projects receiving less than EUR 50 000 in public funds;

236. Considers that the Commission's plan to use the simplified cost option for 50 % of ESF transactions by 2017 should be regarded as a minimum and calls on all Member States to ensure that the figure is exceeded by implementing simplified costs; calls on the Commission to report on progress in implementation of the simplified cost option by Member States in the run-up to the 2013 discharge procedure;

237. Observes that the Court of Auditors audited the supervisory and control systems of four audit authorities in four countries, finding the systems in Belgium (Wallonia), Malta and the United Kingdom (England) to be only partially effective, while it found the systems in Slovakia to be effective;

([1]) Regulation (EU) No 1304/2013 of the European Parliament and of the Council of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006 (OJ L 347, 20.12.2013, p. 470).

238. Welcomes the submission of the 'Overview Report on the Results of the Thematic Audit on Management Verifications Conducted by Member States'; observes that the report indicates that the audit authorities display substantial deficiencies: that the reporting lines of the administrative authorities and intermediate bodies display weaknesses, that audits are often purely formal, that public procurement rules are being breached, that the assignment of tasks is not accompanied by training and supervision and that administrative capacities and guidance are lacking, and welcomes the recommendations therein, including simplified cost implementation with simplification seminars in all Member States, enhanced management through dedicated cost verification teams, more on-the-spot controls of beneficiaries, better supervision of delegated bodies and management bodies limiting approvals to what can actually be managed, and action plans whenever deficiencies are found;

239. Is very concerned that DG EMPL adjusted the error rate reported by the Member States in the case of 13 out of 117 annual audit reports for 2012 or dubbed them unreliable (in 2011 this had been the case for 42 of the 117 annual audit reports); considers this particular cause for concern because the Commission takes the opinions, the annual audit reports and the management declarations of the Member States as a basis for its risk analysis and for its own audits;

240. Acknowledges that in the past programming period the Commission has checked 85 out of 91 national audit authorities; observes that they are responsible for 111 operational programmes, or 99 % of the appropriations provided;

241. Regrets that the 2012 activity report of DG EMPL contains a reservation relating to EUR 68 million of the payments made for the 2007-2013 programming period, pertaining to 27 out of 117 operational programmes (Spain 9, Italy 4, United Kingdom 3) and notes that interruption and suspension procedures were adopted where required; insists on the need for simplification;

242. Welcomes the strict application of interruptions to and cessation of payments; agrees with the Commission that these are extremely effective instruments; observes that, according to the 2012 activity report of DG EMPL, during the reporting period 38 interruptions to payments, with a total value of EUR 881,7 million, were imposed (the corresponding figure for 2013 being 29 with a value of EUR 389,5 million) and two cessations of payment as of 31 December 2012 (Germany);

243. Welcomes the Commission report on 'Simplification and Gold-Plating in the European Social Fund' ([1]), and calls on the Commission to continue unremittingly its efforts to bring about administrative simplification in the Member States;

244. Stresses that serious conflicts between the powers of Member States and of the Union are increasingly common in the field of social policy, calls on the Commission to respect the principle of the welfare state, which is enshrined in the constitutions of many Member States, and considers that there is considerable potential for savings on the Union budget here;

245. Calls for a policy to reduce youth unemployment which possesses Union added value; regards the role of the Union as being in particular to improve infrastructure for vocational training and further training; calls, in this regard, for an 'honest' European subsidy policy which focuses far more on transfers of know-how from Member States with low youth unemployment rates to Member States where those rates are high, but without further arousing false expectations and without further making promises on matters for which the Union cannot assume primary responsibility;

246. Is critical of the fact that the Commission has failed to act on repeated calls from Parliament to indicate the sums of Union funding, in both absolute and proportional terms, which have been used to improve training schemes for the 2007-2013 funding period;

([1]) EMPL H1/JJ/DV vgk (2013), 13 November 2013.

247. Observes that Union citizens and tax-payers cannot be shown what has been achieved by making payments amounting to billions from the ESF and Structural Funds to combat youth unemployment; draws attention to the fact that those carrying out labour market measures on the ground dispute the alleged failure to keep statistics on them; in this regard notes the important role of Member States in providing statistics and regular reports according to common criteria on the use of Union funds for tackling youth unemployment; reminds the Commission of its accountability for the use of Union tax revenue for young unemployed people, and considers the results of Union subsidy policies to be inadequate, particularly in relation to the expectations which have been aroused in terms of reducing youth unemployment;

248. Notes the need for integrated approach and complementarity of measures tackling youth unemployment at Union and national level as well as with other Union funded programmes and instruments that could help decrease the levels of youth unemployment, such as Horizon 2020, Erasmus+ and Erasmus for Young Entrepreneurs; considers that this will ensure the effective and efficient use of Union funds and the added value of national policies to efforts at Union level;

249. Demands, for example, clarification regarding a major case of fraud in connection with the ESF in Spain; notes that the fraud involved the organisation of educational and training events that are alleged to have been entirely fictional, held over the internet with non-existent participants, with the level of grants depending on the number of registered participants; is concerned, since several million euros are involved; expects the Commission to provide information that might explain why this case was not noticed by any of the bodies responsible for control in the hierarchy of control obligations established by the regulation governing the fund (Madrid Court of Auditors, Spanish Court of Auditors, European Commission – DG EMPL, European Court of Auditors), and whether OLAF was involved; demands clarification as to whether the European Court of Auditors was aware of this case; demands to know how many similar cases have occurred in the past (cases in the Netherlands, for example, and in other Member States);

250. Reiterates its call to monitor the financial instruments, particularly ESF, European Globalisation Fund, relevant components of the Instrument for Pre-Accession Assistance and the European Progress Microfinance Facility, and measure their performance against the specific policy goals laid down by the EU 2020 strategy, as well as in the annual European Semester policy process;

251. Criticises the fact that the Treaty establishing the European Stability Mechanism lacks sufficient provisions for ensuring effective external audit; regrets that in Article 24 (Board of Auditors) of the by-laws of the Treaty, only one member can be nominated by the Court of Auditors, while two members can be nominated upon the proposal of the Chairperson;

252. Is concerned by the regulation of paragraph 6 of Article 24 of the by-laws of the Treaty with the agreed procedure only to inform Parliament by sending the Board of Auditors' annual report to Parliament; underlines the right of Parliament to have a debate on the annual report with the Board of Auditors, in the presence of the Board of Governors of the ESM;

External relations

253. Notes with concern that the Court of Auditors estimates the most likely error rate for the external relations, aid and enlargement policies to be 3,3 % (1,1 % in 2011);

254. Stresses that the rise in the error rate must also be interpreted in the light of the new sampling approach developed by the Court of Auditors, the Court's sample including in 2012 only interim payments, final payments and the clearance of advances;

255. Points out with concern that all of the errors detected by the Court of Auditors had in principle been subject to the Commission's check and that none had been prevented or detected;

256. Recalls that the methodological change in the sampling approach of the Court of Auditors makes it possible to compare the error rate in shared management (5,3 %) and in centralised management (4,3 %), and points out in this regard that the score of the Commission in the field of external relations is rather good;

257. Points out that the residual error rate noted by the Moore and Stephens audit report commissioned by EuropeAid is higher, at 3,63 %, than the annual error rate estimated by the Court of Auditors; stresses that it contradicts the argument put forward by the Commission that the error rate is necessarily lower at the end of a period as errors are corrected;

258. Urges the Commission to efficiently correct the errors detected and to perform the recoveries efficiently;

259. Notes that the relatively good score of the Commission in the external relations area could be at least partly explained by the fact that in two areas – budget support and Union contributions to multi-donor projects carried out by international organisations such as the United Nations – the nature of the payment conditions limits the extent to which transactions are prone to errors;

260. Notes with satisfaction that the supervisory and control system of DG ELARG has been declared by the Court of Auditors to be effective although the method used for the calculation of the residual error rate has still to be ameliorated;

261. Regrets that shortcomings persist in EuropeAid's *ex ante* checks and in the supervisory and control system and that, according to the findings of the Court of Auditors, the Commission's 2011 reorganisation continues adversely to affect the activity of its Internal Audit Capacity; regrets that the supervisory and control systems of EuropeAid are only partially effective, which means that they fail to detect and correct material errors;

262. Endorses the recommendations of the Court of Auditors that the Commission should ensure timely clearance of expenditure, promote better document management by implementing partners and beneficiaries, improve the management of contract awarding procedures by setting out clear selection criteria and documenting the evaluation process better, enhance the quality of expenditure checks carried out by external auditors and apply a consistent and robust methodology for the external relations directorates-general to calculate the residual error rate;

263. Welcomes the performance audits produced by the Court of Auditors, in particular in its special reports concerning the European Union's aid to the Democratic Republic of Congo, Egypt and Palestine, as they assess whether the management of the Commission accords with the principles of efficiency, effectiveness and economy; suggests, in light of these reports, that the Commission and the Court of Auditors work closely together to further develop both measurable indicators and the methodology of performance audits, regarding Union funded projects with a high political nature, such as those oriented towards strengthening the respect for human rights, the rule of law and democracy, where a decision to continue or discontinue a project does not only depend on actual results in a given time frame;

264. Supports the Commission's continuing efforts to shift from an input-based to a performance- and impact-oriented approach and urges the adoption of specific, measurable, achievable, relevant and timed benchmarks for all programmes in Heading 4 as advocated by the Court of Auditors; expresses its hope that these programmes will not be affected by the same shortcomings as those audited in this year's report;

265. Notes the problems the Court of Auditors has identified with regard to the management of social allowances and urges the Commission to implement all recommendations; welcomes the steps the Commission has taken so far and encourages it to speed up the roll-out of its new programme to resolve it;

266. Recalls its recommendation to re-use materials utilised in election observation missions in other such missions or Union delegations in order to reduce their budgetary impact and maximise the use of budgetary resources;

Development and Cooperation

267. Appreciates that more than 1 350 projects were evaluated in 2012 in view of relevance and project design, efficiency, effectiveness, impact and sustainability under the Commission's Results Oriented Monitoring system; notes a decrease of projects with major problems from 8 % (in 2010 and 2011) to 5 % in 2012 ([1]);

268. Notes with concern that the number of cases OLAF started investigating in relation to EuropeAid/DG DEVCO managed projects has increased from 33 (in 2011) to 45 in 2012 while acknowledging that the number of new cases remained still lower than in any year between 2005 and 2010;

269. Welcomes the Commission's 'Transparent Aid' initiative ([2]) providing comprehensive and timely information about humanitarian and development aid and potentially helping to reduce double funding;

270. Welcomes the introduction by EuropeAid/DG DEVCO, in 2012, of a coherent methodology for the calculation of the estimated residual error rate (RER), i.e. the level of errors which have evaded all checks to prevent, detect and correct errors; is satisfied that the Court of Auditors found the methodology used to estimate the RER appropriate and useful;

271. Expresses concern however about the level of the RER, estimated to be 3,6 % for EuropeAid/DG DEVCO, and calls on the Commission to reinforce efforts to better analyse, document and explain the main types of errors and to take appropriate measures, including consultation with relevant stakeholders, to reduce errors in the future in particular in the relation to payments to international organisations which accounted for 38 % of the overall RER ([3]);

Research and other internal policies

272. Observes that the main funding instruments in this policy group are the Research Framework Programmes amounting to EUR 7 957 million or 68 % of operational expenditure and the Lifelong Learning Programme amounting to EUR 1 529 million or 13 % of operational expenditure;

273. Observes that, of the 150 transactions audited by the Court of Auditors, 73 (49 %) were affected by errors; notes that, on the basis of the errors which it has quantified, the Court of Auditors estimates the most likely error rate to be 3,9 %, and that, according to the Court of Auditors, cleared advances – a new component of the sample for 2012 (see points 1.6, 1.7 and 1.15 of the Annual Report) – account for 2,1 %; observes that this means that this area of auditing (research and other internal policies) is around the materiality threshold;

274. Notes that the Court of Auditors describes the supervisory and control systems for the Framework Programmes of Research which it has audited as partially effective, while it rates the audited supervisory and control system for the Lifelong Learning Programme as effective;

275. Stresses that the errors have been the same for years: primarily the charging of ineligible costs;

276. Welcomes the fact that the annual activity reports of the directorates-general which the Court of Auditors has analysed contain an appropriate assessment of financial management in terms of the regularity of the underlying transactions: notes that the information submitted largely confirms the observations and conclusions of the Court of Auditors;

([1]) Commission Staff Working Document SWD(2013) 307 accompanying the Annual Report 2013 on the European Union's Development and external assistance policies and their implementation in 2012; cf. p 161
([2]) https://tr-aid.jrc.ec.europa.eu
([3]) http://ec.europa.eu/atwork/synthesis/aar/doc/devco_aar_2012.pdf

277. Considers it incomprehensible that the Court of Auditors still finds a significant error rate in the cost statements drawn up by independent auditors; considers, therefore, that the Commission and Member States should supply auditors with all the necessary background material and training material to facilitate correct auditing of cost statements; stresses that certified cost statements make sense only if the Commission can rely on them;

278. Joins the Court of Auditors in welcoming the simplification measures introduced by the Commission from 2011 (e.g. for the methods used by beneficiaries to calculate average staff costs) and the report on the subject submitted by the Commission ([1]); calls on the Commission to update this report for the 2013 discharge procedure;

279. Stresses the importance of the Court of Auditors' Special Report 2/2013, 'Has the Commission ensured efficient implementation of the seventh framework programme for research?', which Parliament has analysed on 3 April 2014 ([2]);

280. Learns from the 2012 activity report for research and innovation that the prime concern in the administration of research is to strike an acceptable balance between the attractiveness of the programme to participants and the justified requirements of financial control; notes that, in this connection, the Director-General stated that a procedure designed to attain a residual error rate of 2 % under all circumstances is not viable ([3]);

281. Is concerned that the Court of Auditors, as in relation to the 2011 financial year, has identified substantial quantifiable errors in projects under the programme in support of Information and Communications Technologies; notes that the Commission has devised a special audit strategy for non-research projects, in accordance with which – up to 2017 – 215 audits of non-research projects are to be performed; calls on the Commission to report whether the wrongly paid EUR 470 000 has been recovered;

282. Notes that up to the end of 2012, in relation to the 6th framework programme, 78 % of the projected corrections were made; 1 506 out of a total of 7 101 corrections were still pending; of these, 1 336 relate to audits closed in 2011 or earlier; calls on the Commission to report on the status of projected corrections relating to FP6;

283. Is concerned that the inadequate progress in introducing the Schengen Information System II (SIS II) has led the Director-General for Home Affairs to include a reservation in his activity report; calls on the Commission to report on the progress in introducing SIS II;

OLAF

284. Observes that the President of the Commission still has not accounted to Parliament in plenary for the loss of office of Health Commissioner John Dalli on 16 October 2012; insists on the necessity of respecting the presumption of innocence and notes that the serious accusations of corruption levelled at the Commissioner by the tobacco industry, which he has always rejected, remain unproven to this day;

285. Strongly deplores the fact that OLAF's investigation of the accusations has been seriously flawed, according to an analysis by the OLAF Supervisory Committee, and that OLAF refuses to explain matters and is also not being called to account in this respect;

286. Draws attention to the reversal of the burden of proof in this case, such that the focus is not on the culpability of the accused but it is necessary for the accused himself to seek to prove his innocence before a series of courts; draws attention to the fact that Mr Dalli has contested the voluntary character and the lawfulness of his resignation before the General Court of the European Court of Justice which might result in an award of damages to the detriment of the taxpayer and has also launched an action in defamation against Swedish Match before the Belgian authorities;

287. Calls for complete clarification and for full and prompt cooperation by the Commission with the courts in Belgium and Malta in the Dalli case and for an independent inquiry into the methods used by OLAF in this case;

([1]) Ares(2013) 2634919.
([2]) Texts adopted, P7_TA(2014)0288 (see page 69 of this Official Journal), recommendations in Part XVI.
([3]) Activity report for 2012 of DG Research and Innovation, p. 45 et seq.

288. Is worried about the high financial indicators for opening an investigation included in the Investigative Policy Priorities of OLAF for the years 2012 and 2013 that are in the customs sector: EUR 1 million, in the agriculture sectors: EUR 100 000 for Sapard and above EUR 250 000 for agriculture; in the structural funds: EUR 500 000 in the European Social Fund as well as in the Cohesion Fund and EUR 1 million in ERDF, in the external aid and centralised expenditure sectors: EUR 50 000 and also in the Union staff sector: EUR 10 000; criticises that it is in the responsibility of the managing DGs to care about possible fraud cases below these financial indicators without having qualified staff at their disposal; sees taxpayers money and the financial interest of the Union endangered;

289. Notes that it has not received eight months after the adoption of Parliament's resolution ([1]) on the protection of the financial interest 2011 in plenary, the legal analysis of the legality of recordings of private phone conversations during administrative investigations concerning members of the Union institutions and Union officials conducted by OLAF requested in paragraph 75 of that resolution;

290. Is deeply concerned about the findings of the Supervisory Committee that OLAF has not established a prior legality check for investigative measures other than those specifically listed in OLAF's Instructions to Staff on Investigative Procedures (ISIP); notes that this endangers respect for the fundamental rights of, and procedural guarantees relating to, the persons concerned;

291. Notes that breaches of essential procedural requirements during preparatory investigations could affect the legality of the final decision taken on the basis of investigations by OLAF; assesses this as potentially high-risk, since breaches would thus incur the legal liability of the Commission;

292. Deems the direct participation of OLAF's Director-General in some investigative tasks, inter alia, interviews of witnesses, unacceptable; points out that the Director-General could be faced with a conflict of interest, since, under Article 90(a) of the Staff Regulations of Officials of the European Union and Article 23(1) of the ISIP he is the authority who receives complaints against OLAF's investigations and decides whether or not appropriate action is taken with regard to any failure to respect procedural guarantees;

293. Notes with concern the large number of suspected fraud cases which the Commission has reported to OLAF but which OLAF dismissed and referred back to the Commission; observes that no record is kept of the follow-up measures taken by the Commission; calls on OLAF at least to monitor the follow-up measures to these cases; calls for an analysis of the suspected fraud cases dismissed and referred back to the Commission in 2012 and 2013;

294. Is alarmed by the results of two surveys among OLAF staff and the shortcomings which have become apparent in the functioning of OLAF since the reorganisations; calls on the Court of Auditors to perform a follow-up audit and to follow up its Special Report 2/2011 in order to investigate the impact of the reorganisation;

295. Requests that the Commission provide the Committee on Budgetary Control with a non-redacted version of the document D/000955 from the 5 February 2009 produced by OLAF on the misuse of Union funds by a high-ranking member of a Union institution;

296. Expects to be informed by the Commission about all Clearing House meetings in 2012 and 2013 in regard to the participants at these meetings and the agendas; is worried about the independence of OLAF and requests that the Supervisory Committee analyse how far the Clearing House meetings endanger the independence of OLAF;

Tobacco smuggling

297. Calls for an assessment of the existing agreements with the four tobacco groups (Philip Morris International Corporation Inc. (PMI), Japan Tobacco International Corporation, British American Tobacco Corporation and Imperial Tobacco Corporation), taking into account the new Directive on Tobacco Products ([2]), the ratification of the Protocol to the FCTC Convention ([3]) and Parliament's view on the issue of whether and, if appropriate, how the tobacco cooperation agreement with PMI is to be extended;

([1]) Texts adopted, 3 July 2013, P7_TA(2013)0318.

([2]) Directive 2014/40/EU of the European Parliament and of the Council of 3 April 2014 on the approximation of the laws, regulations and administrative provisions of the Member States concerning the manufacture, presentation and sale of tobacco and related products and repealing Directive 2001/37/EC (OJ L 127, 29.4.2014, p. 1).

([3]) WHO Framework Convention on Tobacco Control.

298. Calls for decisive measures by OLAF to combat cigarette smuggling: liaison units with China, the United Arab Emirates and Ukraine and at the appropriate places where smuggling is concentrated, as well as at Europol, in order to improve cooperation; stresses the importance of access to information and relevant databases in this connection;

299. Calls on the Commission to describe what measures need to be taken in the Union to control the market for tobacco leaves, cut raw tobacco and mechanical equipment for the production of cigarettes, in order to combat illegal cigarette factories;

Absence of progress in Bulgaria

300. Welcomes the clear statements by the Commission in the progress report of 22 January 2014 on developments in Bulgaria; is very concerned about the lack of progress under the Cooperation and Verification Mechanism, which is now seven years old, and about the persistently high prevalence of corruption and the general difficulty observed there in assigning responsibilities and correcting errors; calls on the Commission to adopt a resolute attitude towards Bulgaria and to seriously examine whether it is even possible for Union funds to be deployed in accordance with the rules in such an environment;

Slow progress in Romania

301. Welcomes the findings in the Commission's progress report of 22 January 2014 on developments in Romania; is very concerned about the slow progress made by Romania under the Cooperation and Verification Mechanism; draws attention to proposals to amend the Penal Code on issues regarding conflicts of interest for locally elected office-holders and an amnesty for Members of Parliament guilty of corruption; considers that it is hardly possible, in the light of this development, to deploy Union funds in accordance with the rules in such an environment;

Roma

302. Observes that the Commission is fundamentally unable to make any statements about measures funded by the EU budget to promote the integration of Roma people in their home countries; is critical of the fact that, despite the Roma Strategy of 2010, the Commission has not sought any way of demonstrating how measures have been taken for the benefit of Roma people; criticises the inadequate gathering of data by the Commission in the ESF, which does not make it possible to show Union citizens and tax-payers what has been achieved in terms of integration of Roma people drawing on ESF and Structural Fund appropriations; reminds the Commission that it has a duty to account for the use of Union tax revenue for the benefit of Roma people;

303. Notes an increase in complaints by civil-society organisations whose operations at least partially concern the Roma and which are denied access to Union funding because of an excess of red tape; calls on the Commission to support these organisations more in the overall process;

IT policies

304. Calls on the Commission to explore open source, well-audited solutions for e-mail and calendaring, including end-user software; reminds the Commission that also other parts of the stack not normally visible to end-users such as firewalls, web servers etc. can be considered from an open source, secure perspective if a public tender relies on functional specifications rather than brand-name products;

305. Is concerned with the situation of effective captivity of the Union institutions with specific software-vendors; deplores that the Commission despite this realisation has made no steps in 2012 towards preparing open, public tenders for ICT, based on transparent criteria and functional specifications rather than brand-names;

306. Recalls that the size of the SACHA II contract, and the full set of specific brand name products defined therein, was so large that only a very small number of contractors (two) could participate in the open, public tender; urges the Commission to prepare smaller open, public tenders to enable more actors to participate in such procurement and with a larger diversity of offers;

307. Urges the Commission to ensure that any consolidation endeavours in the ICT architecture goes towards well-accepted, open standards that are used by multiple vendors and which can be implemented by open source software; recalls that it is easier to ensure that e-mail storage on the premises is not accessed by foreign interests because of its geographical location;

Studies and advice/consultation from external providers

308. Notes that the Commission was not able to provide Parliament with a clear, concise list in a machine readable format from the Commissions ABAC system such as an Excel table or a CSV file that includes the topics of all studies as well as the specific issue of any external advice/consultation carried out for the Commission by external providers with the names of these providers as well as the country where the respective provider has its seat while also indicating the date the authorising officers committed the budget appropriations for the studies or the external advice broken down by years starting in 2009 ending 2013; expects that list to be submitted to the Committee on Budgetary Control until 1 May 2014;

Getting results from the EU budget

Management plans and annual activity reports

309. Notes that the objectives stated in Article 38(3)(e) of the Financial Regulation (EU, Euratom) No 966/2012 which should be measured by indicators are to a large extent used by the directors-general as objectives in their management plans, and points out that the directors-general should report in their annual activity reports on the results achieved and the extent to which the results have had the impact intended;

310. Welcomes the fact that, in order to reduce the number of objectives and indicators, the Commission has introduced the programme statements of operational expenditure in its working document part 1 accompanying the draft budget 2014 (see COM(2013) 450);

311. Shares the criticism expressed by the Court of Auditors (Annual Report for 2012, point 10.9) that the objectives taken directly from high-level policy or legislative documents are often not sufficiently focused and are therefore not useful for management plans and annual activity reports;

312. Insists on the fact that those 'objectives taken from high-level policy documents' often relate to policies not fully under the responsibility of the Union; therefore calls on the directors-general to define objectives corresponding strictly to the competences of the Union and according fully with the principle of subsidiarity;

313. Regrets that evaluations have not been a useful source of evidence to substantiate reporting on policy achievements in the annual activity reports and that this is largely due to the fact that evaluations are oriented towards operational questions rather than performance or because the Commission has doubts as to the quality of information obtained from Member States' authorities;

TFEU Article 318 evaluation report

314. Regrets the fact that, instead of focusing on the achievement of the Union's main objectives, the Commission provided a range of evaluation summaries covering European Union programmes in all policy areas of expenditure under the Multiannual Financial Framework 2007-2013 and in accordance with the budget headings;

315. Recalls that on 17 April 2013 Parliament urged the Commission to modify the structure of the Article 318 evaluation report 'distinguishing the internal polices from the external ones and focussing within the section relating to internal policies on the Europe 2020 strategy, placing the emphasis on the progress made in the achievement of the flagships initiatives' ([1]);

316. Welcomes the fact that the Commission plans to improve performance reporting in the annual activity reports of its directorates-general, to make a closer link between the annual management plans and annual activity reports on the one hand and the Article 318 evaluation report on the other hand and to adopt the evaluation report in parallel with the synthesis report;

317. Welcomes the Commission's intention of drawing up and organising its evaluation report in accordance with the new performance framework established by the Multiannual Financial Framework 2014-2020; stresses once again, however, that such a performance framework should encompass the following three main elements: achievement of the programme objectives (results), sound programme management by the Commission and the Member States and how programme results and sound management contribute to the Union's main objectives;

318. Recalls that in order to ensure the sound financial management of Union funds, the Commission administers the Central Exclusion Database–a database of entities excluded from Union funding for reasons such as insolvency, final court judgments for fraud, corruption, decisions of a contracting authority for grave professional misconduct and conflict of interest; regrets that the Central Exclusion Database administered by the Commission is not accessible to the public or to the Members of Parliament; recalls that a similar database of debarred firms administered by the World Banks is public; calls on the Commission to make the Central Exclusion Database public.

([1]) Paragraph 1(af) of the Resolution of 17 April 2013 (OJ L 308, 16.11.2013, p. 27).

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the Court of Auditors' special reports in the context of the 2012 Commission discharge

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2012 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2012 (COM(2013) 570 – C7-0237/2013) ([2]),

— having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2012, together with the institutions' replies ([3]), and to the Court of Auditors' special reports,

— having regard to the statement of assurance ([4]) 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 2012 pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to its Decision of 3 April 2014 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section III – Commission ([5]) and to its resolution with observations that forms an integral part of that Decision,

— having regard to the special reports of the Court of Auditors drawn up pursuant to second subparagraph of Article 287(4) of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2014 on discharge to be given to the Commission in respect of the implementation of the general budget of the European Union for the financial year 2012 (05848/2014 – C7-0048/2014),

— having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union and Article 106a of the Euratom Treaty,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([6]), and in particular Articles 55, 145, 146 and 147 thereof,

— 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 1605/2002 ([7]), and in particular Articles 62, 164, 165 and 166 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 76 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0222/2014),

A. whereas, under Article 17(1) of the Treaty on European Union, the Commission is to execute the budget and manage programmes and is to do so, pursuant to Article 317 of the Treaty on the Functioning of the European Union, in cooperation with the Member States, on its own responsibility, having regard to the principle of sound financial management,

B. whereas the special reports of the Court of Auditors provide information on issues of concern related to the implementation of funds, which are thus useful for Parliament in exercising its role of discharge authority,

C. whereas its observations on the special reports of the Court of Auditors form an integral part of Parliament's abovementioned Decision of 3 April 2014 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section III – Commission,

([1]) OJ L 56, 29.2.2012.
([2]) OJ C 334, 15.11.2013, p. 1.
([3]) OJ C 331, 14.11.2013, p. 1.
([4]) OJ C 334, 15.11.2013, p. 122.
([5]) Texts adopted, P7_TA(2014)0287 (see page 30 of this Official Journal).
([6]) OJ L 248, 16.9.2002, p. 1.
([7]) OJ L 298, 26.10.2012, p. 1.

Part I Special Report No 8/2012 of the Court of Auditors entitled 'Targeting of aid for the modernisation of agricultural holdings'

1. Welcomes the Court of Auditors' Special Report on the targeting of aid for the modernisation of agricultural holdings, and endorses in principle its recommendations;

2. Reminds that the specific measure 121 that subsidises investment projects aimed at modernising agricultural holdings amounts a total of EUR 11,1 billion financed through the European Agricultural Fund for Rural Development (EAFRD) (financial figures as at January 2012, including EUR 630 million from the 'Health Check' and the European Economic Recovery Plan (EERP)), which represents, over the whole programming period, around 11 % of all the Union's planned spending on rural development in the Union; notes that all Member States have used this measure 121;

3. Calls on the Commission to improve the Common Monitoring and Evaluation Framework (CMEF) so as to obtain an efficient tool for the Member States and the Commission which generates relevant data to be used for monitoring the results obtained with the funds spent on measure 121; insists on the need to develop reliable indicators to allow comparisons between Member States (and/or regions) and to monitor the achievement of the Union's priorities;

4. Considers that Member States need to have a common system of monitoring and assessment to ensure that the Commission will be able to analyse the extent of progress and achievement of the defined objectives and its impact and effectiveness at Union level;

5. Considers that the application of aid to the modernisation of farms must have a certain degree of homogeneity in different territories and, therefore, it is necessary to avoid dispersion in the areas of regulation, application and budget and to give this measure uniformity in its implementation by Member States;

6. Emphasises the importance of strengthening structural measures on farms, in particular measures aimed at modernisation which are essential to achieve improved efficiency and competitiveness; notes that in this regard, it is necessary to provide them with a sufficient budget given the significant present deficit and taking into account the context of strong competitiveness in Union agriculture and the progressive liberalisation of world markets and trade;

7. Takes note that two of the 10 Rural Development Programmes (RDP) examined contained clear evidence of good targeting of measure 121 (Italy (Veneto) and Hungary); notes that six other RDPs contained little evidence of such targeting (Belgium (Wallonia), Germany (Baden- Württemberg), Spain (Catalonia), France, Romania (14) and Portugal); observes that two RDPs (Luxembourg and Poland) did not contain sufficient evidence that measure 121 was targeted; notes that all 10 of the RDPs were, however, approved by the Commission;

8. Takes note that for the next programming period, the Commission has proposed that only expenditure which has been incurred and approved by the competent authority, shall be eligible;

9. Is of the opinion that taking into account the complexity and diversity of different agricultural structures within the Union, it is necessary to maintain specific support for the modernisation of associative operating systems for agricultural purposes as it has proved objectively to solve problems of insufficient economic dimension and/or generational change;

10. Calls on the Court of Auditors to provide the cost-benefit criteria on which its recommendations have been based and the necessary concrete criteria for measuring innovation;

Part II Special Report No 11/2012 of the Court of Auditors entitled 'Suckler cow and ewe and goat direct aids under partial implementation of SPS arrangements'

11. Asks the Commission to add a targeting requirement for coupled direct aid schemes; notes that the Commission's implementing rules should require Member States to identify and justify agricultural areas in which coupled animal premiums could have a demonstrably beneficial effect and where there is a lack of real viable alternatives;

12. Calls on the Commission, in coordination with Member States, to clarify the most relevant types of specific farming activities to maintain agricultural production and sustain economic activity in regions with few economic alternatives and generate environmental benefits and to focus the support on farms and specific farming activities in disadvantaged regions facing environmental, social and economic risks;

13. Asks the Commission to specify the monitoring requirements and arrangements expected from Member States for the aid schemes concerning the animal sectors and include this in a legal instrument requiring Member States to use appropriate performance indicators and up-to-date data precisely lined to the envisaged outcomes from the animal aid schemes; is of the opinion that the Commission should implement a permanent monitoring framework that would indicate all the direct aids paid to support the animal sectors in Member States, including national aids and Pillar II support;

14. Requires the Commission, in coordination with the Member States, to undertake a comprehensive evaluation of the impact of the different support schemes and where appropriate, assess the impacts of alternative measures to improve production quality and competitiveness e.g. by encouraging herd improvements;

Part III Special Report No 13/2012 of the Court of Auditors entitled 'European Union development assistance for drinking water supply and basic sanitation in sub-Saharan countries'

15. Notes that access to safe drinking water and basic sanitation has been recognised as a universal human right and is of fundamental importance for human health ([1]) and well-being; notes, furthermore, that the successful 'Closing the Gap' project in small towns in northern Nigeria was commented upon in this Special Report;

16. Regrets the Court of Auditors' findings that less than half of the 23 projects it audited delivered results meeting the beneficiaries' needs and that for a majority of the projects studied, the results did not look sustainable, often as a result of a lack of adequate arrangements for the coverage of costs of operating installed equipment;

17. Endorses the Court of Auditors' recommendation that to maximise the benefits from Union development expenditure in this area and sector, the Commission should ensure that its procedures are properly applied, especially concerning the following points at project appraisal stage:

(a) the definition of explicit project objectives (quantities, type of equipment, location, direct and indirect beneficiaries);

(b) the description of and justification for the technological solutions proposed (wherever applicable, with reference to alternative options); and

(c) the establishment of objective verifiable progress indicators, as well as baseline values and quantified targets for project results;

18. Supports the Court of Auditors' finding that the Commission should carry out sufficient economic and financial analysis to allow easy identification of the expected sources of project funding in the future (including estimated contribution amounts and timing) in order to ensure sustainability for both water-supply and sanitation components in financial but also technical terms;

19. Stresses the importance of identifying which percentage of the water supply system was used by individual households and community public services like schools, health care and how much was used for and by industrial or agricultural activities in order to appropriately distribute the operation costs;

([1]) The World Health Organisation (WHO) estimates that 6,3 % of deaths worldwide (8 % if considering only developing countries) could be prevented through better water supply, sanitation and hygiene. The majority of those preventable deaths are children in developing countries.

20. Acknowledges that where the operation of projects depends on funding, technical support or other action by partner countries' governments and local authorities, their commitment is needed to ensure sustainability; is concerned that in the three projects where formal commitments were made, they were not respected and in the other 20 projects no formal commitments were made;

21. Welcomes the Court of Auditors' recommendation for the Commission to explicitly consider before project approval whether the conditions for success, including partner country commitments, are likely to be met;

22. Invites the Commission to integrate wastewater management in all future projects that promote effective and responsible water use, treatment and disposal, and encourage the protection and preservation of sub-Saharan Africa watersheds;

Part IV Special Report No 14/2012 of the Court of Auditors entitled 'Implementation of EU hygiene legislation in slaughterhouses of countries that joined the EU since 2004'

23. Emphasises the key importance of guaranteeing food and feed safety and safeguarding public health of all Union citizens;

24. Takes note of the Court of Auditors' Special Report on implementation of Union hygiene legislation in slaughterhouses of countries that joined the Union since 2004, and its recommendations;

25. Is concerned about the considerable number of shortcomings reported by the Court of Auditors:

Weaknesses detected by the Court

	Commission	MS		Establishments	
		N	%	N	%
Supervision					
Implementation of legislation	Partial review				
MANCPs		3/5	60 %		
Veterinary controls		4/5	80 %		
At slaughterhouse level					
Implementation requirements		3/5	60 %	9/25	36 %
HACCP				5/25	20 %
FBO own control programme		3/5	60 %	5/25	20 %
Traceability				6/25	24 %
Training					
BTSF	Framework and monitoring				
Guidance and good practice		3/5	60 %		
Provision of EU funding					
5-year minimum period		5/5	100 %	2/25	8 %
Award criteria		1/5	20 %	2/25	8 %

26. Invites Member States to take the Court of Auditors' findings and recommendations on board; encourages Member States to improve their multiannual national control plans to effectively perform their veterinary controls, to develop national guides that can contribute to prevention of the shortcomings identified by the Court of Auditors' audit and to improve guidance and training addressed to food business operators;

27. Regrets the limited response of Member States to the Court of Auditors' audit findings; regrets, for example, that in response to detected shortcomings in the key area of veterinary controls, only one of the four Member States concerned replied that they intended to take action;

28. Strongly encourages the Commission to improve its supervision of official controls in the food and feed sector and believes that Regulation (EC) No 882/2004 of the European Parliament and of the Council [1] on official feed and food controls is a step in the right direction;

29. Urges the Commission, furthermore, to complete the follow-up of its earlier recommendations to Member States as a result of the review of the implementation of the 2004 hygiene package without further delay; calls on the Commission to improve its guidance and supervision of Member States' preparation and implementation of the Multiannual National Control Plans and to take action improving its training actions;

30. Strongly regrets the fact that owing to the decentralised management structure, no information is available about the numbers and percentages of the slaughter activities of slaughterhouses in line with Union hygiene legislation before the Sapard funding and of the slaughter activities after the implementation of Sapard-funded projects, thus making it impossible to fully assess the projects' core effectiveness or real in- and output;

31. Notes that a synthesis study of Sapard *ex post* evaluations financed by the Commission and carried out by KPMG (Hungary) concludes that in terms of support for meeting Union standards and the *acquis communautaire* 'the most important impacts were reached in the field of hygiene, sanitary and veterinary conditions and environment'; notes, however, that this study is based on a beneficiary survey and that the impact of Sapard support under measure II (improving the processing and marketing of agricultural and fishery products) is deemed considerably higher for helping to meet Union environmental standards (97 % of beneficiaries reported a 'certain impact'), compared to only a 46 % impact in the case of helping to become fully compliant with (all) relevant Union standards, including hygiene standards;

32. Regrets that the approach chosen by the Commission for evaluating the Sapard programmes in Member States did not allow for either quantitative nor qualitative assessments for measuring the effectiveness of the Union funding, as well as limiting the programme level assessment options only to qualitative evaluation; regrets the absence of clear and specific criteria in the Sapard regulations for the support of slaughterhouses; invites the Commission to adhere to methods allowing for quantifiable objectives on both programme and measure levels;

Part V Special Report No 15/2012 of the Court of Auditors entitled 'Management of conflict of interest in selected EU agencies'

33. Welcomes the Court of Auditors' report on the four selected agencies because they have the highest exposure to an impartiality risk, due to their significant decision-making powers in areas of vital importance to the health and safety of consumers; notes that this report is a result of Parliament asking the Court of Auditors to undertake a comprehensive analysis of the agencies' approach to the management of situations where there are potential conflicts of interest; supports all the Court of Auditors' recommendations;

34. Points out that the agencies carry out technical, operational and regulatory tasks and play a vital role in implementing and raising the profile of Union policies; stresses the importance of the agencies being autonomous and independent;

[1] Regulation (EC) No 882/2004 of the European Parliament and of the Council of 29 April 2004 on official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules (OJ L 165, 30.4.2004, p. 1.)

35. Notes that all the Union institutions, agencies and joint undertakings, without exception, are exposed to the risk of conflict of interest; stresses, nevertheless, the specific needs of the decentralised agencies in terms of conflict of interest management, given the broad diversity of actors involved in their work;

36. Points out that the poor management of conflicts of interest may have a strong and lasting negative impact on the image of the Union institutions and on citizens' confidence in their ability to serve the interests of society;

37. Recalls that Parliament postponed its approval of the 2010 accounts of the European Food Safety Agency (EFSA) ([1]) and the European Medicines Agency (EMA) ([2]) partly due to what it considered to be an unsatisfactory management of conflict of interest;

38. Regrets that there is currently no comprehensive Union regulatory framework dedicated to conflict of interest which would make it possible to impose comparable basic requirements in terms of independence and transparency applicable to all Union agencies;

39. Recognises the value of the OECD guidelines on managing conflicts of interest, which set an international benchmark on this issue; stresses, however, that although the OECD guidelines offer an international benchmark, they relate essentially to conflicts of interest concerning public sector employees and cannot, therefore, provide an adequate basis for an effective response in the case of potential conflicts of interests among the governing bodies and other bodies involved in the agencies' work, such as management boards and expert panels; recognises, nevertheless, the value of the OECD's toolkit, and especially the checklist for gifts and benefits etc., as well as recommendations made concerning penalties, the need to check the completeness and content of declarations of interests and the requirement to harness expertise and identify potential conflicts of interest;

40. Recalls that in July 2012, after three years of analysis and negotiations, the Commission, the Council and Parliament finally adopted the 'Common Approach', a political agreement concerning the future and the reform of the decentralised agencies; welcomes the fact that the Commission soon adopted thereafter a roadmap for the implementation of this Common Approach; notes that the prevention and management of conflicts of interest in the agencies was one of the Commission's priority actions for 2013 but regrets that it intended to implement and launch this action alone;

41. Draws the Commission's attention to the need for a common regulatory framework on this matter; stresses the importance of it being a concerted action and calls for Parliament to be closely involved; asks the Commission to respect the proposed deadline for implementing this action and to report to the discharge authority on its outcome by May 2014, attaching the relevant legislative proposals to its report;

42. Asks the Commission to bear in mind the need to maintain a balance between the risks and the benefits, in particular as regards the management of conflicts of interest on the one hand, and the objective of obtaining the best possible scientific advice on the other; notes with concern, furthermore, that the adoption of ethical standards, codes and guidelines does not guarantee the absence of conflicts of interest; observes that this will require the implementation of simple and applicable standards, together with regular and effective *ex ante* and *ex post* controls and clear sanctions, thereof, in the context of a culture of honesty, integrity and transparency;

43. Notes that the Court of Auditors identified a number of significant shortcomings relating to post-employment issues ('revolving doors', 'insider information'); stresses that this issue is not solely limited to the agencies; notes that in light of its impact on its image and on Union citizens' trust, the Commission needs to address these issues without delay by means of action to be taken by both the agencies and by all Union institutions;

([1]) OJ L 286, 17.10.2012, p. 376.
([2]) OJ L 286, 17.10.2012, p. 387.

44. Welcomes the European Ombudsman's decision to conduct an own initiative inquiry into cases of 'revolving door-type' conflicts of interest in several recently reported cases at the Commission; echoes the warning issued by the Ombudsman to the effect that although the effective management of conflicts of interest is a key part of good governance and sound ethical conduct, not all problems relating to governance and ethics necessarily imply a conflict of interest, meaning that conflicts of interest need to be viewed within their strict limits and training and prevention strategies promoted in respect of conflicts of interest in Union institutions;

45. Expresses its concern at the fact that none of the four agencies selected managed conflicts of interest in a fully satisfactory manner at the time of the Court of Auditors' analysis;

46. Considers that the main added value of Special Report No 15/2012 of the Court of Auditors lies in the regular monitoring of the agencies' progress as regards management and prevention of conflicts of interest; welcomes the fact that following the Court's audits and Parliament's review and approval procedures for the 2010 and 2011 discharges, significant improvements have already been implemented by the relevant agencies;

47. Calls on the Court of Auditors to continue monitoring the measures put in place by the agencies to follow-up on its recommendations, to extend the scope of its audit to the other agencies and to present its observations in a special report on this matter in the near future; urges the agencies to continue to report to the discharge authority on the progress made in this area;

48. Stresses the importance of coordination and the exchange of information and good practice between Union agencies; reiterates the important role of the network of agencies in coordinating information exchange, both among the agencies themselves and between the agencies and the Commission, the Court of Auditors and Parliament;

49. Emphasises the importance of determining which agencies and which of their areas of operation are most at risk from conflicts of interest; welcomes, in that context, the review of the Transparency Register for lobby groups at the Union institutions and urges the Commission and the agencies to implement the measures stemming from that review concerning potential conflicts of interest;

50. Points out that a high-level of transparency is essential to mitigate risks of conflict of interest; calls on all the agencies to publish a list of their management boards members, management staff, external and in-house experts, together with their respective declarations of interest and curricula vitae on their websites; suggests, also, that the minutes of the meetings of their management boards should be systematically published;

51. Notes that because of the austerity policies currently being pursued, staff cuts in public administrations and the outsourcing of tasks to the private sector are greatly increasing the risk of conflicts of interest; calls for a strengthening of the Union civil service;

52. Endorses the Court of Auditors' recommendation calling on all Union institutions and decentralised bodies to examine whether the recommendations of its Special Report No 15/2012 are relevant and applicable to them;

Part VI Special Report No 16/2012 of the Court of Auditors entitled 'The effectiveness of the Single Area Payment Scheme as a transitional system for supporting farmers in the new Member States'

53. Welcomes the Court of Auditors' Special Report on the effectiveness of the Single Area Payment Scheme as a transitional system for supporting farmers in the new Member States, and endorses its recommendations;

54. Believes that in future, income support should be directed to active farmers who engage in agricultural activities; believes, in particular, that public entities managing state land and not otherwise involved in farming should be excluded from Single Area Payment Scheme (SAPS) income support; notes, with a view to the new CAP, that the Member States should ensure that aid is only paid to active farmers and that no derogations from this principle are applied; is of the opinion that the Commission should ensure that the rules are implemented consistently among Member States in order to ensure, for example, that the same types of beneficiary are excluded in all Member States;

55. Stresses that the eligibility of land for aid should be clearly defined and limited to parcels on which Good Agricultural and Environmental Conditions (GAEC) standards require agricultural activities to be carried out; notes, with a view to the new CAP, that the eligibility of land should be clearly defined so as to exclude land that does not contribute to increasing agricultural productivity or to actively maintaining the environmental value of the land; believes, furthermore, that aid should only be paid for land on which well-defined and regular activities are carried out;

56. Endorses the Court of Auditors' recommendation and the Commission's proposal for a more balanced distribution of aid through several measures such as the progressive reduction and capping of direct payments and the regional allocation of national ceilings;

57. Calls on the Commission to analyse the extent to which the effectiveness and efficiency of direct payments are adversely affected by structural weaknesses and land prices; believes that on the basis of this analysis, the Commission should take complementary measures to restructure the sector and render it more competitive;

58. Invites Member States to consult with the Commission as they prepare for the introduction of a future entitlement-based scheme; believes in particular that Member States could use the Commission's assistance to help identify key requirements for national administrations and farmers;

59. Regrets the fact that the new CAP, especially the pillar for direct payments, does not contain specific objectives, targets or anticipated results; observes that this means that the single biggest item in the Union budget is being paid out without any clear objectives or anticipated results;

Part VII Special Report No 17/2012 of the Court of Auditors entitled 'The European Development Fund (EDF) contribution to a sustainable road network in sub-Saharan Africa'

60. Welcomes the fact that in many of the partner countries visited, technical cooperation has also contributed to the drafting of road sector strategies and improved the supervision of road maintenance and that training activities have been well-organised and effective while technical studies in a wide range of areas have provided useful information for policy decision-making;

61. Regrets that, in general, the support provided by Commission is not totally effective in promoting the adoption and implementation of the policy reforms that are required to address the existing obstacles to a sustainable road network in sub-Saharan Africa;

62. Notes that partner countries do not do enough to ensure the sustainability of road infrastructure and that roads are affected to varying degrees by premature deterioration; acknowledges that most of the partner countries have made significant progress on road maintenance but notes that it remains insufficient and maintenance is often carried out late or incompletely; notes, furthermore, that most of the partner countries have made unsatisfactory progress on vehicle overloading, which has an important impact on road life expectancy and maintenance costs;

63. Takes the view that the maintenance of roads should be preferably done on a local level basis when outsourced to private business-contractors, thereby supporting small undertakings and local communities and ensuring the creation of skilled labour pools;

64. Calls on the Commission to attach mandatory conditions to its financial support and to react appropriately when partner countries fail to comply with their commitments; encourages the Commission to use policy dialogue to its full potential; takes note that this dialogue has been instrumental in promoting progress in some areas, notably where the institutional framework and road maintenance funding are concerned; is of the opinion that funded projects may only be approved if the necessary technical equipment to maintain the road is available beforehand or can be assured when needed;

65. Endorses the Court of Auditors' recommendation that the Commission should focus EDF funding in the road sector where the greatest impact can be achieved by (i) focusing resources on road sectors in partner countries which implement appropriate sector policies, (ii) focusing EDF resources in countries where the EDF has financed substantial road infrastructure investments in the past, and (iii) raising the leverage effect of EDF resources by combining these grants with loans and promoting private sector participation in financing the upgrading and expansion of the road network;

66. Fully endorses the Court of Auditors' recommendation that the Commission should define clear, measurable and time-bound formal conditions that address the main policy reform needs in relation to road maintenance and vehicle overloading and carry out periodic and structured analyses of the fulfilment of conditions, as well as periodic country road sector evaluations and *ex post* project evaluations;

67. Invites the Commission to present a report, within six months, on how defining the Commission policy on road infrastructure takes into account the protection of the environment and the promotion of road safety; notes in this regard that the road network in sub-Saharan Africa is used for all sort of transit activities, mixing slow and fast traffic including for example road walking schoolchildren and therefore, safety concerns are of major importance; would also like to be informed about how Union funded projects are coordinated with other donors and organisations, not only in the field of road construction but also in matters concerning planning and maintenance;

68. Recommends that the Commission responds firmly, proportionately and in a timely manner when governments show unsatisfactory commitment to addressing the issues raised and recommendations made including to assess the suspension or cancellation of EDF funding to individual programmes or the road sector as a whole;

69. Supports the Court of Auditors' proposal that the Commission should endeavour to ensure that there is credible government ownership of the planned activities, increase its focus on the root causes of vehicle overloading and provide support to help partner countries perform sound economic analysis for deciding on the appropriate balance to be ensured between the maintenance and the expansion of their road network, taking into account all the relevant economic, social, environmental, financial, technical and operational criteria;

Part VIII Special Report No 18/2012 of the Court of Auditors entitled 'European Union Assistance to Kosovo related to the rule of law'

70. Welcomes the findings and recommendations of the Court of Auditors' Special Report on the European Union Assistance to Kosovo related to the rule of law;

71. Notes that the Union is providing major assistance to the rule of law in Kosovo, making it the biggest recipient per capita of Union assistance in the world;

72. Welcomes the Court of Auditors' findings that Union assistance has contributed to progress in the area of building the capacity of Kosovo customs; notes with concern, however, that significant progress must still be made in order to fight organised crime, improve the capacity of the Kosovo police and root out corruption; calls, therefore, on the Kosovo authorities to continue investing the Union's pre-accession assistance in programmes and projects aiming at strengthening the judicial reform and the fight against corruption and securing the rule of law;

73. Notes with concern the constraints on the side of the Union, in particular with regard to coordination and roles of the Commission and European Union Rule of Law Mission in Kosovo (EULEX) in respect of the assessment and benchmarking of their capacity building activities;

74. Considers it regrettable that EULEX's efficiency and effectiveness suffered from resources constraints, caused by limited operational ability due to difficulties in recruiting competent and specialised staff, in particular from Member States; urges the Commission and the Member States to therefore address the issue of staffing and to create appropriate incentives to encourage and attract highly qualified applicants;

75. Calls on the Commission and Member States to review the rules governing the duration of EULEX secondments; is of the opinion that longer durations could provide an additional incentive to attract qualified applicants, as well as increase the effectiveness of the monitoring, mentoring and advising actions;

76. Recognises that the modest progress and limited effectiveness of the Union assistance to Kosovo can be partly attributed to political interference by the Kosovo authorities, as well as a lack of transparency and political will, weak financial capacity and a limited influence on civil society;

77. Recognises the geographical disparity in the rule of law establishment in Kosovo, in particular due to the lack of control by the Pristina-based Kosovo authorities over the northern part of the territory; urges the Commission to take the particular challenges faced by northern Kosovo into account when planning its assistance;

78. Recognises that the efficiency and effectiveness of Union assistance must be enhanced; calls, therefore, for efforts to streamline the Union's presence in the country to be increased through better coordination and integration between Union institutions and the Kosovo authorities;

79. Welcomes the agreement signed on 19 April 2013 by Kosovo and Serbia aimed at normalising relations between the two countries; urges both parties to continue with the same constructive approach, aimed at implementing this agreement and achieving a visible and sustainable improvement of relations;

80. Agrees with the Court of Auditors that in absence of a common Union position on the recognition of Kosovo, the important incentive of Union accession is compromised; refers in this context to the resolution of the European Parliament on European integration process of Kosovo of 18 April 2013 [1] which encourages the remaining five Member States to proceed with recognising Kosovo and invites them to do their utmost to facilitate economic, social and political relations between their citizens and those of Kosovo;

81. Shares the Court of Auditors' view that the incentives and conditionality used by the Commission and European External Action Service (EEAS) have so far proven to be of limited use in promoting progress on rule of law issues in Kosovo; calls, therefore, on the Commission, the EEAS and Member States to ensure that their policy dialogues with Kosovo, particularly on strengthening the rule of law, are linked to incentives and priority conditions;

Part IX Special Report No 20/2012 of the Court of Auditors entitled 'Is structural measures funding for municipal waste management infrastructure projects effective in helping Member States achieve EU waste policy objectives?'

82. Welcomes the Court of Auditors' Special Report 'Is structural measures funding for municipal waste management infrastructure projects effective in helping Member States achieve EU waste policy objectives?', and endorses its recommendations;

83. Emphasises the fact that the Court of Auditors' findings demonstrate varied and even poor performance of the projects which benefited from Union financial support for infrastructures in the field of municipal waste management through the European Regional Development Fund and the Cohesion Fund, in particular:

— out of seven audited mechanical biological treatment plants, only one contributed to landfill diversion and one had a mixed level of performance, while four plants did not reduce the quantity of waste landfilled, and one plant was not operational,

— in four out of seven audited composting plants, the quantity of compost produced was below the design target,

— in the eight regions sampled, the quantity of biodegradable waste landfilled ranged from 31 % to 55 % as a result of a failure to effectively treat such waste,

[1] Texts adopted, P7_TA(2013)0187.

— in none of the eight regions sampled did the responsible authorities measure the success of their information campaigns, nor had they defined measurable targets;

84. Notes with concern that the Court of Auditors' findings cast doubt on the Commission's effectiveness in managing public money, and calls on the Commission to report to the discharge authority what are the reasons behind this situation, and what means it employs and/or has envisaged to introduce in order to prevent such and similar failures;

85. Reminds the Commission that it should focus not only on legality and regularity of Union spending, but also on performance as its main goal; commends, in this context, the Court of Auditors' audit work, in particular its special reports, which focus on the efficiency and effectiveness of Union spending;

86. Believes that Union financial support should be linked to the achievement of Union waste policy objectives; invites Member States to set up reliable waste management databases, both to monitor their progress towards the achievement of Union waste policy objectives and to underpin their reporting to the Commission; calls on the Commission to assess the data received from Member States for reliability;

87. Urges the Commission, in relation to the 'polluter pays principle', to request from Member States the application of reduced rates of assistance when waste management tariffs paid by households do not cover operating costs and depreciation costs of municipal waste management, and to apply itself this principle when approving major projects;

88. Stresses the importance of separate collection implementation, including biodegradable waste, in order to maximise the performance of waste management infrastructures and to progress towards the achievement of Union waste policy objectives; encourages Member States to introduce economic instruments in the management of waste to promote waste prevention and recycling, particularly through a waste disposal tax, 'pay as you throw' schemes and other incentives in the tariffs paid by households;

89. Invites Member States to focus on waste management infrastructures treating waste previously segregated at source and to ensure that municipal waste deposited in landfills has been treated before disposal; stresses that that landfill sites should possess a sufficient financial security to cover closure and after-care costs for a period of at least 30 years, the calculation of which should be based on an appropriate methodology;

90. Invites Member States to pay greater attention to increasing public awareness and participation in waste management schemes, especially in relation to waste segregation at source by households, and to systematically measure results achieved by awareness-raising campaigns and educational strategies;

Part X Special Report No 21/2012 of the Court of Auditors entitled '- Cost-effectiveness of cohesion policy investments in energy efficiency'

91. Emphasises the importance of energy efficiency given the scarcity of fossil fuels and the environmental damage caused by carbon dioxide emissions; fully supports therefore that energy efficiency is part of the EU2020 agenda;

92. Welcomes the Court of Auditors' Special Report on the cost-effectiveness of cohesion policy investments in energy efficiency as a recent example of a performance audit;

93. Notes that the audit was carried out in the Czech Republic, Italy and Lithuania — the countries that had received the largest contributions in absolute terms from the Cohesion Fund and European Regional Development Fund for energy efficiency measures for the 2007–2013 programming period and had also allocated the highest amounts to projects by 2009; notes that the audit included an examination of four operational programmes and a sample of 24 energy efficiency investment projects in public buildings; acknowledges that the allocations to energy efficiency under these programmes represented around 28 % of the funds to be allocated to energy efficiency in the period 2000–2013;

94. Emphasises the principles of economy, efficiency and effectiveness, as laid down in the Financial Regulation; agrees with the Court of Auditors that cost-effectiveness considerations should be a major determinant of public spending decisions taken in the context of shared management;

95. Agrees that the basis of investments should be a proper needs assessment; believes that priorities at Union level should also be reflected in national and sub-national energy efficiency plans;

96. Supports the idea that the implementation of Union financial assistance should be based on performance indicators, such as cost per unit of energy saved, payback period planned and achieved by the operational programme and energy savings generated; these indicators would be regularly monitored; supports the idea that performance indicators should provide for a degree of comparability between Member States, also by using a unified measurement unit and methodology;

97. Appreciates the Court of Auditors' wish to establish standard investment costs per unit of energy to be saved at a national level and in the various sectors where energy is consumed; notes the Commission's concern that costs differ considerably between countries due to different prices for equipment and different levels of already implemented savings; sees the need to explore this idea further;

98. Is of the opinion that excessively long payback periods for projects, on average 50 years and in some cases up to 150 years, are not acceptable and not in compliance with the principles of economy, efficiency and effectiveness;

99. Notes the Commission's view that in the case of investments in energy efficiency in public buildings, it is important to take an integrated approach and not carry out energy efficiency improvements alone, but rather consider them as part of a general refurbishment leading to the overall improvement of a particular building;

100. Highlights that a comprehensive energy efficiency policy was only fully developed once the drafting, negotiation and approval of the programmes for the period 2007-2013 were completed;

101. Supports, in addition to the performance indicators proposed above that are essential to measure the cost-effectiveness of energy efficiency investments, the Commission's proposals for common output indicators for energy and climate change investment priorities introduced into the framework [1] and sector regulations for the upcoming programming period 2014-2020; is of the opinion that these measures will strengthen the cost-effectiveness principle in the context of the cohesion policy's integrated approach;

102. Underlines the importance Parliament attaches to the content matter as documented in the resolutions on 'Towards a new Energy Strategy for Europe 2011-2020' (25 November 2010) [2] and on 'Revision of the Energy Efficiency Plan' (15 December 2010) [3];

103. Stresses the importance of Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency [4], whose provisions will enter into force on 5 June 2014;

104. Supports the idea of energy audits as an appropriate tool for delivering energy savings, particularly in buildings and industry; notes that energy audits in public sector are not obligatory and have been introduced only by some Member States; calls on the Commission to put forward proposals for obligatory energy audits in the public sector as a precondition for project co-financing from the Union budget;

105. Emphasises the need for the energy auditors to apply the principle of cost-effectiveness when making recommendations aiming at energy savings;

106. Urges Member States to ensure transparency of project selection criteria and to align them with energy efficiency requirements; underlines the importance of public procurement, especially e-procurement, ensuring the transparency of project selection criteria and cost-effectiveness of projects;

[1] COM(2013) 246 of 22 April 2013.
[2] OJ C 99 E, 3.4.2012, p. 64.
[3] OJ C 169 E, 15.6.2012, p. 66.
[4] OJ L 315, 14.11.2012, p. 1.

Part XI Special Report No 22/2012 of the Court of Auditors entitled 'Do the European Integration Fund and European Refugee Fund contribute effectively to the integration of third-country nationals?'

107. Emphasises the importance of ensuring efficient management of migration flows and receiving refugees and displaced persons; supports fair treatment of third-country nationals and their social, civic and cultural integration;

108. Takes note of the Court of Auditors' Special Report 'Do the European Integration Fund and European Refugee Fund contribute effectively to the integration of third-country nationals?', and its recommendations;

109. Is concerned about the considerable number of shortcomings found by the Court of Auditors at the time of audit, in particular:

— the late adoption of legislation, late submission of implementing rules and key guidance by the Commission;

— that effectiveness of the Funds could not be measured as a result of Member States not having set up effective monitoring and evaluation systems to report on the achievement of the programmes;

— that audited Member States did not set proper targets or indicators in their annual programmes thus hampering a proper assessment of the Funds' contribution to integration;

— that persistent weaknesses and failures related to the Certifying and Audit Authorities; weaknesses in Commission's approval of Member States' Management and Control Systems;

— that the effectiveness of the Funds has been hampered by the design of the SOLID programme (General Programme on Solidarity and Management of Migration Flows for the period 2007-2013) which is fragmented and inadequately coordinated with other EU funds;

— that experience on Structural Funds was not capitalised in the design of European Refugee Fund and European Integration Fund;

— that the Commission's intermediate report based on Member States' reports was presented with delay and without quantitative results of the programmes beyond the number of projects funded in each Member State and it was based on plans rather than actual implementation; it includes no indication of the amounts spent;

— the long chain of controls by the three authorities, which is excessive administration in proportion to the size of the funds;

110. Welcomes the Commission's proposal for a regulation of the European Parliament and of the Council establishing the Asylum and Migration Fund (AMF) [1] and the Commission's proposal for a regulation of the European Parliament and of the Council laying down general provisions on the Asylum and Migration Fund and on the instrument for financial support for police cooperation, preventing and combating crime, and crisis management [2];

111. Welcomes the fact that the Commission has taken on board a number of the Court of Auditors' recommendations by including corresponding provisions in its new proposals regarding AMF, and invites the Council to support those provisions;

112. Welcomes the Commission's proposal on setting up an obligatory set of common indicators from the start of the new programme for the period 2014–2020 and the explicit reference to computerised systems for storage and transmission of data on indicators;

113. Believes this to be crucial in enabling Member States to collect data throughout the programming period;

114. Urges, therefore, Member States to set corresponding own indicators at national level as well as target values for national programmes and to submit the national evaluation reports in a timely manner;

[1] COM(2011) 751 of 15 November 2011.
[2] COM(2011) 752 of 15 November 2011.

115. Asks the Commission for a follow-up on the national evaluation reports due on 31 October 2012;

116. Notes with concern that the Court of Auditors' audit of 2007-2013 found a lack of consultation with partners in certain Member States; is concerned that the lack of partnership was particularly acute with regard to the ESF authorities and generated overlaps and lost opportunities for synergy;

117. In this context, welcomes, the fortified provisions in the 2014-2020 proposal where partnership shall include competent regional, local, urban and other public authorities;

118. Welcomes the setting up of monitoring committees 'to support the implementation of national programmes '; suggests capitalising on the experience provided by the use of the same mechanism within the Structural Funds;

119. Notes with concern that the system of annual programming places an excessive administrative burden on both Member States and the Commission; welcomes the new proposal which would abolish annual programmes in favour of national programmes covering 1 January 2014-31 December 2020;

120. Supports the Commission's proposal to set up a Monitoring and Evaluation Network composed of the Member States and the Commission in order to facilitate the exchange of good practices on monitoring and evaluation;

121. Welcomes the abolishment of the Certifying Authority and believes that a two-tier structure (Responsible Authority, Audit Authority) will accomplish more in terms of efficiency and simplification of the checks;

122. Urges the Commission to discuss with Member States and adopt guidelines for implementation of the new Fund as soon as possible, duly taking into account the timetable for adoption of the new Fund;

123. Stresses the importance of unannounced on the spot controls;

124. Believes that Member States should not be discharged from their responsibilities, therefore considers that the proposal from the Commission on paying up to 100 % in cases of Emergency Assistance should be reduced to 'more than 90 %';

125. Supports the Commission's proposal for a contribution to national programmes of up to 75 % on regular basis; believes that the context of 'duly justified circumstances' that introduces the possibility for a contribution of 90 % from the Union budget should be properly and strictly defined;

126. Believes that in addition to the initial pre-financing of 4 % for the whole programming period, an annual pre-financing of 2,5 % should also be added in order to diminish cash-flow problems

127. Notes the overlap between the AMF and ESF policy priorities with regard to integration of third country nationals, and welcomes the Commission's plans to 'consider the complementarity between the actions implemented under the Specific Regulations and those pursued under other relevant Union policies, instruments and initiatives in its evaluation' ([1]);

128. Believes, however, that it would be appropriate and in line with the principle of subsidiarity to provide for the possibility that those Member States that would so wish to provide for the level and the extent of synergy and complementarity between the two Funds in question in their national programmes; calls on the Commission, in that respect, to give proper consideration and pursue the possibility of reinforced synergy between the two Funds in the Partnership Agreements with Member States

129. Calls on the Commission to encourage Member States to provide more detailed information on the coherence and complementarity between Union funds;

([1]) COM(2011) 752, Article 50(6).

130. Salutes the advanced work on ensuring a common IT system with the European Structural and Investment Funds;

Part XII Special Report No 23/2012 of the Court of Auditors entitled 'Have EU Structural Measures successfully supported the regeneration of industrial and military brownfield sites?'

131. Emphasises the key role of the regeneration of military and industrial sites or brownfields as a first step towards increasing the attractiveness of a region, constituting a prerequisite for job-creating economic activities, creation of public spaces, etc.;

132. Takes note of the Court of Auditors' Special Report 'Have EU Structural Measures successfully supported the regeneration of industrial and military brownfield sites?', and its recommendations;

133. Welcomes the fact that all projects had some key characteristics having a positive effect on their sustainability and that out of 22 finished projects, 18 fully achieved their targets in terms of physical outputs and four projects achieved between 90 % and 100 % of the expected physical outputs;

134. Emphasises the fact that priority should be given to redevelopment that gives the opportunity for economic activities, such as job creation, and believes that the end use concept should be the core point in Union spending; underlines that the brownfields should be regenerated, and the use of greenfields should be considered as the last option only when dire economic necessities prevail;

135. Stresses the need for reliable data for the purposes of ensuring effectiveness and performance assessment, and calls on the Commission to take steps that such data are collected (inventory, level of contamination, etc.); invites Member States to develop inventories of brownfields and to assemble data on each brownfield's condition (level of contamination), thus allowing for prioritising of Union funding;

136. Calls on the Commission and the Members States to apply a reimbursement clause in each grant agreement; believes that the reimbursement clause should take into account a long term/life cycle approach, and that reassessment should take account of a 15 years period, when a regeneration project should mature and generate revenue;

137. Regrets that while authorities are aware of the polluter pays principle, in none of the audited cases did the polluter bear the full cost of decontamination; acknowledges that applying the polluter pays principle in practice is a difficult challenge; invites Member States, nevertheless, to take measures to overcome any difficulties in identifying the polluter and urges the Commission to require implementation of polluter pays principle as condition for granting Union funding;

138. Welcomes the Commission's proposal for a Soil Framework Directive (COM(2006) 232), which comprises provisions addressing a number of issues identified by the Court of Auditors and its recommendations and urges the Council to support the Commission's proposal;

Part XIII Special Report No 24/2012 of the Court of Auditors entitled 'The European Union Solidarity Fund's response to the 2009 Abruzzi earthquake: The relevance and cost of operations'

139. Welcomes the Court of Auditors' Special Report 24/2012 [1], despite the delay of more than one year; notes that with this report, a Union institution finally provides Parliament and Union taxpayers with answers to some of the questions regarding the management of Union funds in the Abruzzi region after the 2009 earthquake;

140. Congratulates the Court of Auditors for safeguarding the European Union Solidarity Fund (EUSF) Regulation (Council Regulation (EC) No 2012/2002 [2]) concerning the type of shelter that can be provided under the Regulation;

[1] European Court of Auditors President, Victor Caldera letter, 10 December 2010 –CPT11656EN01-10PP-OR.doc
[2] OJ L 311, 14.11.2002, p. 3.

141. Totally agrees with the statement from the Court of Auditors that 'around 30 % (EUR 144 million) of the EUSF contributions was earmarked for operations which were fully eligible under the EUSF Regulation; however, the CASE project (Italian acronym for 'Complessi Antisismici Sostenibili Ecocompatibiliti', i.e. seismically isolated and environmentally sustainable housing), while relevant to the actual needs, did not comply with specific provisions of the EUSF Regulation; this was because it constructed new permanent buildings instead of temporary houses; the CASE project took 70 % of the funding — EUR 350 million; the strategy chosen for CASE project addressed the housing needs of 15.000 of the earthquake-affected population, but did not respond in a timely manner and with sufficient capacity to the actual needs of the population; the CASDE houses were more expensive than standard houses' ([1]); notes that this was explained by emergency conditions;

142. Notes that the Decree of the Prefect Gabrielli, 1 462, 3 April 2012, confirms the assessment of the Court of Auditors, hence the decree, which transfers the CASE properties of the City of Aquila, defines C.A.S.E in Article 1 as 'housing units intended for permanent use' ([2]);

143. Takes note of the irregularities detected by the Commission in its 2012 audit report; regrets that the Commission's preliminary audit report is confidential, which means that Union citizens do not have access to the information about how their tax money has been used; takes note that the final Italian version of the report can be disclosed under the usual rules to protect personal data;

144. Calls on the Commission to clarify why i) although alerted to the inquiries by Aquila's prosecutor, the Commission has always refused to investigate whether or not Union funds have been paid out to economic operators linked to criminal organisations; ii) although the Commission was alerted to the fact that there could be problems with the cost of the CASE project, the Commission did not follow-up on this point;

145. Notes that more than 42 % of CASE has been built by using Union taxpayers' money;

146. Regrets that Parliament is still waiting to be informed by the European Anti-Fraud Office (OLAF) as to whether or not any irregularities were found to have taken place and if a further follow-up was required;

147. Is concerned by the fact that eight individuals have been taken into custody by the Italian police, and are currently under suspicion of manipulating building licenses for the reconstruction works that are taking place in the Abruzzi region and in the city of L'Aquila; asks the Commission to monitor the development thereof and to report to Parliament on these developments including the criminal cases;

148. Welcomes the discussions relating to the revision of the EUSF Regulation, picking up 'lessons learned' in the Abruzzi earthquake;

Part XIV Special Report No 25/2012 of the Court of Auditors entitled 'Are tools in place to monitor the effectiveness of European Social Fund spending on older workers?'

149. Welcomes the Court of Auditors' Special Report 'Are tools in place to monitor the effectiveness of European Social Fund spending on older workers?', and makes the following comments in relation to its recommendations;

150. Welcomes the fact that some issues raised by the Court of Auditors, including a stronger emphasis on performance, have been addressed in the Commission's proposed regulations for the new programming period 2014–2020 and encourages Member States to support the line taken by the Commission;

151. Emphasises the fact that while minimising error rate is vitally important, this is sometimes detrimental to the overall performance of a programme or project; notes that paying increasing attention to regularity and legality, rather than encouraging better performance, leads to less innovative uses of the European Social Fund (ESF);

([1]) European Court of Authors press release ECA/13/05.

([2]) *Art. I. I moduli abitativi destinati ad una durevole utilizzazione di cui all'articolo 2 del decreto legge 28 aprile 2009, n. 39, convertito con modificazione alla legge 24 giugno 2009, 11.77, identificati dalle corrispondenti unita immobiliari riepilogate nell'allegato n. 1, che costituisce parte integrante e sostanziale del presente decreto, sono assegnati in proprietà a titolo gratuito al Comune di L'Aquila*. The Commission is of the opinion that 'permanent' is an incorrect translation of 'durabile'; It should read 'lasting'.

152. Notes that the increased emphasis on performance and results does not translate into willingness on the part of Member States to contribute to a performance reserve, which is not a suitable solution during this period of economic uncertainty;

153. Invites the Member States to design their Operational Programmes in such a way that the performance of the ESF can be measured, in particular, to set quantified operational goals and indicators to measure outputs, results and specific impacts, and to set intermediate milestones, as well as to establish a hierarchy of target values, and to incorporate the Operational Programme's result and specific impact goals at project level, thus enabling payments to be linked to performance;

154. Invites the Member States to design their monitoring and evaluation systems in such a way that the progress towards all target values set can be measured in a timely and understandable way and at appropriate intervals, thereby allowing corrective actions to be taken and lessons learned for future decision-making, and to ensure timely collection of relevant and verifiable data, on-going evaluations, and the measurement of the net employment effect of the ESF actions aimed at increasing employment;

155. Calls on the Commission to promote these recommendations when negotiating Operational Programmes; calls on the Commission to provide appropriate data on the means mobilised and the results achieved by the ESF to ensure the submission of consistent and reliable information by Member States, inter alia, by issuing common indicators to be included by Member States in their Operational Programmes; calls on the Commission to analyse in depth performance issues when assessing the management and control systems;

Part XV Special Report No 1/2013 of the Court of Auditors entitled '- Has the EU support to the food-processing industry been effective and efficient in adding value to agricultural products?'

156. Takes note of the Court of Auditors' Special Report 'Has the EU support to the food-processing industry been effective and efficient in adding value to agricultural products?', and its recommendations;

157. Is concerned about the considerable number of shortcomings found by the Court of Auditors at the time of audit, in particular, that the design and the programming of the measure makes it difficult for Member States to avoid risks and ensure effectiveness and efficiency when selecting the individual projects for support and the monitoring and evaluation arrangements do not collect information on added value or on the effects on competitiveness of agriculture; observes that as a result, there is not a satisfactory basis for monitoring and evaluation, and for accountability;

158. Regrets that limiting the rules to a minimum and simplification has resulted in a measure with a highly questionable added value; namely that the legislation itself does not specify what the added value is intended to be, nor to whom such added value should accrue;

159. Believes that the current level of flexibility is excessive, as the measure has lost its focus and has become a general subsidy, risking becoming a handout to the food-processing companies;

160. Notes with concern that out of 24 projects audited by the Court of Auditors, only six had a clear effect in adding value and that these were classified as 'high added value', while further 12 projects were assessed as medium by the Court of Auditors and the remaining six projects resulted in little or no adding of value to the agricultural products;

161. Believes that Member States should clearly identify in their Rural Development Programmes (RDPs) where and why public intervention is necessary to improve the added value of agricultural produce and the competitiveness of agriculture; believes that the RDPs should set specific and measurable objectives in relation to these needs; urges the Commission to approve only those RDPs that present substantiated and comprehensive strategies with a clear rationale to demonstrate how the financial support for the food industry will improve the competitiveness of agriculture;

162. Invites Member States to define and apply criteria that ensure the selection of effective, sustainable projects with respect to Member States' specific objectives; calls on the Commission to ensure that these criteria are correctly and continuously applied and welcomes the Commission's proposal for the next programming period stipulating that selection criteria should be defined for operations under all measures;

163. Reiterates the belief that the Commission and Member States should promote the adoption of best practices in respect of the mitigation of deadweight and displacement risks; invites Member States to consider deadweight and displacement risks, both when drawing up their RDP and in project selection, and to target the aid to projects for which there is a demonstrable need for public support and which deliver added value; requests that the Commission report back to the discharge authority on the progress made as regards exchange of best practices on the mitigation of deadweight and displacement risks with Member States;

164. Endorses the Court of Auditors' recommendation that in the new programming period, the Commission should improve the Common Monitoring and Evaluation Framework (CMEF) in a way that it provides useful information on the achievements of the projects and measures financed by means of enhancement of on-going evaluation activities; believes that current methodology, using lengthy mid-term evaluation reports, has proven to be inadequate;

165. Welcomes the Commission's proposals for the monitoring and evaluation system for the period 2014–2020, replacing the requirement of a mid-term evaluation by extended annual implementation reports (in 2017 and 2019), which are to assess progress towards achieving the objectives of the programme, and the provision that Member States should carry out evaluations during the programming period according to an evaluation plan; reminds the Commission that collecting detailed data at measure level is indispensable for enabling the CMEF to provide details as to the success of the measures;

Part XVI Special Report No 2/2013 of the Court of Auditors entitled - 'Has the Commission ensured efficient implementation of the seventh framework programme for research?'

Simplification

166. Agrees with the overall evaluation of the Court of Auditors that 'the Commission has taken a number of steps to simplify the rules for participation' by introducing a number of administrative and financial simplifications to FP7 rules for participation which reduce the administrative burden on beneficiaries and facilitate their access to the programme; believes, however, that the periods could be further shortened based on improved internal communication and the sharing of best practices among DGs, as well as the timely introduction of effective new IT tools;

167. Welcomes the increased application of flat rates on direct and indirect costs, including the introduction of average personnel costs; emphasises, at the same time, the need for continued efforts towards the standardisation of reimbursement practices;

168. Expresses its concerns about the unsuccessful efforts to establish a certification mechanism for the approval of cost methodologies that would give assurance to the beneficiaries on their methodologies; considers that the wide-spread implementation of flat rate on indirect costs in Horizon 2020 will contribute further to preventing possible financial abuses and decreasing the error rates, thereby benefiting small and medium-sized enterprises (SMEs), thus making the participation of potential beneficiaries from the new EU-12 Member States easier;

169. Agrees with the Court of Auditors that the Commission has introduced effective new front-office IT tools which have substantially improved the interaction with beneficiaries, led to less administrative burden for both sides and helped to avoid the risk of potential duplication of funding; is concerned, however, that a substantial challenge remains, i.e. the optimisation of back-office IT tools which ensures a further reduction of the administrative burden and to guarantee an effective interlink between the modules used by the different DGs; embraces the work on the common back-office IT tool (SYGMA) and the common electronic workflow tool (Compass), which has started well in advance and should ensure that these will be available for Horizon 2020;

Financial control

170. Emphasises the necessity to strike the right balance between less administrative burden and effective financial control; notes that due to the specifics of the research field, a risk-tolerant and science-based approach should be encouraged so as to achieve research excellence and better impact of projects; believes that this approach will allow the Commission to uphold the balance between trust and control;

171. Encourages the Commission to follow the Court of Auditors' recommendation to concentrate the *ex-ante* checks on riskier beneficiaries, thereby introducing the beneficiary risk profile, based on results from the *ex post* controls and performance record;

Efficiency and Effectiveness

172. Considers it necessary to put more emphasis on effectiveness, which is crucial for ensuring high-quality research in Europe, without underestimating the optimisation of administrative and financial practices and procedures, which is essential for achieving efficient implementation of FP7; is of the opinion that the realisation of a European Research Area is a key element for the long-term economic prosperity and competitiveness of the Union and that it is interlinked with the achievement of the established objectives and expected results from FP7; welcomes, in this regard, the introduction of performance indicators in Horizon 2020, which will measure programme implementation in terms of outputs, results and specific impacts, at the same time bearing in mind the programme objectives;

173. Encourages the channelling of research output into initiatives with a tangible beneficial impact on citizens' daily life, for example those that feed into the concept of smart cities and prevent the generation of research for the sake of research; believes that a potential area for innovation and development of technological and industrial base is security and defence; encourages, therefore, the further advancement of research activities in this field, with a view to exploiting possibilities for dual-use technologies and know-how transfer to the civilian sector, so as to better address societal challenges;

174. Acknowledges the persistent gap between research outputs and successful product realisation on the market and urges the Commission to further promote the 'research-innovation-market' link to boost the relative economic competitiveness of the Union on a global scale;

175. Notes that the Union should identify its competitive advantage in cutting-edge areas of research and should work for encouraging young researchers to develop world-class research in Europe; believes that the introduction of a uniform and comprehensive definition for innovation would facilitate the application process and boost the attractiveness of the program for beneficiaries, especially SMEs with limited administrative capacities;

New instruments

176. Welcomes the implementation of new forms of venture capital instruments for public private partnerships under FP7 — Joint Technology Initiatives (JTI) and Risk-sharing finance facility (RSFF), as well as the results these instruments have achieved in ensuring funding for long-term industrial investments and fostering private investments in research;

177. Acknowledges that some JTIs have been particularly successful in involving SMEs in their projects with an average of 21 % of the total available funding provided by the JTIs to SMEs; notes that the functioning of the JTIs was affected by the overly complex legal framework and the prohibited implementation of common services which resulted in an average of 52 % of their staff devoted to administrative tasks;

178. Considers that the more cautious approach undertaken by the Commission in the first years of RSFF implementation was reasonable and in accordance with the economic conditions in Europe; recommends, however, that it should be established beyond doubt that the instrument is used as an efficient tool for riskier research projects which would otherwise not be supported by commercial banks but could lead to major innovation breakthroughs; is of the opinion that a step in the right direction is the establishment of the Risk Sharing Instrument (RSI), which complements the existing RSFF, thus ensuring the participation of research-based SMEs;

Synergy

179. Notes that further efforts are needed to enable the Commission to effectively identify diverging practices in project implementation and to ensure that all beneficiaries are treated in a consistent and uniform manner by the different Commission DGs and other implementing entities in order to ease their administrative burden; notes the need to ensure that the already existing Research Enquiry Service and Research Clearing Committee fulfil the tasks of the initially envisaged Single Clearing House;

180. Appreciates the complexity of promoting more synergy between FP7 and the Structural Funds (SF); believes that the Commission could intensify its communication with the Member States by presenting certain good practices in order to ensure that the SF are efficiently used to facilitate both the up-stream (project preparation, capacity building) and the down-stream (full-scale demonstration, market realisation) synergy approach; believes, thus, that the regional dimension of R&I could be enhanced by encouraging the innovation-research-education (the so called 'triangle of knowledge') and the creation of pockets of excellence and regional clusters, thereby expanding the FP 7 geographic scope with a view to the efficient and effective distribution of projects among all Member States; recognises the need for more coordination of SF allocations for development of research infrastructure and the subsequent financing of research activities under the framework programmes;

Part XVII Special Report No 3/2013 of the Court of Auditors entitled 'Have the Marco Polo programmes been effective in shifting traffic off the road?'

181. Welcomes the Court of Auditors' Special Report 'Have the Marco Polo programmes been effective in shifting traffic off the road?' and endorses its recommendations;

182. Considers that the objectives of the Marco Polo programmes to transfer traffic from road to more environmental modes of transport are still valid and represent a key aspect of Union transport policy, fully shared by Parliament;

183. Is of the opinion that the ideas which lead to the creation of the programme are still innovative and can generate efficient and sustainable transport freight services; considers the fact, however, that operationally, the instrument and the methodology used were inadequate for the virtue of the programme;

184. Is of the view that the results also need to be looked at in light of changes in the market and the challenges of the economic crisis; believes, however, that the economic downturn cannot serve as alibi for the underperformance of the programme; urges, in this sense, the Commission to draw conclusions from the results of Marco Polo programmes (on-going) and to take the best practices, but also to learn from errors in the design and implementation for future programming;

185. Takes note that no dedicated funding regulation for Marco Polo III has been proposed for the 2014-2020 programming period and that a general framework for a support of the freight transport services is included in the Commission's proposals for the new Trans-European Transport Network (TEN-T) and the Connecting Europe Facility (CEF) already in 2011;

186. Takes note that the Commission has just proposed a new reformed programme NAIADES II [1] for the inland waterways sector;

187. Recalls that the Commission's White Paper 'A Roadmap to a Single Transport Area — Towards a competitive and resource-efficient transport system', as far as infrastructure is concerned, aims at establishing a fully functional and interoperable Union-wide multimodal TEN-T 'core network' by 2030 and that it also aims at optimising the performance of multimodal logistic chains, including by making greater use of more energy-efficient modes;

[1] COM(2013) 623 of 10 September 2013.

188. Notes that Parliament, in its resolution of 15 December 2011 entitled 'Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system' ([1]), called for an extension of the Marco Polo programme beyond 2013 in order to make efficient use of the potential of shipping but it also pointed out the need to simplify and improve the programme;

189. Takes note that during the trilogues of the new legal framework ([2]), Parliament and the Council agreed to make freight services eligible for Connecting Europe Facility (CEF) funding and that explicit reference to sustainable freight services has been agreed on the new trans-European transport network with particular reference to 'motorways of the sea' (Article 38);

190. Shares the Commission's view that the Marco Polo contribution to change of the balance of modes can only be modest since the resources allocated were also limited;

191. Considers that changes in the modal split need to be explained not only as a result of Marco Polo programmes but also by taking other measures into consideration; considers that the expected results of future programmes should be weighted with the financial amounts allocated and the volume of the sector addressed;

192. Considers that despite of the limited resources available, Marco Polo programmes were adopted with a view to possible spillovers and demonstration effects that could result in wider effects than those initially foreseen;

193. Shares the view of the Court of Auditors that best practices from national experiences should have been used to improve the management and definition of the programmes;

194. Stresses, however, that not all national experiences can be extrapolated at Union level, as the Union transport sector operates in a more complex and multimodal environment; notes that it faces enormous constraints (interoperability, different national regulations, sectors differently open to competition) which need additional measures other than financial support (regulatory, political will, proper implementation and enforcement);

195. Recalls in that sense its resolution of 15 December 2011 on a Single European Transport Area pointing out that modal transfers cannot be achieved by means of legislation, but only by exploiting a functioning infrastructure, intrinsic advantages and strengths and incentives;

196. Is of the opinion that the existence of a reduced number of multimodal players (main target of beneficiaries) might have contributed to the poor number of projects presented to the calls; believes that this can be a result of intrinsic behaviour of transport players that tend to operate in a single mode; calls on the Commission to look for improving participation of single mode operators that could also benefit from future initiatives; notes, however, the Court of Auditors' remark on the complexity of the programme as pointed by the beneficiaries who might have discouraged potential additional interested;

197. Considers that a poorly adapted regulatory framework together with a lack of proper information and communication of the programmes are also elements that need to be taken into account when analysing the programmes' weaknesses; calls on the Commission to seek solutions to improve and enlarge potential beneficiaries by reducing complexity and administrative burden as well as improving communication of future actions;

198. Recalls the particularity of Marco Polo, a programme based on performance where funding disbursements are conditional upon results; notes that this unique character, positive in terms of management of Union funds, together with complexity of the sector and the economic downturn has contributed to a underperformance of the programme;

([1]) OJ C 168 E, 14.6.2013, p. 72.

([2]) Regulation (EU) No 1315/2013 of the European Parliament and of the Council of 11 December 2013 on Union guidelines for the development of the trans-European transport network and repealing Decision No 661/2010/EU (OJ L 348, 20.12.2013, p. 1).

199. Stresses, however, that the Commission should have been particularly attentive when measuring the results of beneficiaries; notes that the Commission did improve on the control of results;

200. Emphasises the need for programmes based on results to have a strong methodology for measuring the achievement of the objectives; shares, in that sense, the remark made by the Court of Auditors that the methodology for calculating performance should need to be updated and accurate;

201. Believes that the development of a strong methodology can serve also to provide information for potential operators that could be interested in modal shift, in particular SMEs with lack of resources to develop these tools;

202. Recalls that Marco Polo projects were particularly sensitive to the economic crisis and that this led to a lower number of projects supported by the programme than expected; notes that as the Marco Polo project is a result oriented programme, the decrease of transport also impacted on the effective number of freight transferred to other modes;

203. Considers that a sufficient analysis of the market needs pointed out by the Court of Auditors as a weakness could not be sufficient to ensure better results to the effectiveness of the Marco Polo programmes; urges the Commission to provide more in-depth analysis for future programmes involving a modal shift;

204. Considers, however, that the absence of market demand cannot be seen as an impediment for political action, as one of the objectives of Union transport policy is to try to address unbalanced modal split and create incentives for market takeoff; calls on the Commission to take into consideration the higher risks involved and to learn from the unsuccessful experiences and combine financial incentives, possibly also with financial aid for infrastructure as pointed by the Court of Auditors, as well as with other regulatory measures;

205. Is concerned about the Court of Auditors' comment regarding possible situations of 'reverse modal shift' as an indirect effect of adopting new environmental legislation (e.g. sulphur rules); calls on the Commission to analyse trends in possibly reversing shift modes, to address solutions and to cooperate closely with the Directorates involved in order to have a systemic approach when drafting legislation and designing new financial support programmes;

206. Regrets that the Eastern Member States have not been involved in the projects since its beginning and highlights the lack of incentives in those countries, as they normally prefer applying for Regional/Cohesion funds with higher co-financing rates and less administrative burden; welcomes, in this sense, the agreement between the legislators on CEF as Cohesion Countries will be able to apply for Union funding on freight services under the same conditions as for the Cohesion fund;

Part XVIII Special Report No 4/2013 of the Court of Auditors entitled 'EU Cooperation with Egypt in the Field of Governance'

207. Welcomes the Court of Auditors' Special Report on 'EU Cooperation with Egypt in the field of Governance' and sets out its comments and recommendations below:

208. Observes that as regards reforms in public finance management, a support programme of EUR 4 million, funded by the Union, France and Romania has been put in place to combat corruption, money laundering and to foster asset recovery in Egypt; notes that this programme began its implementation phase in July 2011, that it runs until July 2014 and that an extension will be requested to the Union as the main donor; notes that a number of 166 prosecutors, law enforcement personnel and financial intelligence staff received in-depth training; acknowledges that the programme received a positive independent Monitoring Report in December 2012;

209. Acknowledges that for the period 2007-2013, Egypt received approximately EUR 1 000 million of Union support: 60 % through sector budget support (SBS) to the Egyptian government and the rest through projects agreed with the Egyptian authorities; notes that budget support is the main mechanism of the Commission for implementing assistance to Egypt; concludes, however, that overall, the EEAS and Commission have not been able to effectively manage and control Union support to improve governance in Egypt;

210. Notes that asset recovery became a priority under the Morsi administration and that this has led to important progress; observes that asset recovery requires high quality judicial efforts following international standards, thus leading to improvements in procedures and financial management; observes that Egypt still lists low on the corruption-index, but efforts have not been in vain and progress is visible; acknowledges that with Union assistance, a draft law on the protection of witnesses has been completed recently and is ready for adoption, as are two other laws concerning conflicts of interest and access to documents;

211. The Union and USAID are donor coordinators on Public Finance Management programs in Egypt; notes that the Union is also coordinating the cooperation between Egypt and Member States on asset recovery and that, worldwide, assets worth EUR 1,2 billion have been frozen;

212. Believes that the monitoring of programmes through SBS is important and that it is equally important to keep insisting on improvements in accountability and transparency in the dialogue with Egyptian authorities, within the international Public Expenditure and Financial Accountability (PEFA) framework; is of the opinion that the possibility of suspension of SBS programmes is a useful and necessary tool to this objective;

Conclusion

213. Notes that this Special Report on EU Cooperation with Egypt in the field of governance contains many important observations and that it is important that the Court of Auditors not only assesses the quality of financial management but also reviews the performance achieved with Union programmes; calls therefore on the Commission to regularly evaluate the results achieved;

214. Notes that Parliament will have to invest more in its political responsibility to monitor closely the implementation of policies of this kind and others;

Part XIX Special Report No 5/2013 of the Court of Auditors entitled 'Are EU Cohesion Policy funds well spent on roads?'

215. Welcomes the Court of Auditors' findings confirming a considerable improvement in road safety and a substantial decrease of fatality rates (in some cases to zero deaths); notes, in addition, that road improvements have led in general to a reduction in travelling time;

216. Notes the recommendations of the Court of Auditors, while at the same time accepts a number of explanations given by the Commission;

217. Notes that while objectives were set for the road projects, their impact on economic development could not be assessed due to lack of appropriate indicators; calls on the Commission and Member States, in the context of the new programming period, to establish a reliable and measurable set of indicators in order to address this issue;

218. Notes the differences that exist among the audited Member States in terms of their public procurement procedures; holds the view that the European public procurement directive should be applied rigorously in all Member States with a view to achieving the highest level of cost-effectiveness and efficiency; believes, in addition, that the future co-financing of road projects should be made conditional upon steps taken by Member States to ensure competition in construction markets, focussing procurement systems on delivering best value for money while avoiding entrance barriers;

219. Calls on the Commission to continue updating and adjusting its guide to cost-benefit analysis for investment projects, which applies to all projects, and giving guidance on carrying out traffic forecasts;

220. Calls on the Commission to facilitate an exchange of best practice among Member States with regard to establishing reliable traffic forecasts on the one hand, and calculating the possible economic impact of roadway constructions on the other hand;

221. Is of the opinion that road construction costs also depend on the morphology of the ground, seismic danger, environmental and archaeological, cultural and other constraints, as well as on the number of engineering objects required (such as bridges and tunnels); is of the opinion that these variables should be taken into consideration by the Court of Auditors' audit;

222. Asks the Commission and the Court of Auditors to provide more information on the possible set-up of Union-wide unit cost information for engineers preparing estimates for new projects, with a view to assisting beneficiaries in lowering their procurement costs;

Part XX Special Report No 6/2013 of the Court of Auditors entitled 'Have the Member States and the Commission achieved value for money with the measures for diversifying the rural economy?'

General remarks

223. Is concerned that the good management of Union-funded programmes and initiatives is jeopardised when public sector cuts affect staffing levels within the relevant administrations;

224. Is concerned that Member States implement the measures in varied ways and that the Court of Auditors' comments are, in many cases, addressed to them;

225. Points out that the emphasis should be placed on the clear needs or specific objectives and the capacity to assist areas which need it;

226. Points out the need for a greener, fairer and fully legitimate common agriculture policy, which represents the principle of 'public spending for public goods'; believes that an increasing socio-political use of funds for rural development will lead to a boost of growth and jobs in rural areas;

227. Points out that appropriate diversification projects should aim to develop local infrastructure and local basic services in rural areas in order to prevent tendencies towards depopulation; believes that the projects should also aim at making rural areas more attractive to young people and should lead to new satisfactory and well-paid job opportunities;

Regarding the Court of Auditors' approach

228. Notes that this Special Report focused on the diversification objective within Axis 3 and would find it useful to also investigate the goal of improvement of the quality of life in rural areas and diversification of economic activity;

229. Notes that the audited measures are designed to impact more than employment and income, and are intended to contribute to rural area sustainability;

Future developments

230. Welcomes the fact that for the next programming period, the Commission proposed a number of improvements which should address some of the points of concern expressed by the Court of Auditors, notably:

(a) a stronger legal framework with full strategy description and *ex ante* evaluation,

(b) a single measure, rather than three, with improved focus, clearer eligibility conditions (with guidance) and payment rules, and use of simplified costs,

(c) a better definition of selection criteria, the use of which should become compulsory,

(d) a best practice exchange on mitigation of deadweight and displacement,

(e) result indicators as part of the rural development programme (RDP) evaluation,

(f) Common Monitoring and Evaluation Framework to use commonly defined target indicators for assessment;

231. Asks Member States to clearly identify in their RDPs, where public intervention for investments in non-agricultural activities will help to redress for example market failures related to barriers to employment and growth; believes that Member States should then set specific and measurable objectives in relation to these needs and that the Commission should approve only those RDPs that present substantiated and comprehensive strategies with a clear rationale that show how policy intervention will contribute to strategic aims of creating growth conditions and employment opportunities as well as countering rural depopulation;

232. Asks Member States to establish and consistently apply criteria to ensure the selection of the most effective, sustainable projects with respect to the Member States' specific objectives; is of the opinion that the Commission should ensure that these criteria are correctly and continuously applied, not only in cases of budgetary shortage;

233. Requests the Commission and Member States to exchange and promote the adoption of best practices in respect of mitigating the risks of deadweight and displacement;

234. Requires the Commission to encourage Member States to adopt the practice whereby expenditure for investments would be eligible only as of the date of grant approval;

235. Calls on the Commission to ensure that Member States have effective systems to carry out checks on reasonableness of costs;

236. Invites the Commission and Member States to increase their efforts in reducing the administrative burden and ensuring that payments are made in a reasonable timeframe;

237. Asks the Commission and Member States to ensure that for the forthcoming programming period 2014-2020, relevant and reliable information is obtained to facilitate the management and monitoring of the measure and to demonstrate the extent to which the aid given is contributing to the achievement of Union overarching priorities; believes that the targets for job creation should be realistic and that the numbers of jobs created should be accurately monitored; believes that the measures should be better managed throughout the programming period, particularly if it becomes apparent that targets set will not be achieved;

Part XXI Special Report No 7/2013 of the Court of Auditors entitled 'Has the European Globalisation Adjustment Fund delivered EU added value in re-integrating redundant workers?'

238. Emphasises the importance it attaches to performance audits in addition to legality and regularity checks and welcomes, therefore, the Court of Auditors' Special Report which sets out positive and negative performance aspects, thus giving a balanced overall viewpoint;

239. Is, however, aware that performance can only be evaluated if the objectives and indicators were decided upon in the underlying regulation; calls, therefore, on the Commission to take Parliament's view on performance audits into consideration when it drafts new legislative proposals;

240. Welcomes the fact that most workers affected by mass redundancies as a result of globalisation and the crisis benefitting from European Globalisation Adjustment Fund (EGF) measures were offered personalised and well-coordinated measures;

241. Notes with satisfaction that EGF measures were generally well-coordinated with national and European Social Fund (ESF) measures;

242. Takes note of the arguments offered by the Member States who did not want to take the EGF very seriously; notes that the arguments were the following:

— the higher co-financing rate for the ESF (in some cases up to 85 %) than for the EGF (up to 65 %) is a disincentive to apply for the latter; welcomes therefore the Commission reconsideration of the co-financing rates for the forthcoming EGF period;

— the ESF can be implemented more swiftly than the EGF, or national administrations are more familiar with the ESF;

— the lack of EGF pre-financing;

— the more restrictive EGF conditions, in particular the trade criterion as the main intervention criterion for applications based on globalisation;

— the length of the procedure for approving EGF application;

243. Reiterates the fact, nevertheless, that the EGF and the ESF can be seen as complementary instruments; asks the Commission, however, to make clear the rationale for setting the EGF apart from the ESF, as the ESF turns out to be in some cases better adjusted at delivering timely results and has in some cases better co- and pre-financing rates; notes, moreover, that the ESF is more well-known among the Union public in some Member States than the EGF ([1]);

244. Emphasises that it is in the interest of sound financial management that the reintegration of the unemployed into the labour market following their participation in EGF measures can be reliably determined; believes that the EGF Regulation (Regulation (EC) No 1927/2006 of the European Parliament and of the Council ([2])) should therefore encourage Member States to measure re-integration beyond the end of the implementation period and in addition, that these data should be comparable and preferably interlinked with quantitative objectives;

245. Welcomes, in the context of the new EGF Regulation for the 2014-2020 programming period (Regulation (EU) No 1309/2013 of the European Parliament and of the Council ([3])), the fact that the Commission has proposed a re-integration objective of 50 % of the redundant workforce to have found new jobs after 12 months of implementation; asks, however, on what rationale this figure is based;

246. Holds the firm view that EGF assistance should primarily be used for retraining and qualification and other targeted active labour market measures, and not on income support which would in any case be paid by national unemployment schemes; asks therefore for income support to be limited to 25 % per EGF measures;

247. Underlines the fact that Union financial assistance should create European added-value; asks, therefore, that the Union added value of the EGF measures, as compared to the Union added value of the ESF measures, be considered in its quantitative and qualitative aspects in the annual discharge procedure in order to ensure the most effective policy measurements or to provide the reasons for not including these figures; shares the Court of Auditors' view that a period of 41 weeks between submitting an application for EGF assistance and payments is unacceptably high and that such a duration discourages applicant countries in distress and in need of Union solidarity; notes, however, the information supplied by the Commission in its replies; reminds all parties concerned of the Union's budgetary authorities' decision not to integrate the EGF into the Multiannual Financial Framework (MFF), which means that all applications have to undergo a specific budgetary procedure, and notwithstanding the above explanations, calls on all the parties concerned to switch to e-applications and to limit additional information after the original application to exceptional cases, and in any case, no later than three months after the original application;

248. Holds the view, however, that such an important policy instrument should be thoroughly evaluated and proposes, therefore, to link the review of the EGF 2014-2020 to the proposed mid-term review of the MFF 2014-2020;

Part XXII Special Report No 8/2013 of the Court of Auditors entitled 'Support for the improvement of the economic value of forests from the European Agricultural Fund for Rural Development'

249. Notes that the Commission should:

(a) define and assess Union needs for improving the economic value of the forests and in that respect integrate efforts and insights of related policy fields;

([1]) http://ec.europa.eu/public_opinion/archives/ebs/ebs_377_en.pdf
([2]) OJ L 406, 30.12.2006, p. 1.
([3]) OJ L 347, 20.12.2013, p. 855.

(b) clearly define the key features that would ensure that Union support is targeted to address those needs, and thus create Union added value;

250. Notes that the Member States should:

(a) adequately describe in their RDPs the specific economic needs and opportunities of the different types of forest areas and beneficiaries;

(b) enhance forest management by providing for the elaboration of forest management plans for the bulk of forest holdings and the promotion of certification of forest areas;

251. Notes that the Member States should:

(a) set adequate requirements to ensure that forestry support within the rural development policy is consistent, in line with state aid and other policy areas provisions, thus maximising its effectiveness;

(b) put in place adequate procedures to ensure that support is effective so as to actually increase the economic value of the forest areas where the investments take place;

252. Notes that the Commission should improve its monitoring of the measure in order to ensure that the Member States implement it in line with the specific objectives set and in order to obtain short and long term sustainability; notes that in concrete terms, the Member States should require beneficiaries to provide details of the value of their forest areas both prior to and after the aided investments and managing bodies should be required to validate these values;

Part XXIII Special Report No 9/2013 of the Court of Auditors entitled 'EU support for governance in the Democratic Republic of the Congo'

253. In close coordination with the national authorities and other development partners, notably Member States, the Commission and the EEAS should:

(a) with a view to programming for the 11th EDF and the design of future Union programmes, (i) pay increased attention to ensuring an appropriate balance of aid between provinces, especially the poorer ones, in order to avoid geographical disparities in the distribution of development aid while bearing in mind the importance of stabilising the Great Lakes region as a whole; (ii) combine support at a central level with programmes at the provincial level that link political and territorial decentralisation with improved natural resource management strategies and infrastructure rehabilitation and development; and (iii) reconsider Union support for improved management of natural resources on the basis of a comprehensive needs assessment;

(b) place greater emphasis, in its dialogue with the Democratic Republic of the Congo (DRC) government, on the fact that democratic elections are a key component of governance and carefully assess all risks to ensure that Union programmes in this area do not support regime entrenchment;

(c) promote improved DRC government accountability by considering increased support to strengthen the capacity of national oversight institutions, in particular the specialised committees of the National Assembly and the supreme audit institution;

(d) in all governance areas covered by the Union cooperation strategy, systematically consider the need to support the fight against fraud and corruption, as well as the reform of the judiciary;

254. The Commission should:

(a) at the outset of programmes and regularly during their implementation, assess the likelihood and potential impact of the main risks to the achievement of programme objectives; notes that this will involve (i) appraising the relevance and credibility of the country's policies and action plans for improving governance in relation to the available institutional and financial resources and (ii) monitoring progress against commitments made by the DRC authorities;

(b) establish measures to prevent or mitigate risks and clearly define the course of action to be followed if risks become reality, bearing in mind the risks of fraud and corruption in particular;

255. The Commission should:

(a) focus objectives on a limited number of priorities;

(b) set out a time frame, including mid-term evaluations, which is better adapted to the programme environment;

(c) provide for flexibility during programme implementation so that objectives can be reviewed promptly where appropriate;

256. The Commission and the EEAS should:

(a) strengthen their structured political and policy dialogue with the country; notes that this will involve, in full respect of the provisions of the Cotonou Agreement (notably article 96) (i) setting clear, relevant, realistic and time-bound targets which are mutually agreed upon with the national authorities, (ii) periodically assessing compliance with the agreed targets as part of the regular political dialogue with the government, and (iii) if the DRC government shows insufficient commitment to compliance, consider, after careful deliberation, adapting or in exceptional cases, suspending or terminating the programme;

(b) urge the DRC government to adopt the necessary measures for improving, where necessary, the functioning of the thematic working groups, and monitor the implementation of those measures;

(c) take a more active leadership role towards Member States to encourage coordinated policy dialogue and increase Union leverage over the DRC government;

257. The Commission should:

(a) provide Parliament by May 2014 with an overview of the state of play of the projects visited by the Court of Auditors, and

(b) provide Parliament by June 2014 with an overview of all on-going projects in DRC and inform it on how much money will be still available and from which funds;

Part XXIV Special Report No 10/2013 of the Court of Auditors entitled 'Common Agricultural Policy: Is the specific support provided under Article 68 of Council Regulation (EC) No 73/2009 well designed and implemented?'

258. Specific support for certain agricultural activities should be based on a strict understanding of the provisions of Article 68 and the new delegated acts should require that the granting of such coupled support should be adequately justified to the Commission and checked by it; notes that to be able to assume its ultimate responsibility under the system of shared management, the Commission should play a more active role in establishing the criteria governing the implementation of the measures, and in assessing measures in a comparative way to avoid unexplained and extreme variations in prices, such as those identified in the examples for goats in this Special Report; notes that the legal tools to do this should be established in the new delegated acts; notes that the Member States should be required, in the new delegated acts, to demonstrate that each specific support measure which they intend to introduce is necessary (in terms of the need for and added value of an approach based on derogations), relevant (in terms of implementation arrangements, award criteria and aid levels), and that it satisfies the criteria of sound financial management; in particular and in response to the point expressed by the Court of Auditors that 'clearly defined cases' were not clearly defined, implementation of the new Regulation (EU) No 1307/2013 of the European Parliament and of the Council [1] should overcome the problems identified, by Member States:

[1] Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009 (OJ L 347, 20.12.2013, p. 608).

(a) establishing clear targets (as per Financial Regulation (EU, Euratom) No 966/2012);

(b) creating systematic monitoring systems for all measures taken under the new Articles 52-55 of Regulation (EU) No 1307/2013;

(c) respecting uniformity in application across the Union so that management and control systems can be streamlined, simple, and comparable;

(d) ensuring documentation of all measures/sub-measures and the use of up to date integrated administration control system (IACS) information where relevant;

(e) establishing rigorous on-the-spot checks at regional and Member State level;

259. Taking account of the variety of possible measures an appropriate system of monitoring should be established to facilitate subsequent evaluation;

260. Once measures have been introduced, the Member States should establish suitable and comprehensive management and control systems to ensure that all the requirements of the Regulation (EU) No 1307/2013 can be satisfied; notes that in order to avoid generating disproportionate costs on the limited scale of a specific support measure, the requirement for controls should already be taken into account during the measure's design phase (simplicity of implementation, 'controllability' of criteria, etc.) or possibly even in the decision on whether or not to introduce a given measure;

Part XXV Special Report No 12/2013 of the Court of Auditors entitled 'Can the Commission and Member States show that the EU budget allocated to the rural development policy is well spent?'

261. Welcomes the Court of Auditors' Special Report entitled 'Can the Commission and the Member States show that the EU budget allocated to the rural development policy is well spent?', and endorses in principle its recommendations;

262. Points out that there is a need for a greener, fairer and fully legitimate common agriculture policy, which represents the principle of 'public spending for public goods', and which would thus represent a significant step forward in the evolution and modernisation of the CAP; recalls that Union agriculture policy has to deliver benefits for the public in general and not only for farmers;

263. Points out that the rural development programmes are important instruments to create jobs and promote growth, to make agriculture more competitive and to improve the environment; as spending on rural development covers measures supporting farms, agricultural holdings and small businesses and communities in rural areas; considers it necessary that these measures should address the needs of this variety of recipients and thus achieve a variety of objectives; points out that monitoring and evaluation are key to this and considers it important that Parliament and the public know if Union money is spent well;

264. Invites the Member States to set specific measurable objectives within their RDPs, focusing on what the rural development expenditure is intended to achieve; believes that the Commission should ensure — prior to their approval- that the Member States' RDPs contain clear objectives and evaluation plans that will provide information on the results achieved by the planned actions according to the agreed objectives and in time to inform policy decisions for the next programming period;

265. Is concerned about the fact that the Court of Auditors has found that the current monitoring and evaluation arrangements have failed to provide the information to show that measures are targeted towards achieving policy objectives in the most efficient way; asks that Parliament be clearly informed on the achieved results of the spending on rural development;

266. Regarding the large amount of almost EUR 100 billion allocated to achieving rural development objectives in the 2007-2013 financial period, as well as EUR 58 billion of Member States' own resources, agrees with the Court of Auditors that improvements to monitoring and evaluation should be made for the remainder of the current spending period (end of 2015) to ensure that the Union budget is spent well;

267. Calls on the Member States to make immediate use of monitoring and evaluation to increase their focus on results and recommends that the Commission and Member States improve the evaluation of the results of RDPs in the current funding period and use the findings to improve the RDPs for the 2014-2020 funding period;

268. Calls on the Commission to improve the Common Monitoring and Evaluation Framework (CMEF) for 2014-2020 so as to obtain an efficient tool for the Member States and the Commission which generates relevant data to be used for monitoring and evaluation; insists on the need to develop reliable indicators to allow comparisons between Member States (and/or regions) and to monitor the results of the various rural development measures and their contribution in achieving the Union's priorities;

269. Considers that Member States need to have a common system of monitoring and evaluation to ensure that the Commission will be able to analyse the extent of progress and achievement of the defined objectives and its impact, and effectiveness at Union level; welcomes the work currently being undertaken by the Commission and Member States to define compulsory common indicators for the 2014 - 2020 monitoring and evaluation framework for the CAP and RDPs; calls on them to ensure that RDPs are drawn up with clear requirements for use of those indicators;

270. Considers that the application of a specific objective must have a certain degree of homogeneity in different territories, and therefore it is necessary to avoid dispersion in the areas of regulation, application and budget, and to give this measure uniformity in its implementation by Member States;

271. Calls on the Commission to ensure that Parliament receives the Annual Implementation Reports foreseen for 2017 and 2019 in a timely manner, so that it is also able to assess the results indicators and impact of the RDPs;

Part XXVI Special Report No 14/2013 of the Court of Auditors entitled 'European Union direct financial support to the Palestinian Authority'

272. Welcomes the Special Report examining direct Union financial support to the Palestinian Authority as an important contribution to the overall political and financial debate about the Union's engagement with the Palestinian Authority with a view to supporting progress towards the two-state solution in full compliance with the principle of respect for the sovereignty and territorial integrity of both the territory administered by the Palestinian Authority and the state of Israel; takes note of the findings, conclusions and recommendations and sets out its observations and recommendations below;

General remarks

273. Welcomes the findings of the report which confirm some important achievements and the need for improvements of the current PEGASE mechanism (Palestinian-European Mechanism for Management of Socio-Economic Aid), in particular stating that:

(a) the Commission established specific verification procedures which are well designed to ensure that funds are only paid to beneficiaries that meet specific eligibility criteria;

(b) the eligibility verification checks are robust and further simplification needs have been addressed by the Commission;

(c) the direct financial support contributed to some important improvements in the Palestinian Authority's public finance management;

(d) a new Union technical assistance project to restructure the electricity sector in the West Bank and Gaza is well designed to bring more sustainable results in the medium term;

(e) the PEGASE direct financial support (DFS) reached the eligible beneficiaries, and the funding played an important part in supporting vulnerable families and also contributed to the reform process of the system of social assistance;

(f) the PEGASE DFS made a significant input to the delivery of essential public services like education and health care;

274. Expresses serious concerns that a number of shortcomings in the Commission's management of the PEGASE mechanism remain, inter alia:

(a) the Commission does not apply its standard internal quality review procedures to the annual PEGASE DFS programme, which prevents it from fully assessing its effectiveness and efficiency in comparison to other Union aid programmes;

(b) no performance indicators were included in the financing agreements making it more difficult to assess the concrete results of the support, especially as regards the percentage of the programme's funds spent on administrative costs compared to the percentage of funds disbursed to the eligible beneficiaries;

(c) the Commission has not prepared a risk assessment addressing issues such as corruption in Gaza with regard to the payroll system, which also raises concerns about the risk of money laundering and terrorist financing;

(d) significant weaknesses persist in the Palestinian Authority's public finance management, such as inadequate legislative scrutiny of the budget and the external audit reports, or the lack of proper government procurement and commitment controls;

275. Urges the Commission and the EEAS to address these issues without delay and to act together with the Palestinian Authority and inform Parliament and the Council about the progress made in due time;

276. Welcomes the fact that the Commission addressed the Court of Auditors' concern with regard to use of direct negotiated procedures and the application of more competitive tendering procedures; shares the Court of Auditors' view that competitive tendering would be more beneficial for contracts for management services and audit; encourages the Commission to make the application of competitive tendering procedures mandatory with a view to seeking the best value for money and ensuring a level playing field between all market participants, allowing for derogations in crisis situations;

277. Is concerned about the continuing decline in donor funding for the Palestinian Authority from both Member States and third countries; notes with concern, furthermore, the Court of Auditors' finding that the Commission and the EEAS have not developed a clear strategy on how to reduce the Palestinian Authority's dependency on Union financial support; takes note of the political constraints which make it very difficult to effectively reduce the Palestinians' dependency on external aid; encourages the Commission and the EEAS to continue the efforts to increase the Palestinian Authority's financial independence from outside sources;

278. Urges the Commission and the EEAS to fully take into account the Court of Auditors' findings with regard to the absence of conditionality of the Union direct financial support to the Palestinian Authority which weakens the Commission's and EEAS's potential leverage towards more reforms; notes that the absence of conditionality is a political choice by the Commission, the EEAS and the Member States in line with their political objectives in the Middle East Peace Process, but considers that this may need to be reviewed in view of increasing the effectiveness of Union aid implementation in the region;

279. Calls, therefore, on the Commission and the EEAS to see if the 'more for more' principle regarding the implementation of the PEGASE mechanism can be applied and to closely monitor its disbursement; expects to be informed on possible progress made;

280. Is worried about the Court of Auditors' findings with regard to little progress made by the Palestinian Authority to reform the civil service and pension systems with a view to reducing the fiscal impact of the increasing numbers of staff and pensioners; calls on the Commission and the EEAS to engage with the Palestinian Authority without delay to address these structural issues, and to report regularly to Parliament and the Council on the state of play;

281. Regrets, in accordance with the findings of the Court of Auditors, that the Commission and the EEAS have not paid sufficient attention to the fungibility of the PEGASE funding; expresses concern about the risks also mentioned by the Court of Auditors that PEGASE DFS might be used by the Palestinian Authority as a substitution for its own budget to support the CSP component (support for civil servants and pensioners) of its policies, including possible funding to police and security personnel which are not eligible for PEGASE DFS; requests that the Commission ensures that funding is only made available based on end beneficiaries from the agreed list of persons;

282. Requests the forensic auditing of the PEGASE DFS disbursement by the end of 2014 to ensure that none of its funding is disbursed or channelled illegally to ineligible groups, and insists on the Commission and the EEAS to seek the full cooperation of the Palestinian Authority to prevent any possible diversion of the PEGASE funding in 2014; calls on the Court of Auditors to provide assistance in the use of the proper methodology for the audit;

283. Is also preoccupied about the Court of Auditors' findings in respect of the increasing number of Palestinian Authority civil servants in Gaza who are receiving salaries from the PEGASE DFS but who are not attending work; commends a modification of these programmes, with the aim of a sustainable employment perspective and administrative improvement;

284. Urges the Commission and the EEAS to raise the issue concerning the necessity to establish a robust internal controlling mechanism to prevent any possible diversion of any public funding from its own budget or the PEGASE DFS to any physical or legal person representing or associated with Hamas, a Union-listed terrorist organisation since 2003, with the Palestinian Authority, without delay;

285. Recognises the constraints imposed on the Palestinian Authority by the government of Israel, inter alia, through:

(a) the sporadic suspensions by the government of Israel of the transfers of the clearance revenue which are indirect taxes collected by Israel on behalf of the Palestinian Authority from imported goods and which constitute some 70 % of the Palestinian Authority's budget;

(b) the lack of transparency concerning the amounts of fees deducted by Israel for goods and services it charges to the Palestinian Authority;

(c) Israel's continuing control of the West Bank's 'Area C' which represents a major obstacle for a long-term and sustainable development of the Palestinian Authority;

(d) restrictions imposed by the government of Israel on Palestinian companies as described in the Court of Auditors' audit report;

286. Calls on the Commission and the EEAS to continue engaging with the government of Israel on these issues and to keep reminding it of its obligations as the occupying power under the international law;

287. Calls on the Commission and the EEAS to fully take into consideration the Court of Auditors' findings and conclusions and to fully implement its recommendations when reviewing the PEGASE DFS mechanism in the future;

Future developments

288. Given the opportunities provided by the new 2014-2020 programming period and a new EU-PA Action Plan, the Court of Auditors recommends that the EEAS and the Commission undertake a major review of PEGASE by taking into account the points listed in the following paragraph;

289. The EEAS and Commission should strengthen the programming of future PEGASE DFS, specifically by:

(a) linking it more closely to the new EU-PA-Action Plan;

(b) planning allocations on a multiannual basis;

(c) developing performance indicators, particularly in the areas of health, education and public financial management (PFM), to better assess and demonstrate its results;

(d) developing a robust internal controlling mechanism to ensure respect for the disbursement criteria and prevent any diversion of PEGASE DFS funding;

290. The Commission should reduce the costs of administering PEGASE DFS by:

(a) using competitive tendering for contracts relating to the management and control of PEGASE DFS whenever feasible;

(b) simplifying the PEGASE DFS management system by making the Union Representation in Palestine responsible for administering the PEGASE database and taking over some of the checks currently outsourced;

291. Instructs its President to forward this resolution to the Council, the Commission, the Court of Justice of the European Union, and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the Education, Audiovisual and Culture Executive Agency for the financial year 2012

(2014/545/EU, Euratom)

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2012 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2012 (COM(2013) 570 – C7-0273/2013) ([2]),

— having regard to the final annual accounts of the Education, Audiovisual and Culture Executive Agency for the financial year 2012,

— having regard to the Commission's report on the follow-up to the discharge for the 2011 financial year (COM(2013) 668), and to the Commission staff working documents accompanying that report (SWD(2013) 348 and SWD(2013) 349),

— having regard to the Commission's report on the evaluation of the Union's finances based on the results achieved (COM(2013) 461), and to the Commission staff working documents accompanying that report (SWD(2013) 228 and SWD(2013) 229),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2012 (COM(2013) 606), and to the Commission staff working document accompanying that report (SWD(2013) 314),

— having regard to the Court of Auditors' report on the annual accounts of the Education, Audiovisual and Culture Executive Agency for the financial year 2012, together with the Agency's replies ([3]),

— having regard to the statement of assurance 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 2012 pursuant to Article 287 of the Treaty on the Functioning of the European Union ([4]),

— having regard to the Council's recommendation of 18 February 2014 on discharge to be granted to the executive agencies in respect of the implementation of the budget for the financial year 2012 (05850/2014 – C7-0049/2014),

— having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union and Article 106a of the Treaty establishing the European Atomic Energy Community,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]), and in particular Articles 55, 145, 146 and 147 thereof,

— 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 1605/2002 ([6]), and in particular Articles 62, 164, 165 and 166 thereof,

([1]) OJ L 56, 29.2.2012.
([2]) OJ C 334, 15.11.2013, p. 1.
([3]) OJ C 365, 13.12.2013, p. 43.
([4]) OJ C 331, 14.11.2013, p. 10.
([5]) OJ L 248, 16.9.2002, p. 1.
([6]) OJ L 298, 26.10.2012, p. 1.

— having regard to 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 [1], and in particular Article 14(3) thereof,

— having regard to 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 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes [2], and in particular the first and second paragraphs of Article 66 thereof,

— having regard to Commission Decision 2009/336/EC of 20 April 2009 setting up the Education, Audiovisual and Culture Executive Agency for the management of Community action in the fields of education, audiovisual and culture in application of Council Regulation (EC) No 58/2003 [3],

— having regard to Commission Implementing Decision 2013/776/EU of 18 December 2013 establishing the 'Education, Audiovisual and Culture Executive Agency' and repealing Decision 2009/336/EC [4],

— having regard to Rule 76 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A7-0242/2014),

A. whereas, under Article 17(1) of the Treaty on European Union, the Commission is to execute the budget and manage the programmes and is to do so pursuant to Article 317 of the Treaty on the Functioning of the European Union, in cooperation with the Member States, on its own responsibility, having regard to the principle of sound financial management;

1. Grants the Director of the Education, Audiovisual and Culture Executive Agency discharge in respect of the implementation of the Agency's budget for the financial year 2012;

2. Sets out its observations in the resolution forming an integral part of its decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section III – Commission and executive agencies;

3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section III – Commission and the resolution forming an integral part of those Decisions, to the Director of the Education, Audiovisual and Culture Executive Agency, the Council, the Commission, the Court of Justice of the European Union and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President — Martin SCHULZ

The Secretary-General — Klaus WELLE

[1] OJ L 11, 16.1.2003, p. 1.
[2] OJ L 297, 22.9.2004, p. 6.
[3] OJ L 101, 21.4.2009, p. 26.
[4] OJ L 343, 19.12.2013, p. 46.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the Executive Agency for Small and Medium-sized Enterprises (formerly the Executive Agency for Competitiveness and Innovation) for the financial year 2012

(2014/546/EU, Euratom)

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2012 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2012 (COM(2013) 570 – C7-0273/2013) ([2]),

— having regard to the final annual accounts of the Executive Agency for Competitiveness and Innovation for the financial year 2012,

— having regard to the Commission's report on the follow-up to the discharge for the 2011 financial year (COM(2013) 668), and to the Commission staff working documents accompanying that report (SWD(2013) 348 and SWD(2013) 349),

— having regard to the Commission's report on the evaluation of the Union's finances based on the results achieved (COM(2013) 461), and to the Commission staff working documents accompanying that report (SWD(2013) 228 and SWD(2013) 229),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2012 (COM(2013) 606), and to the Commission staff working document accompanying that report (SWD(2013) 314),

— having regard to the Court of Auditors' report on the annual accounts of the Executive Agency for Competitiveness and Innovation for the financial year 2012, together with the Agency's replies ([3]),

— having regard to the statement of assurance ([4]) 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 2012 pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2014 on discharge to be granted to the executive agencies in respect of the implementation of the budget for the financial year 2012 (05850/2014 – C7-0049/2014),

— having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union and Article 106a of the Treaty establishing the European Atomic Energy Community,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]), and in particular Articles 55, 145, 146 and 147 thereof,

— 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 1605/2002 ([6]), and in particular Articles 62, 164, 165 and 166 thereof,

([1]) OJ L 56, 29.2.2012.
([2]) OJ C 334, 15.11.2013, p. 1.
([3]) OJ C 365, 13.12.2013, p. 49.
([4]) OJ C 331, 14.11.2013, p. 10.
([5]) OJ L 248, 16.9.2002, p. 1.
([6]) OJ L 298, 26.10.2012, p. 1.

— having regard to 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 [1], and in particular Article 14(3) thereof,

— having regard to 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 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes [2], and in particular the first and second paragraphs of Article 66 thereof,

— having regard to Commission Decision 2004/20/EC of 23 December 2003 setting up an executive agency, the 'Intelligent Energy Executive Agency', to manage Community action in the field of energy in application of Council Regulation (EC) No 58/2003 [3],

— having regard to Commission Decision 2007/372/EC of 31 May 2007 amending Decision 2004/20/EC in order to transform the Intelligent Energy Executive Agency into the Executive Agency for Competitiveness and Innovation [4],

— having regard to Commission Implementing Decision 2013/771/EU of 17 December 2013 establishing the 'Executive Agency for Small and Medium-sized Enterprises' and repealing Decisions 2004/20/EC and 2007/372/EC [5],

— having regard to Rule 76 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A7-0242/2014),

A. whereas, under Article 17(1) of the Treaty on European Union, the Commission is to execute the budget and manage programmes and is to do so pursuant to Article 317 of the Treaty on the Functioning of the European Union, in cooperation with the Member States, on its own responsibility, having regard to the principle of sound financial management;

1. Grants the Director of the Executive Agency for Small and Medium-sized Enterprises (formerly the Executive Agency for Competitiveness and Innovation) discharge in respect of the implementation of the Agency's budget for the financial year 2012;

2. Sets out its observations in the resolution forming an integral part of its decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section III – Commission and executive agencies;

3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section III – Commission and the resolution forming an integral part of those Decisions, to the director of the Executive Agency for Small and Medium-sized Enterprises, the Council, the Commission, the Court of Justice of the European Union and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President — Martin SCHULZ

The Secretary-General — Klaus WELLE

[1] OJ L 11, 16.1.2003, p. 1.
[2] OJ L 297, 22.9.2004, p. 6.
[3] OJ L 5, 9.1.2004, p. 85.
[4] OJ L 140, 1.6.2007, p. 52.
[5] OJ L 341, 18.12.2013, p. 73.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the Consumers, Health and Food Executive Agency (formerly the Executive Agency for Health and Consumers) for the financial year 2012

(2014/547/EU, Euratom)

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2012 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2012 (COM(2013) 570 – C7-0273/2013) ([2]),

— having regard to the final annual accounts of the Executive Agency for Health and Consumers for the financial year 2012,

— having regard to the Commission's report on the follow-up to the discharge for the 2011 financial year (COM(2013) 668), and to the Commission staff working documents accompanying that report (SWD(2013) 348 and SWD(2013) 349),

— having regard to the Commission's report on the evaluation of the Union's finances based on the results achieved (COM(2013) 461), and to the Commission staff working documents accompanying that report (SWD(2013) 228 and SWD(2013) 229),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2012 (COM(2013) 606), and to the Commission staff working document accompanying that report (SWD(2013) 314),

— having regard to the Court of Auditors' report on the annual accounts of the Executive Agency for Health and Consumers for the financial year 2012, together with the Agency's replies ([3]),

— having regard to the statement of assurance ([4]) 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 2012 pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2014 on discharge to be granted to the executive agencies in respect of the implementation of the budget for the financial year 2012 (05850/2014 – C7-0049/2014),

— having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union and Article 106a of the Treaty establishing the European Atomic Energy Community,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]), and in particular Articles 55, 145, 146 and 147 thereof,

— 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 1605/2002 ([6]), and in particular Articles 62, 164, 165 and 166 thereof,

([1]) OJ L 56, 29.2.2012.
([2]) OJ C 334, 15.11.2013, p. 1.
([3]) OJ C 365, 13.12.2013, p. 57.
([4]) OJ C 331, 14.11.2013, p. 10.
([5]) OJ L 248, 16.9.2002, p. 1.
([6]) OJ L 298, 26.10.2012, p. 1.

— having regard to 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 [1], and in particular Article 14(3) thereof,

— having regard to 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 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes [2], and in particular the first and second paragraphs of Article 66 thereof,

— having regard to Commission Decision 2004/858/EC of 15 December 2004 setting up an executive agency, the 'Executive Agency for the Public Health Programme', for the management of Community action in the field of public health pursuant to Council Regulation (EC) No 58/2003 [3],

— having regard to Commission Decision 2008/544/EC of 20 June 2008 amending Decision 2004/858/EC in order to transform the Executive Agency for the Public Health Programme into the Executive Agency for Health and Consumers [4],

— having regard to Commission Implementing Decision 2013/770/EU of 17 December 2013 establishing the Consumers, Health and Food Executive Agency and repealing Decision 2004/858/EC [5],

— having regard to Rule 76 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A7-0242/2014),

A. whereas, under Article 17(1) of the Treaty on European Union, the Commission is to execute the budget and manage programmes and is to do so pursuant to Article 317 of the Treaty on the Functioning of the European Union, in cooperation with the Member States, on its own responsibility, having regard to the principle of sound financial management,

1. Grants the Director of the Consumers, Health and Food Executive Agency (formerly the Executive Agency for Health and Consumers) discharge in respect of the implementation of the Agency's budget for the financial year 2012;

2. Sets out its observations in the resolution forming an integral part of its decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section III – Commission and executive agencies;

3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section III – Commission and the resolution forming an integral part of those Decisions, to the Director of the Consumers, Health and Food Executive Agency, the Council, the Commission, the Court of Justice of the European Union and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President — Martin SCHULZ

The Secretary-General — Klaus WELLE

[1] OJ L 11, 16.1.2003, p. 1.
[2] OJ L 297, 22.9.2004, p. 6.
[3] OJ L 369, 16.12.2004, p. 73.
[4] OJ L 173, 3.7.2008, p. 27.
[5] OJ L 341, 18.12.2013, p. 69.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the European Research Council Executive Agency for the financial year 2012

(2014/548/EU, Euratom)

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2012 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2012 (COM(2013) 570 – C7-0273/2013) ([2]),

— having regard to the final annual accounts of the European Research Council Executive Agency for the financial year 2012,

— having regard to the Commission's report on the follow-up to the discharge for the 2011 financial year (COM(2013) 668), and to the Commission staff working documents accompanying that report (SWD(2013) 348 and SWD(2013) 349),

— having regard to the Commission's report on the evaluation of the Union's finances based on the results achieved (COM(2013) 461), and to the Commission staff working documents accompanying that report (SWD(2013) 228 and SWD(2013) 229),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2012 (COM(2013) 606), and to the Commission staff working document accompanying that report (SWD(2013) 314),

— having regard to the Court of Auditors' report on the annual accounts of the European Research Council Executive Agency for the financial year 2012, together with the Agency's replies ([3]),

— having regard to the statement of assurance ([4]) 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 2012 pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2014 on discharge to be granted to the executive agencies in respect of the implementation of the budget for the financial year 2012 (05850/2014 – C7-0049/2014),

— having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union and Article 106a of the Treaty establishing the European Atomic Energy Community,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]), and in particular Articles 55, 145, 146 and 147 thereof,

— 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 1605/2002 ([6]), and in particular Articles 62, 164, 165 and 166 thereof,

([1]) OJ L 56, 29.2.2012.
([2]) OJ C 334, 15.11.2013, p. 1.
([3]) OJ C 365, 13.12.2013, p. 190.
([4]) OJ C 331, 14.11.2013, p. 10.
([5]) OJ L 248, 16.9.2002, p. 1.
([6]) OJ L 298, 26.10.2012, p. 1.

— having regard to 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 [1], and in particular Article 14(3) thereof,

— having regard to 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 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes [2], and in particular the first and second paragraphs of Article 66 thereof,

— having regard to Commission Decision 2008/37/EC of 14 December 2007 setting up the European Research Council Executive Agency for the management of the specific Community programme Ideas in the field of frontier research in application of Council Regulation (EC) No 58/2003 [3],

— having regard to Commission Implementing Decision 2013/779/EU of 17 December 2013 establishing the European Research Council Executive Agency and repealing Decision 2008/37/EC [4],

— having regard to Rule 76 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A7-0242/2014),

A. whereas, under Article 17(1) of the Treaty on European Union, the Commission is to execute the budget and manage the programmes and is to do so pursuant to Article 317 of the Treaty on the Functioning of the European Union, in cooperation with the Member States, on its own responsibility, having regard to the principle of sound financial management;

1. Grants the Director of the European Research Council Executive Agency discharge in respect of the implementation of the Agency's budget for the financial year 2012;

2. Sets out its observations in the resolution forming an integral part of its decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section III – Commission and executive agencies;

3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section III – Commission and the resolution forming an integral part of those Decisions, to the Director of the European Research Council Executive Agency, the Council, the Commission, the Court of Justice of the European Union and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President — Martin SCHULZ

The Secretary-General — Klaus WELLE

[1] OJ L 11, 16.1.2003, p. 1.
[2] OJ L 297, 22.9.2004, p. 6.
[3] OJ L 9, 12.1.2008, p. 15.
[4] OJ L 346, 20.12.2013, p. 58.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the Research Executive Agency for the financial year 2012

(2014/549/EU, Euratom)

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2012 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2012 (COM(2013) 570 – C7-0273/2013) ([2]),

— having regard to the final annual accounts of the Research Executive Agency for the financial year 2012,

— having regard to the Commission's report on the follow-up to the discharge for the 2011 financial year (COM(2013) 668), and to the Commission staff working documents accompanying that report (SWD(2013) 348 and SWD(2013) 349),

— having regard to the Commission's report on the evaluation of the Union's finances based on the results achieved (COM(2013) 461), and to the Commission staff working documents accompanying that report (SWD(2013) 228 and SWD(2013) 229),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2012 (COM(2013) 606), and to the Commission staff working document accompanying that report (SWD(2013) 314),

— having regard to the Court of Auditors' report on the annual accounts of the Research Executive Agency for the financial year 2012, together with the Agency's replies ([3]),

— having regard to the statement of assurance ([4]) 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 2012 pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2014 on discharge to be granted to the executive agencies in respect of the implementation of the budget for the financial year 2012 (05850/2014 – C7-0049/2014),

— having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union and Article 106a of the Treaty establishing the European Atomic Energy Community,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]), and in particular Articles 55, 145, 146 and 147 thereof,

— 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 1605/2002 ([6]), and in particular Articles 62, 164, 165 and 166 thereof,

— having regard to 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 ([7]), and in particular Article 14(3) thereof,

([1]) OJ L 56, 29.2.2012.
([2]) OJ C 334, 15.11.2013, p. 1.
([3]) OJ C 365, 13.12.2013, p. 283.
([4]) OJ C 331, 14.11.2013, p. 10.
([5]) OJ L 248, 16.9.2002, p. 1.
([6]) OJ L 298, 26.10.2012, p. 1.
([7]) OJ L 11, 16.1.2003, p. 1.

— having regard to 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 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes [1], and in particular the first and second paragraphs of Article 66 thereof,

— having regard to Commission Decision 2008/46/EC of 14 December 2007 setting up the Research Executive Agency for the management of certain areas of the specific Community programmes People, Capacities and Cooperation in the field of research in application of Council Regulation (EC) No 58/2003 [2],

— having regard to Commission Implementing Decision 2013/778/EU of 13 December 2013 establishing the Research Executive Agency and repealing Decision 2008/46/EC [3],

— having regard to Rule 76 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A7-0242/2014),

A. whereas, under Article 17(1) of the Treaty on European Union, the Commission is to execute the budget and manage the programmes and is to do so pursuant to Article 317 of the Treaty on the Functioning of the European Union, in cooperation with the Member States, on its own responsibility, having regard to the principle of sound financial management;

1. Grants the Director of the Research Executive Agency discharge in respect of the implementation of the Agency's budget for the financial year 2012;

2. Sets out its observations in the resolution forming an integral part of its decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section III – Commission and executive agencies;

3. Instructs its President to forward this decision, together with its decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section III – Commission and the resolution forming an integral part of those decisions, to the Director of the Research Executive Agency, the Council, the Commission, the Court of Justice of the European Union and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President — Martin SCHULZ

The Secretary-General — Klaus WELLE

[1] OJ L 297, 22.9.2004, p. 6.
[2] OJ L 11, 15.1.2008, p. 9.
[3] OJ L 346, 20.12.2013, p. 54.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the Innovation and Networks Executive Agency (formerly the Trans-European Transport Network Executive Agency) for the financial year 2012

(2014/550/EU, Euratom)

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2012 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2012 (COM(2013) 570 – C7-0273/2013) ([2]),

— having regard to the final annual accounts of the Trans-European Transport Network Executive Agency for the financial year 2012,

— having regard to the Commission's report on the follow-up to the discharge for the 2011 financial year (COM(2013) 668), and to the Commission staff working documents accompanying that report (SWD(2013) 348 and SWD(2013) 349),

— having regard to the Commission's report on the evaluation of the Union's finances based on the results achieved (COM(2013) 461), and to the Commission staff working documents accompanying that report (SWD(2013) 228 and SWD(2013) 229),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2012 (COM(2013) 606), and to the Commission staff working document accompanying that report (SWD(2013) 314),

— having regard to the Court of Auditors' report on the annual accounts of the Trans-European Transport Network Executive Agency for the financial year 2012, together with the Agency's replies ([3]),

— having regard to the statement of assurance ([4]) 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 2012 pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2014 on discharge to be granted to the executive agencies in respect of the implementation of the budget for the financial year 2012 (05850/2014 – C7-0049/2014),

— having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union and Article 106a of the Treaty establishing the European Atomic Energy Community,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]), and in particular Articles 55, 145, 146 and 147 thereof,

— 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 1605/2002 ([6]), and in particular Articles 62, 164, 165 and 166 thereof,

([1]) OJ L 56, 29.2.2012.
([2]) OJ C 334, 15.11.2013, p. 1.
([3]) OJ C 365, 13.12.2013, p. 290.
([4]) OJ C 331, 14.11.2013, p. 10.
([5]) OJ L 248, 16.9.2002, p. 1.
([6]) OJ L 298, 26.10.2012, p. 1.

— having regard to 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 [1], and in particular Article 14(3) thereof,

— having regard to 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 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes [2], and in particular the first and second paragraphs of Article 66 thereof,

— having regard to Commission Decision 2007/60/EC of 26 October 2006 establishing the Trans-European Transport Network Executive Agency pursuant to Council Regulation (EC) No 58/2003 [3],

— having regard to Commission Implementing Decision 2013/801/EU of 23 December 2013 establishing the Innovation and Networks Executive Agency and repealing Decision 2007/60/EC as amended by Decision 2008/593/EC [4],

— having regard to Rule 76 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A7-0242/2014),

A. whereas, under Article 17(1) of the Treaty on European Union, the Commission is to execute the budget and manage the programmes and is to do so pursuant to Article 317 of the Treaty on the Functioning of the European Union, in cooperation with the Member States, on its own responsibility, having regard to the principle of sound financial management;

1. Grants the Director of the Innovation and Networks Executive Agency (formerly the Trans-European Transport Network Executive Agency) discharge in respect of the implementation of the Agency's budget for the financial year 2012;

2. Sets out its observations in the resolution forming an integral part of its decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section III – Commission and executive agencies;

3. Instructs its President to forward this decision, together with its decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section III – Commission and the resolution forming an integral part of those decisions, to the Director of the Innovation and Networks Executive Agency, the Council, the Commission, the Court of Justice of the European Union and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

[1] OJ L 11, 16.1.2003, p. 1.
[2] OJ L 297, 22.9.2004, p. 6.
[3] OJ L 32, 6.2.2007, p. 88.
[4] OJ L 352, 24.12.2013, p. 65.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the general budget of the European Union for the financial year 2012, Section III — Commission

(2014/551/EU, Euratom)

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2012 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2012 (COM(2013) 570 – C7-0273/2013) ([2]),

— having regard to the Commission's report on the follow-up to the discharge for the 2011 financial year (COM(2013) 668), and to the Commission staff working documents accompanying that report (SWD(2013) 348 and SWD(2013) 349),

— having regard to the Commission communication of 5 June 2013 entitled 'Synthesis of the Commission's management achievements in 2012' (COM(2013) 334),

— having regard to the Commission's report on the evaluation of the Union's finances based on the results achieved (COM(2013) 461), and to the Commission staff working documents accompanying that report (SWD(2013) 228 and SWD(2013) 229),

— having regard to the Commission communication on the protection of the European Union budget to end 2012 (COM(2013) 682),

— having regard to the Commission communication on the application of net financial corrections on Member States for Agriculture and Cohesion Policy (COM(2013) 934),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2012 (COM(2013) 606), and to the Commission staff working document accompanying that report (SWD(2013) 314),

— having regard to the Court of Auditors' Annual Report on the implementation of the budget concerning the financial year 2012, together with the institutions' replies ([3]), and to the Court of Auditors' special reports,

— having regard to the statement of assurance ([4]) 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 2012 pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2014 on discharge to be granted to the Commission in respect of the implementation of the budget for the financial year 2012 (05848/2014 – C7-0048/2014),

— having regard to the Council's recommendation of 18 February 2014 on discharge to be granted to the executive agencies in respect of the implementation of the budget for the financial year 2012 (05850/2014 – C7-0049/2014),

— having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union and Article 106a of the Treaty establishing the European Atomic Energy Community,

([1]) OJ L 56, 29.2.2012.
([2]) OJ C 334, 15.11.2013, p. 1.
([3]) OJ C 331, 14.11.2013, p. 1.
([4]) OJ C 331, 14.11.2013, p. 10.

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities [1], and in particular Articles 55, 145, 146 and 147 thereof,

— 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 1605/2002 [2], and in particular Articles 62, 164, 165 and 166 thereof,

— having regard to 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 [3], and in particular Article 14(2) and (3) thereof,

— having regard to Rule 76 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A7-0242/2014),

1. Approves the closure of the accounts of the general budget of the European Union for the financial year 2012;

2. Sets out its observations in the resolution forming an integral part of its decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section III — Commission and executive agencies, and in its resolution of 3 April 2014 on the Court of Auditors' special reports in the context of the 2012 Commission discharge [4];

3. Instructs its President to forward this decision to the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors and the European Investment Bank, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

[1] OJ L 248, 16.9.2002, p. 1.
[2] OJ L 298, 26.10.2012, p. 1.
[3] OJ L 11, 16.1.2003, p. 1.
[4] Texts adopted, P7_TA(2014)0288 (see page 69 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section X — European External Action Service

(2014/552/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2012 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2012 (COM(2013) 570 – C7-0282/2013) ([2]),

— having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2012, together with the institutions' replies ([3]),

— having regard to the statement of assurance ([4]) 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 2012 pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]), and in particular Articles 50, 86, 145, 146 and 147 thereof,

— 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 1605/2002 ([6]), and in particular Articles 164, 165, 166 and 167 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Foreign Affairs (A7-0199/2014),

1. Grants the High Representative of the Union for Foreign Affairs and Security Policy discharge in respect of the implementation of the European External Action Service's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ L 56, 29.2.2012.
([2]) OJ C 334, 15.11.2013, p. 1.
([3]) OJ C 331, 14.11.2013, p. 1.
([4]) OJ C 334, 15.11.2013, p. 122.
([5]) OJ L 248, 16.9.2002, p. 1.
([6]) OJ L 298, 26.10.2012, p. 1.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge for implementation of the general budget of the European Union for the financial year 2012, Section X — European External Action Service

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2012 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2012 (COM(2013) 570 – C7-0282/2013) ([2]),

— having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2012, together with the institutions' replies ([3]),

— having regard to the statement of assurance ([4]) 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 2012 pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]), and in particular Articles 50, 86, 145, 146 and 147 thereof,

— 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 1605/2002 ([6]), and in particular Articles 164, 165, 166 and 167 thereof,

— having regard to its previous discharge decisions and resolutions;

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Foreign Affairs (A7-0199/2014),

1. Notes that on the basis of its audit work, the Court of Auditors concluded that the payments as a whole for the year ended on 31 December 2012 for administrative and other expenditure of the institutions and bodies were free from material error;

2. Welcomes that in its second financial year, the European External Action Service ('EEAS') has continued to implement its budget without material errors being identified by the Court of Auditors and that most of the problems identified in the 2011 Annual Report of the Court of Auditors as result of the setting-up process have not reoccurred;

3. Points out that in the 2012 annual report, the Court of Auditors did not identify any significant weakness in respect of the topics audited for the EEAS'; takes note that some weaknesses persist in the management of social allowance and regrets that the same problems which occurred in 2011 were repeatedly reported in the 2012 Annual Report of the Court of Auditors; urges the EEAS to implement all recommendations made; welcomes the steps the EEAS has taken with regard to the issue so far and encourages it to speed up the roll-out of its new programme to resolve it;

([1]) OJ L 56, 29.2.2012.
([2]) OJ C 334, 15.11.2013, p. 1.
([3]) OJ C 331, 14.11.2013, p. 1.
([4]) OJ C 334, 15.11.2013, p. 122.
([5]) OJ L 248, 16.9.2002, p. 1.
([6]) OJ L 298, 26.10.2012, p. 1.

4. Is concerned that in 2012, the PMO system was not yet fully operational, leading to the incorrect payment of social allowances to staff members;

5. Takes note of the replies given to the Court of Auditors' observations and regrets that they only describe actions taken in 2013;

6. Notes that at the end of 2012, the final budget for EEAS headquarters was EUR 184 100 000, with an execution of commitments rating of 99,35 % and was EUR 304 500 000 for the delegations, with a commitments rating of 99,45 %; takes note that the budget of the delegations had to be supplemented by the Commission for a total of EUR 268 000 000;

7. Is concerned with the carrying over of appropriations in 2012; suggests the development of key performance indicators to monitor the most critical areas in order to improve the budget execution over the coming years;

8. Recalls that the EEAS is a recently created institution, resulting from the consolidation of different services, and that 2011 was its first year of operation with numerous technical challenges to be overcome, particularly in procurement and recruitment; notes that the excessive administrative burden resulting from arrangements necessary for setting up the EEAS has been eased in 2012; is concerned, however, that the Chief Operating Officer of the EEAS has maintained his reservations concerning some of the security contracts of Union Delegations and several Union Delegations have issued reservations as well;

9. Appreciates the detailed response given to a wide range of written and oral questions made by the members of Parliament's Committee on Budgetary Control;

10. Notes the importance of the current discharge in establishing the framework for future discharge exercises and believes that it will reinforce the expectations of future developments and improvements in the effectiveness of the EEAS and its operations;

11. Takes note of the difficulties in implementing a budget with various sources that lack equilibrium, in particular the shared costs of delegations;

12. Believes that the current structure of the EEAS budget, with contributions from the Commission's 26 different budget lines and the European Development Fund makes it impossible to have a clear overview of the real costs and expenses of the work of the EEAS and its Delegations; supports the simplification proposal made by the EEAS in November 2013 and asks the Commission to implement the changes proposed and to examine the further simplification of the EEAS's current financing;

13. Considers positive the fact that the EEAS posts are now also open to Parliament's officials;

14. Endorses the target of reaching a one-third proportion of National Diplomats among all EEAS staff members by the mid-2013 deadline; takes note that EEAS is not static and that the selection of staff is based on applications and merit;

15. Regrets, however, that a better geographical balance has not yet been achieved as regards appointments to management posts; urges the EEAS to implement measures that contribute to a better and more balanced representation of all Member States;

16. Asks the EEAS to strengthen the geographical balance, in particular as regards the posts of Head of Union Delegations; reiterates the need for an enforced geographical balance of the Member States at all levels of the administration;

17. Welcomes the fact that since 2011 the number of women in Head of Delegation posts have more than doubled from 10 to 24 (17 % of the total) and that in Headquarters there are 22 women in management positions of head of divisions and above representing 18 % of the total; encourages the EEAS to continue improving the gender balance both in the Delegations and at the Headquarters;

18. Recognises that efforts have been made to reduce the top-heavy EEAS administration; welcomes the efforts to reduce the number of AD 15 and AD 16 posts and encourages the EEAS to continue improving this situation;

19. Is concerned, however, that the EEAS has the biggest proportion of high-graded staff out of all Union institutions, having 514 individuals employed in AD 12 or grades above (over 50 % of all EEAS AD staff), making it difficult to achieve significant reductions in the top-heavy administration; also points out that there are still directorates staffed by as few as 22, 27, or 30 persons and managing directorates with a staff complement of 44; considers that the reversion of this situation could be achieved in the coming years through efficient management policies;

20. Expresses concern at the excessive number of officials being promoted after two years in a grade, especially the quick promotions in the higher grades; invites the EEAS to establish stricter criteria for the quick promotion in higher grades, especially taking into account the high number of posts at high grades and additional costs that this entails in real terms, and to ensure that the promotions will be fully in line with the Staff Regulations;

21. Considers the responsibilities of the Union Special Representatives (EUSRs) to be very unclear; deeply regrets that information on the use of the budget they receive to implement their mandate continues to be obscure and is concerned that information is not forthcoming unless asked for; expresses concern that the EUSR budget was raised from EUR 15 million in 2011 to EUR 27 million in 2012, especially in light of the fact that the High Representative was planning to do away with EUSRs in 2010; notes that this is an increase of 80 % and that compared with 2011, the EUSR travel budget for 2012 was tripled; calls on the EEAS to provide adequate information on Union Special Representatives' responsibilities and on their use of the budget;

22. Calls for an end to the parallel foreign policy pursued through the EUSRs and, in terms of pay, insists that EUSRs should not be treated more favourably than Union ambassadors in post; points out that EUSRs are placed in the highest salary grade, in other words at director-general level, but do not bear the same responsibility as directors-general; calls for EUSR positions to be fully integrated into the EEAS structure; recommends the transfer of the EUSR budget into the EEAS budget;

23. Notes with satisfaction the performance and management of the interviews conducted and the filling of vacancies; takes note of the overview provided on how often a candidate was invited to interview, as requested by Parliament in the last discharge exercise;

24. Appreciates the efforts of the EEAS to keep a balance between recruitments from Member States, other institutions and candidates of European Personnel Selection Office competitions; regrets that in the years 2012 and 2013, only one laureate was recruited by the EEAS, while altogether 291 individuals were appointed;

25. Expresses concern at the high number of posts at high grades, which is very cost-intensive; welcomes the information provided on new recruitments; requests, however, that the grades of newly recruited management and Head of delegations posts to be also indicated;

26. Welcomes the increase of external candidates applying for EEAS posts; believes that travel costs incurred relating to the training and selection procedure can be reduced; invites the EEAS to make use of videoconferencing facilities more regularly;

27. Calls on the EEAS to introduce a requirement that newly appointed EEAS staff give a declaration of honour stating that they have not worked for intelligence services in the past;

28. Emphasises that competence in the field of foreign affairs must remain the main criterion for hiring decisions; requests that the EEAS develop a coherent human resources strategy that can achieve these goals;

29. Reiterates the need to ensure that local agents in delegations are subject to a comprehensive security check prior to employment;

30. Understands that adjustments of staff in delegations are needed; expects that those arrangements do not impact upon the EEAS's performance and the credibility of the Union;

31. Notes with concern that in 2012, 49 % of Heads of Delegation (57 % in 2011) assessed the skills of their operational staff, finance staff, and the monitoring and auditing staff as inadequate to carry out their tasks; reiterates its call to the EEAS and the Commission to provide Parliament with the results of their discussions without delay;

32. Supports the efforts of the EEAS to increase the number of available trainings and to encourage attendance of its staff both in Delegations and in Headquarters; is concerned, however, that in 2013 there were about 1 000 fewer members of staff attending training courses than in 2012 and the strategic goal of 10 days of training per employee per year was not achieved, having only reached less than four day per employee per year;

33. Draws attention to the cost-intensive procedure of the annual salary adjustment method for local staff in Union delegations; invites the EEAS to consider an alternative calculation method which is more transparent and simple and to report to Parliament's appropriate committee on that subject;

34. Takes note of measures being brought forward to rationalise expenditure concerning staff and staff matters;

35. Notes that in 2012, two senior managers at the EEAS were retired in the interests of the service (Article 50 of the Staff Regulations); notes further – with the proviso that the position at the Council cannot be ascertained – that no other Union institution invoked that provision in 2012; points out that officials to whom the above arrangement is applied are entitled to draw a full pension from age 55; calls on the EEAS to inform Parliament of the reasons, the age of the two officials concerned, and the annual costs to be incurred on their account;

36. Takes note that in 2012, the action plan for a better financial management of security contracts was initiated; acknowledges the results achieved as announced by the EEAS and asks to receive the text of the action plan and detailed information on the measures implemented in the next annual activity report;

37. Supports the action plan of the security directorate on the security contracts managed by the Headquarters; regrets nonetheless, that the deficiencies in the management of security contracts by the Delegations were not included in that action plan;

38. Notes with disquiet that security contracts in Rome, Tanzania, and Fiji have been extended by more than 10 years without being put out to tender again during that period; calls on the EEAS to provide Parliament with details on its contractors in the above places, the value of their contracts, and the exact duration of those contracts;

39. Takes note that some Delegations needed assistance to retender their security contracts; urges the EEAS to implement information actions applicable to all the delegations on procurement matters;

40. Commends the EEAS for the method applicable in the evaluation missions;

41. Asks the EEAS to explain why it was necessary to create the post of Deputy Head of Delegation for Afghanistan;

42. In the context of the EU-Central America Association Agreement, emphasises the need for the Union to create a delegation in Panama, an important partner and the only country in the region without its own delegation, and calls on the EEAS to take action to this end as soon as possible as already requested last year;

43. Welcomes the fact that the number of one-person Union delegations has been reduced from 18 in the preceding year to the present 15; calls on the EEAS to continue that trend and to merge delegations where appropriate;

44. Recalls its demand for a human resources policy in Union Delegations that takes into account the Union's political priorities in a given region and the flexibility required for reacting to crises; urges the EEAS and Commission to find a common approach to delegation staff and to an allocation of tasks in accordance with these principles and to ensure appropriate coordination among the services to enhance the coherence of Union policy and contribute to budgetary synergies;

45. Strongly supports the EEAS's four main initiatives for smart savings; asks the EEAS to provide an implementing report which shows the financial results and how money saved this way was reused; requests that the Commission also adopt these initiatives;

46. Reiterates the importance of continuing efforts to identify opportunities for long-term savings and synergies, both between EEAS and Commission and with Member States, to ensure the sustainability of the EEAS budget in a time of budgetary restraints;

47. Supports the EEAS in its efforts to prepare for the 2014-2020 Multiannual Financial Framework, when it will have a budget of EUR 96 000 million of Union External Assistance funds which it will implement in shared responsibility with the Commission;

48. Calls on the EEAS to make greater efforts to save costs by sharing buildings and facilities with the diplomatic services of Member States in delegations; calls on the EEAS to compile a summary – to be submitted to Parliament – showing how many embassies and consulates of Member States in countries with Union delegations have been closed since the EEAS was set up or specifying the countries where the establishment of the EEAS has served to create synergies; notes, however, that Member States should pay their fair share of the costs involved in such colocation and service provision;

49. Welcomes the collocation proposal to 14 Member States in 7 third countries since 2011; notes with satisfaction that synergies with the Commission's Directorate-General for Development and Cooperation — EuropeAid and the diplomatic services of the Member States are functioning well and welcomes the information provided in 2012; notes that there is still work to be done in relation to the consulate services; asks that Parliament's Committee on Foreign Affairs be engaged in this exercise;

50. Demands the EEAS intensify its efforts towards increasing savings with regard to housing policy of staff employed in the Union Delegations; considers that there is room for significant savings in this field as in year 2012 the housing costs paid for the accommodation of 675 officials in Union Delegations had a total cost of EUR 30 million;

51. Asks the EEAS to include in its next Annual Activity Report detailed information on how the new housing policy, which will be implemented in the next four years, will contribute to the Smart Savings Initiative set up in 2011;

52. Welcomes the fact that the EEAS could immediately impose savings of EUR 4 million in the 2014 budget with the new Staff Regulations of Officials of the European Union and the Conditions of Employment of Other Servants of the European Union entering into force; points out, however, the extremely high costs of employment in Union Delegations, as all entitlements, allowances, weightings coefficients, rest leaves and annual travel costs, moving and housing expenses add up to over EUR 8 000 per month per employee above the monthly salary of the individuals working in the Union Delegations;

53. Urges the Commission to come up with a solution for the management of administrative expenditure in Union Delegations, so as to ease the administrative burden of Heads of Delegation, in particular in smaller Delegations, by enabling sub-delegation also to Commission staff, in line with Parliament's report on the 2013 review of the organisation and the functioning of the EEAS;

54. Expresses concern at the fact that, contrary to the plan to make more selective use of, and shorten, leave for staff in third countries, as was announced in connection with the reform of the Staff Regulations, such leave, treated as rest leave, is now even being applied to more countries than before; points out that, in addition to the leave, air tickets are provided for all the family; calls for an overview of the cost of this measure, which takes effect in 2014, whereas the leave cuts will not be implemented until 2015;

55. Welcomes the review of the Living Conditions Allowance and Rest Leave Scheme provided to staff in Delegations introducing a new calculation method of the annual journey contribution using economy class airfares, instead of business class, as the basis of the calculations, which alone led to a savings of EUR 3 million in budget 2014;

56. Notes that payments for annual leave entitlement outstanding at the time of termination of service amounted on average to EUR 8 526 per person in 2012 and fell to EUR 5 986 in 2013; calls on the EEAS to take the steps required to lower these costs further;

57. Strongly urges the EEAS, with regard to the travel arrangements from its delegations to its headquarters, to adopt practices similar to those applied by the diplomatic services of the Member States in comparable circumstances;

58. Welcomes the establishment of a 'Memorandum of Understanding' between the European Anti-Fraud Office (OLAF) and the EEAS; regrets the delay of its conclusion and asks the EEAS to report on the progress made regarding the new Anti-Fraud Strategy for Union Delegations which was planned to be finalised in 2013;

59. Calls on the EEAS to include in its Annual Activity Reports the results and consequences of closed OLAF cases, where the institution or any of the individuals working for it were the subject of the investigation;

60. Takes note that the head of administration of Union delegations and the staff responsible for the administration of Member States' embassies regularly meet to discuss and exchange experience in the relevant domains; expects this good practice to continue and be extended to other relevant areas of activity;

61. Points to the urgent need for strengthening the ability of the EEAS and of Union delegations to defend themselves against spying activities from third countries, including by strengthening the security of their IT networks and by building systems of secure communication, and insists that an assessment of related budgetary needs is made without delay;

62. Demands that the EEAS's building policy be attached to the annual activity report, especially given that it is important that such costs are properly rationalised and that such costs are not excessive;

63. Urges the EEAS to provide the discharge authority with the list of building contracts concluded in 2012, including the details of the contracts, the country where the contract is entered in and the length of the contract, as it was done in the 2011 EEAS Annual Activity Report and asks the EEAS to provide the same details of building contracts in its 2013 Annual Activity Report;

64. Takes the view that improvements can be made in the financial management to prevent interests accruing on late payments, in particular by reducing the period of delay; notes that the three highest amounts of late payment interest are EUR 3 714,84, EUR 4 395,71, and EUR 5 931,67;

65. Points to the need for parliamentary scrutiny to be brought to bear on INTCEN, EUMS INT, the Situation Room, and the Satellite Centre, which produce analyses for decision-makers, based on national intelligence service information and other sources, and foster cooperation between national intelligence services;

66. Calls for a separate EEAS budget heading for EU Intelligence Analysis Centre (INTCEN), EU Military Staff Intelligence Directorate (EUMS INT), and the Situation Room so as to ensure democratic oversight and transparency;

67. Calls on the High Representative to provide detailed information on the budgets and staffing of INTCEN, EUMS INT, and the Situation Room in the EEAS annual report;

68. Calls on the EEAS to publish information in its annual report specifying how many classified documents, broken down by level of classification, it has received from (or sent to) individual institutions, other bodies, Member States, and third parties;

69. Considers that budget support systems for third country governments are not properly audited and calls for a better scrutiny of the financial operations at an earlier stage;

70. Calls on the Court of Auditors to include in its next annual report a review of the follow-up by the EEAS of Parliament's recommendations in this resolution;

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section IV — Court of Justice

(2014/553/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2012 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2012 (COM(2013) 570 – C7-0276/2013) ([2]),

— having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2012, together with the institutions' replies ([3]),

— having regard to the statement of assurance ([4]) 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 2012 pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]), and in particular Articles 50, 86, 145, 146 and 147 thereof,

— 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 1605/2002 ([6]), and in particular Articles 164, 165 and 166 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0213/2014),

1. Grants the Registrar of the Court of Justice discharge for implementation of the Court of Justice's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President — Martin SCHULZ

The Secretary-General — Klaus WELLE

([1]) OJ L 56, 29.2.2012.
([2]) OJ C 334, 15.11.2013, p. 1.
([3]) OJ C 331, 14.11.2013, p. 1.
([4]) OJ C 334, 15.11.2013, p. 122.
([5]) OJ L 248, 16.9.2002, p. 1.
([6]) OJ L 298, 26.10.2012, p. 1.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge for implementation of the general budget of the European Union for the financial year 2012, Section IV — Court of Justice

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2012 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2012 (COM(2013) 570 – C7-0276/2013) ([2]),

— having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2012, together with the institutions' replies ([3]),

— having regard to the statement of assurance ([4]) 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 2012 pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]), and in particular Articles 50, 86, 145, 146 and 147 thereof,

— 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 1605/2002 ([6]), and in particular Articles 164, 165 and 166 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0213/2014),

1. Notes with satisfaction that in its 2012 annual report, the Court of Auditors observed that no significant weaknesses had been identified in respect of the audited topics related to human resources and procurement for the Court of Justice of the European Union ('Court of Justice');

2. Welcomes the fact that, on the basis of its audit work, the Court of Auditors concluded that the payments as a whole for the year ended on 31 December 2012 for administrative and other expenditure of the institutions and bodies were free from material error;

3. Notes that in 2012, the Court of Justice had commitment appropriations amounting to EUR 343 567 692,52 (EUR 335 904 453,30 in 2011) and that the implementation rate of 98,63 % was higher than in 2011; recalls that the Court of Justice's budget is purely administrative;

([1]) OJ L 56, 29.2.2012.
([2]) OJ C 334, 15.11.2013, p. 1.
([3]) OJ C 331, 14.11.2013, p. 1.
([4]) OJ C 334, 15.11.2013, p. 122.
([5]) OJ L 248, 16.9.2002, p. 1.
([6]) OJ L 298, 26.10.2012, p. 1.

4. Notes that the amount of pending and closed cases in the General Court has decreased slightly in 2012 when compared to previous years (i.e. 1 308 pending cases in 2011 and 1 237 pending cases in 2012); regrets, however, that the number of closed cases has been decreasing (i.e. 714 closed cases in 2011 and 688 closed cases in 2012); finds that the proposal for the creation of additional appointments of judges in the General Court, which continues under examination in the Council, could contribute to the effective reduction of pending cases;

5. Notes that the Court of Justice and the Civil Service Tribunal have followed the same trend of fewer cases closed and more cases pending when compared to the situation in 2011 (Court of Justice: 849 pending cases in 2011 and 886 pending cases in 2012, with 638 closed cases in 2011 and 595 closed cases in 2012; Civil Service Tribunal: 178 pending cases in 2011 and 235 pending cases in 2012, with 166 closed cases in 2011 and 121 closed cases in 2012); notes that there has been no change of members of the Civil Service Tribunal;

6. Asks for clear information on the output of every three-and five-judge-chamber of the Court of Justice and the General Court and of the three-judge and the Single judge Chamber in the Civil Service Tribunal; asks for information on how many cases were treated as rapporteur by the President and the Vice President after the reorganisation of the Court of Justice;

7. Asks the Court of Justice, the General Court and the Civil Service Tribunal to give an overview of the number of cases pending since more than 24 months;

8. Emphasises the fact that the Court of Justice recognises that there is still a margin for improvement within the existing means at the Court of Justice's disposal; stresses that the internal reforms implemented in 2012, namely the creation of the new five-Judge chamber and the new three-Judge chamber and the changes in the composition of the Grand Chamber, as well as the revision of the Rules of Procedure, have contributed to certain changes in the system and that more can be done with further reforms; asks the Court of Justice for information on how many cases were attributed in 2012 to each rapporteur in the Court of Justice and the General Court;

9. Urges the Court of Justice to find a way to properly manage the trend towards an increase in the number of new cases and heavy workload as internal reforms and the revision of the Rules of Procedure alone will not be sufficient in the coming years to significantly decrease the number of pending cases in the Court of Justice; sees one possibility in reducing the weeks without hearings or advisements;

10. Shares the view that the General Court should take more action to reduce outside Court activities of members and staff; asks the Court of Justice to follow a more transparent approach by publishing on the Court of Justice's website a list of the outside activities for each Judge;

11. Requests that the Court of Auditors carry out a benchmark study which gives information about the output of comparable Supreme Courts in Member States and the Court of Justice;

12. Stresses that in the years when the mandate of more judges come to an end, there is a high risk that productivity will decrease and that the continuity and stability of the Court of Justice's work will be affected if the Council does not renew the mandate of the judges and if there is a delay in the appointment of the new judges;

13. Notes that the Court of Justice has the highest proportion of staff working in the translation service among all Union institutions, having 47,3 % of its employees working as translators and interpreters; appreciates the obligations on the Court of Justice to handle proceedings in all 24 official languages of the Union and to translate all of its decisions into the official languages; believes, however, that there is room for the rationalisation of the translation services of the Court of Justice;

14. Calls on the Court of Justice to apply the method for calculating the translation costs per page in the same way as it is done in the other institutions in order to be able to compare the translation costs between institutions in an equal manner;

15. Acknowledges the benefits of the e-Curia application, which came into operation in November 2011; notes with satisfaction that, as anticipated, this application has contributed to an improved performance in the handling of cases;

16. Takes note of the costs incurred in the e-Curia project and its maintenance; welcomes the improvements made to the system to accommodate requests and suggestions from users; asks to be informed in detail of the continuous updating of the system and of its subsequent costs;

17. Welcomes the transition from paper to electronic reports; notes that the e-Curia application made it possible to allow electronic exchange of documents of the court proceedings and decisions between all parties and the courts of the Court of Justice after 1 January 2012; points out that the last paper reports were issued before the end of 2012 and that the conversion from a paper to an electronic flow of documents has led to a significant reduction of production costs;

18. Considers very positive that by the end of 2012, there were 1003 active users of e-Curia, among those 14 Member States, two European Free Trade Association countries and five European institutions (in particular Parliament, the Council and the Commission); regrets, however, that there are still some Member States not using e-Curia to exchange documents with the Court of Justice;

19. Notes that only seven general meetings of the Court of Justice had full attendance in 2012; asks for the agenda of those meetings to be included as an annex to the annual activity report of the corresponding year;

20. Welcomes the fact that the Court of Justice has adopted rules concerning dignity in the workplace which apply equally to all members of staff working in a Member's chamber or in one of the services, including procedures for dealing with allegations of harassment; emphasises the fact that it is essential to maintain the best possible working environment for staff and Members in the future;

21. Takes note of the adoption of Regulation (EU, Euratom) No 741/2012 amending the Protocol on the statute of the Court of Justice [1] and also the adoption of the new rules of procedure of the Court of Justice in 2012; believes that the modifications brought forward will contribute to a better performance of the Court's duties; expects the follow-up of these reforms to be detailed in the annual activity report 2013;

22. Regrets the fact that the Member States which have joined in the last 10 years are not represented at Director-General and Director levels in the institution; reiterates the need for a greater geographical balance at those levels of the administration, as it is already the case at Head of Unit level;

23. Welcomes the fact that the organisational change with the creation of the Library Directorate did not have a budgetary impact on the posts created;

24. Welcomes the fact that the commemorative programme for the 60th anniversary of the Court of Justice held in 2012 has had only minimal direct costs;

25. Supports the Court of Justice's policy of giving preference to the use of internal resources, in particular translation services; invites the Court of Justice to assess the possibility of implementing a system of translation 'on demand' for specific cases to further reduce the pressure in terms of the quantity of documents to be translated;

26. Takes note of the increase in expenditure on the Early Childhood Centre and the production and distribution of documents; calls on the Court of Justice to ensure that these imbalances are not repeated in future years;

27. Confirms that the number of hearings and other meetings with interpretation continued to grow in 2012, with a growing number of cases in all jurisdictions;

28. Regrets the delay in implementing the *ex post* control of expenditure linked to the maintenance of infrastructure equipment and IT application; notes that an action plan was put in place to correct the results of the *ex post* control of the cleaning and maintenance costs;

[1] Regulation (EU, Euratom) No 741/2012 of the European Parliament and of the Council of 11 August 2012 amending the Protocol on the Statute of the Court of Justice of the European Union and Annex I thereto (OJ L 228, 23.8.2012, p. 1).

29. Calls on the Court of Justice to include in its Annual Activity Reports the results and consequences of closed European Anti-Fraud Office (OLAF) cases where the institution or any of the individuals working for it were subject of the investigation;

30. Asks for the Court of Justice's building policy to be attached to the annual activity report;

31. Welcomes the fact that the Court of Justice has prepared a thorough and detailed annual activity report and has included in it in-depth information on its human resources management, as requested by Parliament;

32. Calls on the Court of Auditors to include in its next annual report a review of the follow-up by the Court of Justice of Parliament's recommendations in this resolution.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section V — Court of Auditors

(2014/554/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2012 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2012 (COM(2013) 570 – C7-0277/2013) ([2]),

— having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2012, together with the institutions' replies ([3]),

— having regard to the statement of assurance ([4]) 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 2012 pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]), and in particular Articles 50, 86, 145, 146 and 147 thereof,

— 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 1605/2002 ([6]), and in particular Articles 164, 165 and 166 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0212/2014),

1. Grants the Secretary-General of the Court of Auditors discharge in respect of the implementation of the Court of Auditors' budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ L 56, 29.2.2012.
([2]) OJ C 334, 15.11.2013, p. 1.
([3]) OJ C 331, 14.11.2013, p. 1.
([4]) OJ C 334, 15.11.2013, p. 122.
([5]) OJ L 248, 16.9.2002, p. 1.
([6]) OJ L 298, 26.10.2012, p. 1.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge for implementation of the general budget of the European Union for the financial year 2012, Section V — Court of Auditors

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2012 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2012 (COM(2013) 570 – C7-0277/2013) ([2]),

— having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2012, together with the institutions' replies ([3]),

— having regard to the statement of assurance ([4]) 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 2012 pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]), and in particular Articles 50, 86, 145, 146 and 147 thereof,

— 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 1605/2002 ([6]), and in particular Articles 164, 165 and 166 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0212/2014),

1. Notes that the Court of Auditors' annual accounts are audited by an independent external auditor – PricewaterhouseCoopers SARL – in order to apply the same principles of transparency and accountability that it applies to its auditees; takes note of the auditor's opinion that 'the financial statement gives a true and fair view of the financial position of the Court and of its financial performance and its cash flows for the year … ended'; requests that it be given access to the assurance report concerning the regularity of the use of the Court of Auditors' resources and the validity of the control procedures in place in 2012; calls for scrutiny to be brought to bear on the Court of Auditors as regards the legality and regularity of the transactions underlying its accounts;

2. Emphasises that in 2012, the Court of Auditors' commitment appropriations amounted to a total of EUR 137 345 000 (EUR 134 337 000 in 2011) and that the overall rate of implementation for the budget was 96 %; notes that the Court of Auditors' budget is purely administrative;

([1]) OJ L 56, 29.2.2012.
([2]) OJ C 334, 15.11.2013, p. 1.
([3]) OJ C 331, 14.11.2013, p. 1.
([4]) OJ C 334, 15.11.2013, p. 122.
([5]) OJ L 248, 16.9.2002, p. 1.
([6]) OJ L 298, 26.10.2012, p. 1.

3. Supports the Court of Auditors' assessment of the quality and impact of its work and commends the results achieved; believes that the Court of Auditors should improve target setting to ensure that the results achieved effectively reach the targets;

4. Supports the Court of Auditors in its efforts to devote more resources to performance audits and the examination of whether or not economy, effectiveness and efficiency have been achieved; recalls the need for the budgetary and legislative authority of the Court of Auditors to provide not only a statement of assurance on the reliability of the accounts and the legality and regularity of underlying transactions but to also provide reliable and viable opinions on the results obtained by the different policies of the Union;

5. Calls on the Court of Auditors to examine the possibility of presenting its annual report by 30 June, as this would lead to a significant improvement in the audit of the Union accounts and would enhance and streamline both the performance and the effectiveness of Union spending by having the discharge voted before 31 December of the year following the financial year audited;

6. Invites the Court of Auditors to take into consideration in its annual work programme the political priorities of the legislators and the issues of major interest to Union citizens communicated by Parliament's Committee on Budgetary Control;

7. Takes note that 2012 is the final year of the strategic period 2009-2012, giving a mitigated image of results achieved by the policies put in place;

8. Reminds the Court of Auditors of the need to improve time plans, even where there is no deadline, as in the case of Court of Auditors' Special Reports; regrets that the timeliness of the audit findings continue to be far from the long-term target; challenges the Court of Auditors to streamline targets and to pay particular attention to ensuring the improvement of quality in each of the stages of the audit process for the strategy 2013-2017;

9. Calls on the Court of Auditors to include a timeline in each of its Special Reports, setting out the individual stages of the report (from initial groundwork to publication);

10. Notes that the average time to produce a Special Report has been reduced from 25 months to 20 months since 2008; regrets, however, that in 2012, the Court of Auditors did not reach the strategic goal of an average production time of 18 months for Special Reports;

11. Insists on the need to take effective measures to increase the percentage of statements of preliminary findings issued within two months;

12. Welcomes the continued reinforcement of audit posts in 2012, compared to the number of staff in other services and encourages the Court of Auditors to continue its engagement in finding efficiency gains in the support services; takes note of the successful recruitment of new staff to audit posts; is concerned, however, about the slight increase in vacant post at the end of 2012 compared to 2011;

13. Calls on the Court of Auditors to inform the discharge authority about its policy on secondments of experts from national supreme audit institutions to the Court of Auditors and vice versa; calls on the Court of Auditors to provide more information in this respect in its next Annual Activity Report;

14. Points out that some Member States are over-represented at managerial level, while the Member States which joined the Union in the last 10 years are still under-represented at Head of Unit and Director level; reiterates the need for a greater geographical balance at all levels of the administration;

15. Congratulates the Court of Auditors for completing the K3 building on schedule and within budget;

16. Takes note of the substantial pricing variation of translation cost per language; is of the opinion that such a high discrepancy of costs, even including indirect costs, should be better aligned; calls on the Court of Auditors to apply the method for calculating the translation costs per page the same way as it is done in the other institutions in order to be able to compare the translation costs between institutions in an equal manner;

17. Finds the adoption of the new Code of Conduct for the Members of the Court of Auditors a positive step to improve performance; asks to be informed about breaches to the Code of Conduct in the future;

18. Is firmly of the opinion that the three-year-mandate of the President of the Court of Auditors should only be renewable once;

19. Notes that a high-level group within the Court of Auditors was created to monitor the new initiative to streamline the processes to produce reports; asks to be informed of this high-level group's working plan and time frame;

20. Takes note that in 2012, the Court of Auditors reported a total of eight cases of suspected fraud arising from its audit work and eight cases arising from denunciation letters to the European Anti-Fraud Office (OLAF); notes that OLAF decided to open an enquiry in six cases in the former and three cases in the latter;

21. Emphasises the fact that the number of denunciation letters was half of what it was compared to 2011; supports the Court of Auditors' continuing close cooperation with OLAF;

22. Calls on the Court of Auditors to include in its Annual Activity Report the results and consequences of closed OLAF cases where the institution or any of the individuals working for it were the subject of the investigation, as well as the results of the cases referred to OLAF by the Court of Auditors arising from its audit work and from denunciation letters;

23. Recalls the case of alleged harassment and abuse of power by a former Member of the Court of Auditors which occurred in 2012 and which resulted in a lawsuit filed by three employees of the Court of Auditors against their institution; takes note of the efforts of the Court of Auditors with regard to this harassment case, including preventive measures introduced and assistance and protection given to complainants; encourages the Court of Auditors to review its procedures for dealing with harassment and abuse of power and to further improve the working environment for its staff and its Members in order to fully guarantee dignity in the workplace;

24. Congratulates the Court of Auditors for the successful implementation of the agreed action plans; suggests that in light of the internal audit service's recommendations to human resources, all allowances should be included in officials' personal files;

25. Continues to be interested in receiving the main conclusions arising from the monitoring of the internal audit service *ex post* verifications and the changes impact results attached to the annual activity report;

26. Welcomes the cooperation between the Court of Auditors and Parliament's Committee on Budgetary Control, the clear follow-up of the discharge resolution from the previous year and regular feedback on the basis of Parliament's demands;

27. Calls on the Court of Auditors to include in its next annual report a review of the follow-up of Parliament's recommendations in this resolution.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section VI — European Economic and Social Committee

(2014/555/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2012 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2012 (COM(2013) 570 – C7-0278/2013) ([2]),

— having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2012, together with the institutions' replies ([3]),

— having regard to the statement of assurance ([4]) 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 2012 pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]), and in particular Articles 50, 86, 145, 146 and 147 thereof,

— 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 1605/2002 ([6]), and in particular Articles 164, 165 and 166 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0218/2014),

1. Grants the Secretary-General of the European Economic and Social Committee discharge in respect of the implementation of the European Economic and Social Committee's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ L 56, 29.2.2012.
([2]) OJ C 334, 15.11.2013, p. 1.
([3]) OJ C 331, 14.11.2013, p. 1.
([4]) OJ C 334, 15.11.2013, p. 122.
([5]) OJ L 248, 16.9.2002, p. 1.
([6]) OJ L 298, 26.10.2012, p. 1.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge for implementation of the general budget of the European Union for the financial year 2012, Section VI — European Economic and Social Committee

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2012 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2012 (COM(2013) 570 – C7-0278/2013) ([2]),

— having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2012, together with the institutions' replies ([3]),

— having regard to the statement of assurance ([4]) 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 2012 pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]), and in particular Articles 50, 86, 145, 146 and 147 thereof,

— 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 1605/2002 ([6]), and in particular Articles 164, 165 and 166 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0218/2014),

1. Welcomes the fact that, on the basis of its audit work, the Court of Auditors concluded that the payments as a whole for the year ended on 31 December 2012 for administrative and other expenditure of the institutions and bodies were free from material error;

2. Notes with satisfaction that in its 2012 annual report, the Court of Auditors observed that no significant weaknesses had been identified in respect of the audited topics related to the human resources and the procurement for the European Economic and Social Committee (EESC);

3. Notes that in 2012 the EESC budget amounted to EUR 128 816 588 (EUR 128 600 000 in 2011), with a utilisation rate of 96,8 %; stresses that the EESC budget is purely administrative, with a large amount being used on expenditure concerning persons working within the institution and the remaining amount relating to buildings, furniture, equipment and miscellaneous running costs;

([1]) OJ L 56, 29.2.2012.
([2]) OJ C 334, 15.11.2013, p. 1.
([3]) OJ C 331, 14.11.2013, p. 1.
([4]) OJ C 334, 15.11.2013, p. 122.
([5]) OJ L 248, 16.9.2002, p. 1.
([6]) OJ L 298, 26.10.2012, p. 1.

4. Notes that the 96,8 % budget implementation rate for 2012 is higher than the 95,4 % rate for 2011, but still lower than the 98 % rate for 2010; calls on the EESC to ensure even better budget implementation rates in subsequent periods;

5. Notes the rise by 0,2 % in the 2012 budget compared to the previous annual budget; supports the EESC's efforts to limit the budgets of the coming years, thereby ensuring a flat rate increase;

6. Takes note of the follow-up observations to Parliament's 2011 discharge resolution attached to the EESC annual activity report; asks to be informed about the measures taken by the EESC in the financial year of the discharge to carry out a detailed spending review and about the results of that exercise;

7. Takes note of the decision of the Council with regard to the level of allowances of EESC members in September 2013 and notes with satisfaction that the EESC has implemented the new reimbursement rules of members' travel expenses based on real costs as recommended by Parliament;

8. Notes with satisfaction that the decision to make the declarations of financial interests of the EESC members public was implemented in 2012;

9. Takes note of the cooperation between the EESC members and Parliament's Committee on Budgetary Control, in particular in relation to the discharge exercise;

10. Takes note of the information provided on the energy used from renewable sources; notes with satisfaction that all electricity used by the EESC is coming from renewable sources;

11. Is pleased with the achievements in the area of translation following the renewed EESC-Committee of the Regions (CoR) Cooperation agreement; notes with satisfaction that the drop in external translation was about 1 % in 2012, compared with 2011; finds evidence in these figures that further improvements to efficiency continue to be possible;

12. Strongly believes that some improvements should be made to rationalise human resources in the Joint Services and in translation; finds the on-going contacts between the EESC, the CoR and Parliament in this matter a positive contribution to the rationalisation of resources;

13. Asks the EESC to continue to monitor the staff structure in order to ensure that the organisation of posts is fully efficient and contributes to a better spending of the allocated budget;

14. Expects the EESC, when preparing the negotiations of the new administrative cooperation agreement with the CoR, to create a more regular screening of the budgetary savings resulting from its implementation, as stated in last year's recommendations; requests detailed information on the results of this cooperation and on the precise amount of budgetary savings that will ensue from this new cooperation;

15. Anticipates that the new administrative cooperation agreement with the CoR will also lead to the strengthening of cooperation in the management of common services;

16. Notes that a mid-term review of the cooperation between the EESC and the CoR is a useful tool to evaluate the benefits of the cooperation and plan for better solutions in the future;

17. Considers the videoconferencing tool a very useful mechanism to make budgetary savings and be efficient at the same time by having members from different places participate in the same conference; asks to be informed about progress within the EESC concerning the use of existing devices;

18. Wishes to be kept informed about the budgetary impact of using videoconferencing tools, including in terms of savings on mission costs;

19. Takes note of the developments undertaken by the EESC to self-assess its work with the assistance of the European Institute for Public Administration;

20. Welcomes the project to modernise document management at the EESC;

21. Considers positive the decrease of the unused rate of interpretation services requested from 8,9 % in 2011 to 7,6 % in 2012; takes note of the measures taken to reduce this rate; emphasises, however, that the rate is still high and calls for further reductions of interpretation costs;

22. Calls on the EESC to cooperate with other institutions to come up with a unified methodology of presenting the translation costs in order to simplify the analysis and comparison of the costs;

23. Takes due note of the modernisation of the IT infrastructure; asks for more in-depth information on the improvements to be included in the annual activity report;

24. Calls on the Court of Auditors to include in its next annual report a review of the follow-up by the EESC of Parliament's recommendations in this resolution.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section VII — Committee of the Regions

(2014/556/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2012 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2012 (COM(2013) 570 – C7-0279/2013) ([2]),

— having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2012, together with the institutions' replies ([3]),

— having regard to the statement of assurance ([4]) 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 2012 pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]), and in particular Articles 50, 86, 145, 146 and 147 thereof,

— 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 1605/2002 ([6]), and in particular Articles 164, 165 and 166 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0226/2014),

1. Grants the Secretary-General of the Committee of the Regions discharge in respect of the implementation of the Committee of the Regions' budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ L 56, 29.2.2012.
([2]) OJ C 334, 15.11.2013, p. 1.
([3]) OJ C 331, 14.11.2013, p. 1.
([4]) OJ C 334, 15.11.2013, p. 122.
([5]) OJ L 248, 16.9.2002, p. 1.
([6]) OJ L 298, 26.10.2012, p. 1.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge for implementation of the general budget of the European Union for the financial year 2012, Section VII — Committee of the Regions

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2012 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2012 (COM(2013) 570 – C7-0279/2013) ([2]),

— having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2012, together with the institutions' replies ([3]),

— having regard to the statement of assurance ([4]) 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 2012 pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]), and in particular Articles 50, 86, 145, 146 and 147 thereof,

— 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 1605/2002 ([6]), and in particular Articles 164, 165 and 166 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0226/2014),

1. Notes with satisfaction that in its 2012 annual report the Court of Auditors observed that no significant weaknesses had been identified in respect of the audited topics related to the human resources and the procurement for the Committee of the Regions ('the Committee');

2. Welcomes the fact that on the basis of its audit work, the Court of Auditors concluded that the payments as a whole for the year ended on 31 December 2012 for administrative and other expenditure of the institutions and bodies were free from material error;

3. Notes that in 2012, the Committee had an approved budget of EUR 86 503 000 (EUR 84 059 000 in 2011), of which EUR 85 000 000 were commitment appropriations, with a utilisation rate of 98,2 %; stresses that the Committee's budget is purely administrative;

4. Notes with satisfaction that the budget implementation rate of 98,2 % represents an increase on the 2011 rate of 97,5 %; expects further improvements in the budget implementation rate in subsequent periods;

([1]) OJ L 56, 29.2.2012.
([2]) OJ C 334, 15.11.2013, p. 1.
([3]) OJ C 331, 14.11.2013, p. 1.
([4]) OJ C 334, 15.11.2013, p. 122.
([5]) OJ L 248, 16.9.2002, p. 1.
([6]) OJ L 298, 26.10.2012, p. 1.

5. Welcomes the establishment of a Subsidiarity Steering Group to strengthen the Committee's political governance and implement the Committee's enhanced new role, as outlined in the Treaty on the Functioning of the European Union;

6. Welcomes the projects on the internal organisation of the Committee, which set out the objectives of cooperation between services and the development of synergies in common activities and joint actions; welcomes, with regard to last year's recommendations, the information provided and asks to be continually updated on the projects and to be informed on the budgetary consequences of the measures taken;

7. Takes note of the information provided on the energy used from renewable sources; notes with satisfaction that all electricity used by the Committee is coming from renewable sources;

8. Notes with satisfaction that the recommendations and requirements made by Parliament's Committee on Budgetary Control are recorded by the budget service of the Committee in a central database and that the progress of implementation is regularly monitored;

9. Asks the Committee to continue to monitor the staff structure in order to ensure that the organisation of posts is fully efficient and contributes to a better spending of the allocated budget;

10. Considers that human resources (HR) management should have an efficient IT assistance; asks to be informed of any delays concerning the application of new systems to HR;

11. Requests clarifications on the Committee's 2012 audit programme, in particular on risky activities and the corresponding action plan to prevent them;

12. Notes with satisfaction the drop in external translation from 5,8 % in 2011 to 4,5 % in 2012; believes that these figures are evidence that improvements to efficiency continue to be possible;

13. Calls on the Committee to include the information on unused interpretation services in the annual activity report;

14. Calls on the Committee to cooperate with other institutions to come up with a unified methodology of presenting the translation costs in order to simplify the analysis and comparison of the costs;

15. Strongly believes that some improvements should be made to rationalise human resources in the Joint Services and in translation; finds the on-going contacts between the Committee, the European Economic and Social Committee ('EESC') and Parliament in this matter a positive contribution to the rationalisation of resources;

16. Notes that a mid-term review of the cooperation between these institutions would be a useful tool to evaluate the benefits of the cooperation and to further plan for improved and tailor-made solutions in the future;

17. Congratulates the Committee for the consistent quality of the annual activity report and for providing a comprehensive annual impact report that is an important tool for the assessment of its work; notes with satisfaction that an exhaustive table of all human resources at the Committee's disposal was provided in the annual activity report;

18. Believes that the administrative cooperation agreement between the Committee and the EESC is an efficient mechanism; recommends to the Committee its preservation under an updated format;

19. Requests information on the precise amount of budgetary savings as a result of the updated administrative cooperation agreement with the EESC and on the precise areas which will be affected by the new agreement;

20. Anticipates that the updated administrative cooperation agreement with the EESC will also lead to the strengthening of cooperation in the management of common services;

21. Calls on the Court of Auditors to include in its next annual report a review of the follow-up by the Committee of Parliament's recommendations in this resolution.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section VIII — European Ombudsman

(2014/557/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2012 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2012 (COM(2013) 570 – C7-0280/2013) ([2]),

— having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2012, together with the institutions' replies ([3]),

— having regard to the statement of assurance ([4]) 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 2012 pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]), and in particular Articles 50, 86, 145, 146 and 147 thereof,

— 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 1605/2002 ([6]), and in particular Articles 164, 165 and 166 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0225/2014),

1. Grants the European Ombudsman discharge in respect of the implementation of the European Ombudsman's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ L 56, 29.2.2012.
([2]) OJ C 334, 15.11.2013, p. 1.
([3]) OJ C 331, 14.11.2013, p. 1.
([4]) OJ C 334, 15.11.2013, p. 122.
([5]) OJ L 248, 16.9.2002, p. 1.
([6]) OJ L 298, 26.10.2012, p. 1.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge for implementation of the general budget of the European Union for the financial year 2012, Section VIII — European Ombudsman

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2012 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2012 (COM(2013) 570 – C7-0280/2013) ([2]),

— having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2012, together with the institutions' replies ([3]),

— having regard to the statement of assurance ([4]) 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 2012 pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]), and in particular Articles 50, 86, 145, 146 and 147 thereof,

— 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 1605/2002 ([6]), and in particular Articles 164, 165 and 166 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0225/2014),

1. Notes with satisfaction that in its 2012 annual report, the Court of Auditors observed that no significant weaknesses had been identified in respect to the audited topics related to the human resources and the procurement for the European Ombudsman ('the Ombudsman');

2. Welcomes the fact that on the basis of its audit work, the Court of Auditors concluded that the payments as a whole for the year ended on 31 December 2012 for administrative and other expenditure of the institutions and bodies were free from material error;

3. Stresses that the Ombudsman's budget is purely administrative and amounted in 2012 to EUR 9 516 500, with EUR 7 275 000 being allocated to Title 1 (expenditure relating to persons working for the institution), EUR 1 656 500 attributed to Title 2 (buildings, equipment and miscellaneous operating expenditure) and EUR 585 000 for Title 3 (expenditure resulting from special functions carried out by the institution);

4. Takes note that of the total appropriations, 98,30 % were committed (92,54 % in 2011) and 88,69 % paid (85,62 % in 2011) with a utilisation rate of 95,88 % (compared to 92,54 % for 2011); welcomes the improvement of the utilisation rate;

([1]) OJ L 56, 29.2.2012.
([2]) OJ C 334, 15.11.2013, p. 1.
([3]) OJ C 331, 14.11.2013, p. 1.
([4]) OJ C 334, 15.11.2013, p. 122.
([5]) OJ L 248, 16.9.2002, p. 1.
([6]) OJ L 298, 26.10.2012, p. 1.

5. Endorses the improvements on the financial planning so as to ensure a more efficient budget implementation; calls for this effort to continue in the next budgetary exercises;

6. Commends the Ombudsman's Annual Management Plan for 2012 where key performance indicators are included to measure the office's performance in achieving its objectives;

7. Invites the Ombudsman to put the unused rate of the interpretation services requested during that year in the next annual activity report;

8. Calls on the Ombudsman to cooperate with other institutions to come up with a unified methodology of presenting the translation costs in order to simplify the analysis and comparison of the costs;

9. Welcomes the internal auditor's conclusions on the open actions from internal audit reports; points out that two actions concerning the implementation of the minimum standards for internal control and the management of procurement procedures remain open; calls for the Ombudsman's internal auditor recommendations on these actions to be implemented without delay;

10. Considers positive the increase of the percentage of decisions on admissibility taken within one month of receiving a complaint, which was 85 % in 2012 and calls for an even better target for the coming years; believes that the restructuring of the Ombudsman's office, together with a more streamlined procedure in the Registry, contributed to a better performance of the Complaint Unit in 2012 and will continue to do so in the coming years;

11. Takes note that the average length of inquiries has decreased, even if for inquiries closed within 18 months, the results were lower than the target set and were lower than the figure of 80 % attained in 2011; calls on the Ombudsman to specify the number of cases involving more than one round of enquiry and when there is a need for a second round of enquiries;

12. Requests to be informed on the actions that have been put in place to overcome the Commission's decision to refuse the organisation of an independent external audit of the European Schools;

13. Welcomes the Ombudsman's engagement with the European Foundation for Quality Management in order to increase the quality of its work;

14. Congratulates the Ombudsman for the consistent quality of the annual activity report and for providing a comprehensive annual impact report that is an important tool for the assessment of its work;

15. Calls on the Ombudsman to state in detail in in its annual activity report how much of its budget it spends on promoting itself and on reaching out to citizens;

16. Points out that the annual report on the activities of the Ombudsman in 2012 was adopted by the plenary in September 2013 and is satisfied with the observations made therein;

17. Calls on the Court of Auditors to include in its next annual report a review of the follow-up by the European Ombudsman of Parliament's recommendations in this resolution.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section IX — European Data Protection Supervisor

(2014/558/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2012 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2012 (COM(2013) 570 – C7-0281/2013) ([2]),

— having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2012, together with the institutions' replies ([3]),

— having regard to the statement of assurance ([4]) 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 2012 pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]), and in particular Articles 50, 86, 145, 146 and 147 thereof,

— 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 1605/2002 ([6]), and in particular Articles 164, 165 and 166 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A7-0228/2014),

1. Grants the European Data Protection Supervisor discharge in respect of the implementation of the European Data Protection Supervisor's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ L 56, 29.2.2012.
([2]) OJ C 334, 15.11.2013, p. 1.
([3]) OJ C 331, 14.11.2013, p. 1.
([4]) OJ C 334, 15.11.2013, p. 122.
([5]) OJ L 248, 16.9.2002, p. 1.
([6]) OJ L 298, 26.10.2012, p. 1.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge for implementation of the general budget of the European Union for the financial year 2012, Section IX — European Data Protection Supervisor

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2012 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2012 (COM(2013) 570 – C7-0281/2013) ([2]),

— having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2012, together with the institutions' replies ([3]),

— having regard to the statement of assurance ([4]) 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 2012 pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]), and in particular Articles 50, 86, 145, 146 and 147 thereof,

— 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 1605/2002 ([6]), and in particular Articles 164, 165 and 166 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A7-0228/2014),

1. Welcomes the conclusion of the Court of Auditors that the payments as a whole for the year ended on 31 December 2012 for administrative and other expenditure of the European Data Protection Supervisor ('the Supervisor') were free from material error and that the examined supervisory and control systems for administrative and other expenditure were effective;

2. Notes with satisfaction that in its 2012 annual report, the Court of Auditors observed that no significant weaknesses had been identified in respect to the audited topics related to the human resources and procurement for the Supervisor;

([1]) OJ L 56, 29.2.2012.
([2]) OJ C 334, 15.11.2013, p. 1.
([3]) OJ C 331, 14.11.2013, p. 1.
([4]) OJ C 334, 15.11.2013, p. 122.
([5]) OJ L 248, 16.9.2002, p. 1.
([6]) OJ L 298, 26.10.2012, p. 1.

3. Notes that in 2012, the Supervisor had a total of EUR 7 624 090 in commitment appropriations (EUR 7 564 137 in 2011), and that the implementation rate of those appropriations was 89,69 % (85,03 % in 2011); finds this a positive development but calls for further efforts to improve the implementation rate and for the changes made to be monitored;

4. Stresses that the Supervisor's budget is purely administrative; notes that the implementation rate of expenditure on persons working with the institution is 93,18 % (Title 1) and that the expenditure on buildings, furniture, equipment and miscellaneous operating expenditure is 100 % (Title 2); congratulates the Supervisor for the results of 2012;

5. Welcomes the progress regarding better management of allowances and the Court of Auditors' finding that the measures taken were effective; welcomes, moreover, the fact that the Supervisor intends to continue to improve its system to monitor and control in a timely manner;

6. Invites the Supervisor to continue to monitor the allowances management and improve its performance levels;

7. Following last year's request, asks the Supervisor to include detailed information on how the recent incorporation of structural changes and the implementation of the electronic system on case management have influenced the cost saving;

8. Recalls that the Treaty of Lisbon enhanced the Supervisor's competences by extending data protection to all Union policy domains;

9. Takes note of the reorganisation of the Supervisor's secretariat and the consequent creation of a new ICT unit; requests to be informed of the budgetary impact of that reform;

10. Acknowledges the inclusion of Parliament's discharge recommendations in the annual activity report;

11. Urges the Supervisor to implement the recommendations made by the Commission's internal audit service (IAS); expects that logistics and human resources units will improve efficiency following their implementation;

12. Expects to be informed about the full operability of the system which defines key performance indicators and the benchmarking system plan set in 2012; calls on the Supervisor to assess in detail the improvements achieved by that system in its next year's annual activity report;

13. Calls on the Supervisor to continue informing Parliament's Committee on Budgetary Control on the follow-up of the recommendations which are set forth in Parliament's discharge resolutions;

14. Following last year's request, asks the Supervisor to include an exhaustive table of all the human resources at the Supervisor's disposal, broken down by category, grade, sex and nationality in the next annual activity report;

15. Calls on the Supervisor to cooperate with other institutions to come up with a unified methodology of presenting the translation costs in order to simplify the analysis and comparison of the costs;

16. Welcomes the signing of a service level agreement with the Commission's IAS and expects the results of that agreement to be thoroughly stated in the annual activity report;

17. Considers, in general, that the Supervisor should pay particular attention to ensuring sound financial management, i.e. to using its appropriations economically, efficiently and effectively in the performance of its duties;

18. Calls on the Court of Auditors to include in its next annual report a review of the follow-up by the Supervisor of Parliament's recommendations in this resolution.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget for the eighth, ninth and tenth European Development Funds for the financial year 2012

(2014/559/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the Commission's report on the follow-up to the discharge for the 2011 financial year (COM(2013) 668) and to the Commission staff working documents accompanying that report (SWD(2013) 348 and SWD(2013) 349),

— having regard to the financial statements and revenue and expenditure accounts for the eighth, ninth and 10th European Development Funds for the financial year 2012 (COM(2013) 541 – C7-0283/2013),

— having regard to the Commission's Annual Report of 29 April 2013 on the financial management of the eighth, ninth and 10th European Development Funds in 2012,

— having regard to the financial information on the European Development Funds (COM(2013) 346),

— having regard to the annual report of the Court of Auditors on the activities funded by the eighth, ninth and 10th European Development Funds concerning the financial year 2012, together with the Commission's replies ([1]) and to the Court of Auditors' special reports,

— having regard to the statement of assurance ([2]) 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 2012 pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendations of 18 February 2014 concerning the discharge to be given to the Commission in respect of the implementation of the operations of the European Development Funds for the financial year 2012 (05748/2014 – C7-0050/2014, 05750/2014 – C7-0051/2014, 05753/2014 – C7-0052/2014),

— having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States, of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000 ([3]), as revised in Ouagadougou, Burkina Faso, on 22 June 2010 ([4]),

— having regard to Council Decision 2001/822/EC of 27 November 2001 on the association of the overseas countries and territories with the European Community ('Overseas Association Decision') ([5]),

— having regard to Article 33 of the Internal Agreement of 20 December 1995, between the representatives of the governments of the Member States, meeting within the Council, on the financing and administration of the Community aid under the Second Financial Protocol to the fourth ACP-EC Convention ([6]),

— having regard to Article 32 of the Internal Agreement of 18 September 2000, between Representatives of the Governments of the Member States, meeting within the Council, on the financing and administration of Community aid under the Financial Protocol to the Partnership Agreement between the African, Caribbean and Pacific States and the European Community and its Member States signed in Cotonou (Benin) on 23 June 2000, and the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies ([7]),

([1]) OJ C 331, 14.11.2013, p. 261.
([2]) OJ C 334, 15.11.2013, p. 122.
([3]) OJ L 317, 15.12.2000, p. 3.
([4]) OJ L 287, 4.11.2010, p. 3.
([5]) OJ L 314, 30.11.2001, p. 1 and OJ L 324, 7.12.2001, p. 1.
([6]) OJ L 156, 29.5.1998, p. 108.
([7]) OJ L 317, 15.12.2000, p. 355.

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Article 74 of the Financial Regulation of 16 June 1998 applicable to development finance cooperation under the fourth ACP-EC Convention [1],

— having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the 9th European Development Fund [2],

— having regard to Article 142 of Council Regulation (EC) No 215/2008 of 18 February 2008 on the Financial Regulation applicable to the 10th European Development Fund [3],

— having regard to the Commission's proposal for a Council regulation on the Financial regulation applicable to the 11th European Development Fund (COM(2013) 660),

— having regard to the Commission's Communications of 13 October 2011 entitled 'Increasing the impact of EU development cooperation – an Agenda for Change' and 'The Future Approach to EU Budget Support to Third Countries',

— having regard to Rules 76 and 77, third indent of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Development (A7-0176/2014),

1. Grants the Commission discharge in respect of the implementation of the budget of the eighth, ninth and 10th European Development Funds for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors and the European Investment Bank, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

[1] OJ L 191, 7.7.1998, p. 53.
[2] OJ L 83, 1.4.2003, p. 1.
[3] OJ L 78, 19.3.2008, p. 1.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget for the eighth, ninth and tenth European Development Funds for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the Commission's report on the follow-up to the discharge for the 2011 financial year (COM(2013) 668) and to the Commission staff working documents accompanying that report (SWD(2013) 348 and SWD(2013) 349),

— having regard to the financial statements and revenue and expenditure accounts for the eighth, ninth and 10th European Development Funds for the financial year 2012 (COM(2013) 541 – C7-0283/2013),

— having regard to the Commission's Annual Report of 29 April 2013 on the financial management of the eighth, ninth and 10th European Development Funds (EDFs) in 2012,

— having regard to the financial information on the European Development Funds (COM(2013) 346),

— having regard to the Court of Auditors' annual report on the activities funded by the eighth, ninth and 10th European Development Funds concerning the financial year 2012, together with the Commission's replies ([1]) and to the Court of Auditors' special reports,

— having regard to the statement of assurance ([2]) 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 2012 pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendations of 18 February 2014 concerning the discharge to be given to the Commission in respect of the implementation of the operations of the European Development Funds for the financial year 2012 (05748/2014 – C7-0050/2014, 05750/2014 – C7-0051/2014, 05753/2014 – C7-0052/2014),

— having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States, of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000 ([3]), as revised in Ouagadougou, Burkina Faso, on 22 June 2010 ([4]),

— having regard to Council Decision 2001/822/EC of 27 November 2001 on the association of the overseas countries and territories with the European Community ('Overseas Association Decision') ([5]),

— having regard to Article 33 of the Internal Agreement of 20 December 1995, between the representatives of the governments of the Member States, meeting within the Council, on the financing and administration of the Community aid under the Second Financial Protocol to the fourth ACP-EC Convention ([6]),

— having regard to Article 32 of the Internal Agreement of 18 September 2000, between Representatives of the Governments of the Member States, meeting within the Council, on the financing and administration of Community aid under the Financial Protocol to the Partnership Agreement between the African, Caribbean and Pacific States and the European Community and its Member States signed in Cotonou (Benin) on 23 June 2000, and the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies ([7]),

([1]) OJ C 331 14.11.2013, p. 261.
([2]) OJ C 334, 15.11.2013, p. 122.
([3]) OJ L 317, 15.12.2000, p. 3.
([4]) OJ L 287, 4.11.2010, p. 3.
([5]) OJ L 314, 30.11.2001, p. 1 and OJ L 324, 7.12.2001, p. 1.
([6]) OJ L 156, 29.5.1998, p. 108.
([7]) OJ L 317, 15.12.2000, p. 355.

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Article 74 of the Financial Regulation of 16 June 1998 applicable to development finance cooperation under the fourth ACP-EC Convention ([1]),

— having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the 9th European Development Fund ([2]),

— having regard to Article 142 of Council Regulation (EC) No 215/2008 of 18 February 2008 on the Financial Regulation applicable to the 10th European Development Fund ([3]),

— having regard to the Commission's proposal for a Council regulation on the Financial regulation applicable to the 11th European Development Fund (COM(2013) 660),

— having regard to the Commission's Communications of 13 October 2011 entitled 'Increasing the impact of EU development cooperation – an Agenda for Change' and 'The Future Approach to EU Budget Support to Third Countries',

— having regard to its previous discharge decisions and resolutions,

— having regard to Rules 76 and 77, third indent of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Development (A7-0176/2014),

A. whereas the main goal of the Cotonou agreement, as the framework of the Union's relations with African, Caribbean and Pacific (ACP) countries and overseas countries and territories (OCTs), is to reduce and eventually eradicate poverty, consistent with the objectives of sustainable development and the gradual integration of the ACP countries and OCTs into the world economy,

B. whereas the European Development Funds (EDFs) are the Union's main financial instrument for providing development cooperation to the ACP countries,

C. whereas the EDFs are funded by the Member States and whereas the Commission, as the implementing body, is accountable for the discharge of the EDFs,

D. whereas global commitments, individual commitments and payments reached EUR 3 745 million, EUR 3 817 million and EUR 3 292 million respectively for the financial year 2012,

E. whereas transparency and accountability are prerequisites for democratic scrutiny, as well as effective development aid,

F. whereas budget support, while playing a key role in driving change and in addressing the main development challenges, carries a considerable fiduciary risk and should be granted only if the beneficiary state is able to demonstrate a sufficient level of transparency, traceability, accountability and effectiveness prior to receiving budget support assistance,

G. whereas fostering transparency and fighting corruption and fraud are key for the success of the Union's budget support operations, as highlighted in the above-mentioned Commission Communication entitled 'The Future Approach to EU Budget Support to Third Countries',

H. whereas sustainability is crucial for the effectiveness of development aid,

([1]) OJ L 191, 7.7.1998, p. 53.
([2]) OJ L 83, 1.4.2003, p. 1.
([3]) OJ L 78, 19.3.2008, p. 1.

I. whereas cooperation and coordination with other donors and international financial institutions is of paramount importance to avoid duplication, ensure aid effectiveness and foster the capacity to build development aid in beneficiary countries,

J. whereas it is fundamental to promote Union visibility and to project Union values in all forms of development aid,

K. whereas the use of innovative financial instruments like blending mechanisms is seen as one way of extending the scope of existing tools such as grants and loans,

L. whereas Parliament has reiterated its call for the inclusion of the EDFs in the general budget,

Statement of Assurance

Reliability of the accounts

1. Welcomes the Court of Auditors' opinion that the final annual accounts of the eighth, ninth and 10th EDFs present fairly, in all material respects, the financial position of the EDFs as of 31 December 2012, and the results of their operations and cash flows for the year, in accordance with the provisions of the EDFs' financial regulations and the accounting rules adopted by the accounting officer;

2. Notes that in the domains of budget support and the Union's contributions to multidonor projects implemented by international organisations, the nature of the instruments and payments conditions limit the extent to which transactions are prone to errors;

3. Observes that 1 153 nongovernmental organisations (57 % of all NGOs) are operating in the field of EuropeAid and 152 (8 %) in the field of humanitarian aid (ECHO), receiving EUR 1 520 million and EUR 960 million respectively in Union funding; notes that Union funding of NGOs has doubled in 10 years; calls on the Commission to provide an overview of the 30 largest and 30 smallest projects being implemented by NGOs using EDF funding, and an overview of how much of their own funding the organisations have invested in each of these projects;

4. Is concerned by the fact that recovery orders for interest on pre-financing payments of over EUR 750 000 are rarely issued, contrary to the applicable rules, according to which they should be issued once a year; notes that interests generated by pre-financing are sometimes netted off against claims or reimbursement of costs incurred, these interests not being recognised as revenue;

5. Calls on the Commission to apply the EDFs' financial regulations' provisions on interest relating to larger pre-financing payments and to closely examine the situation in the delegations to draw up a clear inventory of contracts with open pre-financings;

6. Regrets, once again, that financial transactions were frequently incorrectly recorded in the Common Relex Information System (CRIS), altering the overall quality and accuracy of data used for the preparation of the annual financial statements, especially with the risk of failing to respect the cut-off principle i.e. to record all financial transactions under the correct accounting period;

7. Acknowledges that the Commission is aware of the current shortcomings in its information system but, nevertheless, as in previous years, strongly calls on the Commission to undertake further efforts and to continuously follow this issue at all operational levels, EuropeAid's Headquarters and Union delegations;

Regularity of transactions

8. Notes with satisfaction that according to the Court of Auditors, the revenue and commitments underlying the accounts are legal and regular in all material aspects;

9. Is concerned, however, by the Court of Auditors' assessment relating to the legality and regularity of payments underlying the accounts, according to which the supervisory and control systems at EuropeAid's Headquarters and Union delegations are partially effective for ensuring the legality and regularity of payments;

10. Regrets that payments were materially affected by error due to the weaknesses identified in the supervision and control mechanisms; notes that out of 167 interim and final expenditure transactions reviewed by the Court of Auditors, 44 (i.e. 26 %) were affected by errors;

11. Recalls that the Court of Auditors' estimate for the most likely error rate for payments from the eighth, ninth and 10th EDFs is 3 %, which indicates a reduction compared to 2011 (5,1 %) and 2010 (3,4 %);

12. Notes that out of 127 expenditure transactions sampled, 28 were affected by quantifiable error, of which 20 were final payments already subject to the Commission's checks; notes that this represents an increase compared to 2011, where the equivalent numbers were 29 and 11 operations respectively;

13. Notes that for budget support transactions reviewed by the Court of Auditors, the quantifiable errors were the incorrect application of the scoring method for defining whether or not partner countries had met the conditions for performance-related payments and the failure to assess compliance with specific conditions for payments;

Effectiveness of systems

14. Expresses satisfaction that the Commission ensured at least partial implementation of all recommendations of the Court of Auditors annual reports for 2009 and 2010 on the EDFs implementation and calls upon the Commission to further ensure follow-up and implementation of recommendations entailed in the Court of Auditors' reports for 2011 and 2012;

15. Acknowledges that the implementation of the EDFs used numerous delivery methods with complex rules and procedures, covering 79 countries, which represents a high degree of inherent risk, according to the Court of Auditors' evaluation;

16. Is deeply concerned by the Court of Auditors' finding that the supervisory and control systems are only partially effective;

17. Notes with regret, as in the past, that EuropeAid's *ex ante* checks, carried out before the project payments were done, still remain vulnerable, according to the Court of Auditors' assessment; is worried by the fact that errors have been found, despite external audits and expenditure verifications;

18. Calls on the Commission to review the contracts with external auditors whose audit reports provided to EuropeAid or to Union delegations have proven not to conform to professional auditing requirements or provisions of contracts;

19. Calls on EuropeAid and Union delegations to focus more on the follow-up of external audits and expenditure verification reports, especially when the recovery of ineligible amounts is at stake;

20. Notes with regret the ongoing backlog due to late clearances and contract closures; notes its negative consequences, not only on the overall quality and reliability of the *ex ante* checks, but also on the traceability of operations, audit trails and the existence of supporting documentation; calls on EuropeAid to remedy to this issue without delay;

21. Calls on the Commission to continue its efforts to strengthen its current control systems, in particular to ensure a better business continuity and reliable document management as required by internal control standards, and to report annually to Parliament on the corrective actions implemented;

22. Remains seriously concerned about the shortcomings which remain in the management information system on the results and the follow-up of external audits and expenditure verifications, despite the Commission's commitment to improve the Common Relex Information System (CRIS) data quality in 2012; calls on the Commission to double efforts to develop and launch the CRIS-related audit module, and in particular the follow-up of all audit reports, in the immediate future;

23. Welcomes the efforts undertaken with regard to the use of key performance indicators relating to checks on payments delays and regular reminders to the staff involved in the payments management; encourages, furthermore, the improved use of risk assessment in the framework of the follow-up of the Union delegation's portfolio of projects;

24. Believes that increasing both staff awareness and control knowledge, despite staff constraints, of all the abovementioned issues and most recurrent errors is key; believes that constant efforts have to be made to improve the control systems and the chain at all operational levels and to improve EuropeAid's performance;

25. Welcomes the first measurement study on the residual error rate on closed transactions carried out by EuropeAid to estimate the financial impact of residual errors once all *ex ante* and *ex post* controls have been implemented; calls on the Commission to reinforce efforts to better analyse and document the main types of errors and to reduce the residual error rate (RER) in coming years;

26. Notes that on the basis of this study, the error rate was estimated at 3,6 % (representing an amount about EUR 259,5 million), compared to the 3 % estimated by the Court of Auditors; notes that the main causes identified are, in order of importance, weaknesses and errors made by international organisations implementing Union funded projects, amounts not being recovered following audits or expenditure verification missions, various errors regarding Union funds managed indirectly and a lack of documentation in tender procedures; expects that this work on the residual error rate will be fine-tuned further in 2013 towards improved reliability and the outcomes presented to Parliament;

27. Calls upon the Commission and the Court of Auditors to use a comparable audit approach in future years for the sake of a continuous and comparable assessment within the discharge procedure;

28. Notes that 85 % and 53 % of EuropeAid's 2010 Annual Audit Plan and 2011 Annual Audit Plan respectively was completed by the end of 2012; reiterates that the lack of (adequate) supporting documents and the incorrect application of the procurement procedures by contractors and beneficiaries are among the main weaknesses pointed out by the audit findings; calls on the Commission to further reinforce its control mechanisms and training policies in order to prevent the reoccurrence of those weaknesses in the future;

29. Calls on EuropeAid to continue developing the appropriate tools and actions in order to improve the overall effectiveness of the control pyramid within EuropeAid's Headquarters and Union delegations through targeted awareness raising activities or the increased use of the financial management toolkit by staff and beneficiaries;

30. Recalls firmly that the assurance building process also requires measures to reinforce the accountability of Union delegations and the quality and exhaustiveness of the reporting through the External Assistance Management Reports;

31. Calls on EuropeAid and the European External Action Service (EEAS) to reinforce the supervision of the Heads of Union delegations in their capacity as authorising officers by sub-delegation for the Commission with a view to increasing their accountability in the context of the establishment of the annual activity report;

32. Regrets the fact that despite last year's recommendation, no significant improvement could be observed in the functioning of the Internal Audit Capability which has a role to play in the improvement of the internal control system or in the cost-effectiveness analysis of the control architecture/mechanisms; expects, once again, that the situation will change in 2013;

33. Takes note of the absence of reported cases of whistleblowing, despite the existing quantifiable errors and the high risk environment; reiterates its call to the Commission to further develop both its whistleblowing policy, notably in Union delegations, and its anti-fraud strategy in order to detect double funding activities;

34. Asks the Commission to take into account the latest Union developments on beneficial ownership, as discussed in the forthcoming revised directive on the prevention of the use of the financial system for the purposes of money laundering and terrorist financing; asks the Commission to report back on this in its annual activity report;

35. Is concerned about Article 190(2) of Commission Delegated Regulation (EU) No 1268/2012 ([1]); notes that these rules are also stipulated in Articles 72 and 73 of the Cotonou Agreement for ACP countries; takes, in this regard, note of paragraphs 36, 37 and 76 of the Court of Auditors' special report No 14/2013 that state, inter alia, that in some cases, competitive tendering would have been feasible; calls upon the Commission to critically assess its rules for deviations from procurement procedures and to report back on this in its annual report;

([1]) Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p. 1).

Budget support

36. Notes that in 2012, EUR 891 million, representing 29 % of the overall EDF aid disbursement, was provided through budget support;

37. Welcomes the Court of Auditors' assessment, according to which general eligibility conditions, such as progress in public sector financial management, have been complied with;

38. Welcomes, since the introduction of the new policy outlined in the Commission's communication of 13 October 2011 entitled 'The Future Approach to EU Budget Support to Third Countries', the stronger focus placed on accountability, transparency and reinforced risk management in the management of budget support operations;

39. Welcomes the Commission's greater focus on the fight against fraud and corruption, in particular when assessing the Public Financial Management eligibility criterion in terms of budget support; notes in this respect that corruption and fraud constitute one of the five risk categories identified by the Commission as part of its risk management framework developed for budget support programme;

40. Takes note that programmes relating to good governance are financed in order to support developing countries in their fight against fraud, corruption and financial mismanagement; stresses that a corruption-free judicial system is a *condition sine qua non* to ensure good governance and the rule of law; calls on the Commission to put a strong emphasis on the judiciary reform programmes;

41. Notes that the phasing-in period of the risk management framework established for budget support programmes was completed as of the 2012 year-end and that the framework has been made mandatory for all new contracts and disbursements as of 1 January 2013; welcomes the strengthening of the risk management framework for budget support programmes and requests a report on the risk strategy and response implemented within the framework of the next discharge procedure;

42. Looks forward to the implementation of the Commission's commitment to align democratic scrutiny of the EDFs to the scrutiny exercised by Parliament over the Development Cooperation Instrument as formulated in Commission's communication of 29 June 2011 entitled 'A Budget for Europe 2020';

43. Takes note of EuropeAid's decision to create regional hubs in partner countries to enhance both the quality of budget support operations and policy dialogue; asks the Commission to report on the first results or lessons learned to the Parliament in the next discharge;

44. Acknowledges the Commission's room for manoeuvre in assessing whether the general eligibility conditions have been met to make the payments to the partner country, according to the differentiation principle and dynamic approach to eligibility; is concerned by the final use of the funds transferred and the lack of traceability when the Union's funds are merged within the partner country's budget resources;

45. Supports public disclosure of relevant budget information relating to budget support programmes in order to enhance domestic and mutual accountability, including to citizens;

46. Notes that evaluations of on-going EDF projects in Sub-Saharan countries concluded in 2012 indicate improvements in project design and relevance, impact and sustainability on the one hand but also continued problems relating to efficiency and effectiveness on the other hand, with just over half of the projects receiving good or very good marks ([1]); welcomes the launch in 2012 of comprehensive frameworks to build resilience in the Sahel (AGIR – *Alliance globale pour l'initiative Résilience – Sahel*) and the Horn of Africa (SHARE – Supporting HoA Resilience) to better address persistent food insecurity in these regions;

([1]) Commission Staff Working Document SWD(2013) 307 final accompanying the Annual Report 2013 on the European Union's Development and external assistance policies and their implementation in 2012 (p. 72) and Commission Staff Working Document SWD(2012) 242 final accompanying the Annual Report 2012 on the European Union's Development and external assistance policies and their implementation in 2011 (p. 67).

47. Is concerned by the high and increased percentage of evaluated projects in the Pacific region being assessed as having serious deficiencies and only 40,4 % of projects classed as 'good' or 'very good'; calls on the Commission to further investigate the causes of these deficiencies and to enhance in-country capacity in order to improve project design and implementation ([1]);

48. Notes positively the overall satisfaction and improved quality of projects in the Caribbean region where 75,47 % of projects were assessed as performing well or very well ([2]);

49. Calls on the Commission, however, to ensure that the disbursement of funds through budget support is withheld, reduced or cancelled when clear and initial objectives and commitments are not achieved and when the Union's political and financial interests are at stake;

50. Recalls that the risk of resources being diverted away remains high and that the risks of corruption and fraud are linked to public financial management and reforms; reiterates that stronger and constant attention should be paid to these risks by EuropeAid's Headquarters and by the Head of Union Delegation in the framework of the political and policy dialogue, especially to assess the responsiveness of the government concerned and its ability to enforce reforms;

Union support for governance in the Democratic Republic of the Congo

51. Calls on the Commission and the EEAS, in coordination with other development partners, including Member States, and with a view to programming for the 11th EDF and the design of future Union programmes, to pay increased attention to ensuring an appropriate balance of aid between all provinces, especially the poorer ones, in order to avoid geographical disparities in the distribution of development aid; calls for combined support at a central level for programmes at provincial level that link political and territorial decentralisation with improved natural resource management strategies and infrastructure rehabilitation and development; reconsiders Union support for the improved management of natural resources on the basis of a comprehensive needs assessment;

52. Calls on the Commission and the EEAS to place greater emphasis, in its dialogue with the Democratic Republic of the Congo (DRC) government, on the fact that democratic elections are a key component of governance; calls on the Commission and the EEAS to carefully assess all risks to ensure that Union programmes in this area do not support regime entrenchment;

53. Asks the Commission and the EEAS to promote improved DRC government accountability through increased support to strengthen the capacity of national oversight institutions, in particular the specialised committees of the National Assembly and the supreme audit institution;

54. Recalls in all governance areas covered by the Union cooperation strategy, to systematically consider the need to support the fight against fraud and corruption;

55. Insists that EDF funding should support the long-term restructuring of central judicial bodies in DRC in order to ensure the sustainable establishment of the rule of law in the country; notes in this respect REJUSCO and PAG, two programmes which were granted EUR 7,9 million and EUR 9 million from the 9th EDF; regrets that those programmes failed to achieve their anticipated outcomes and takes note that the Commission's contribution has consequently been reduced for REJUSCO and stopped in the case of PAG; calls on the Commission to assess the specific shortcomings encountered during the preparation and implementation of those two programmes in order to develop more sustainable programmes on the judicial reform with better-tailored objectives under the 11th EDF;

56. Considers at the outset of programmes and regularly during their implementation, the need to assess the likelihood and potential impact of the main risks to the achievement of programme objectives by appraising the relevance and credibility of the country's policies and action plans for improving governance in relation to the available institutional and financial resources and by monitoring progress against commitments made by the DRC authorities; calls for the establishment of measures to prevent or mitigate risks and to clearly define the course of action to be followed if risks become a reality;

([1]) Commission Staff Working Document SWD(2013) 307 final accompanying the Annual Report 2013 on the European Union's Development and external assistance policies and their implementation in 2012 (p. 120).
([2]) Ibid, p. 97.

57. Believes that the Commission should focus its objectives on a limited number of priorities, set out a time frame with regular evaluation assessments which is better adapted to the programme environment and provide for flexibility during programme implementation so that objectives can be adapted promptly where appropriate;

58. Considers that the Commission should strengthen their structured political and policy dialogue with the DRC; notes that this will involve, in full respect of the provisions of the Cotonou Agreement (in particular Article 96 thereof), (i) setting clear, relevant, realistic and time-bound targets which are mutually agreed upon with the national authorities, (ii) periodically assessing compliance with the agreed targets as part of the regular political dialogue with the government, and (iii) considering, after careful deliberation, the adaptation or, in exceptional cases, the suspension or termination of the programme if the DRC government shows insufficient commitment to compliance;

59. Urges the DRC government to adopt the necessary measures for improving the functioning of the thematic working groups and to monitor the implementation of those measures;

60. Invites the Commission to take a more active leadership role towards Member States by encouraging a coordinated policy dialogue and by increasing Union leverage over the DRC government;

Union aid to Haiti

61. Takes note of the fact that the Commission, notwithstanding the Parliament's resolutions in the context of the 2010 and 2011 discharge procedures, has not yet made public exhaustive performance indicators on which the budget support to the Republic of Haiti was based, neither the detailed assessments of the Government of the Republic of Haiti's performance on which the decision to give budget support was based;

62. Observes that the Commission and the Government of the Republic of Haiti are about to sign a State Building Contract, which should be in conformity with the new criteria for budget support as outlined in the Commission's Communication of 13 October 2011 entitled 'The Future Approach to EU Budget Support to Third Countries';

63. Asks the Commission to send the State Building Contract to Parliament as soon as possible, along with all the assessments upon which this contract is based; calls on the Commission to clarify in which way this contract is in line with the abovementioned Communication of the Commission;

64. Requests, particularly in light of recent concerns about the deterioration of the rule of law in Haiti and persistent low scores on international corruption indices, that the Commission explains to Parliament what performance targets have been set for the Haitian government in return for budget support and the modalities for the assessment of these targets;

65. Urges the Commission to ensure that, as announced, the impact evaluation is completed by April 2014, as provided for in paragraphs 62 and 63 of Parliament's resolution relating to the 2011 discharge procedure and is transmitted to Parliament;

66. Refers to the report of Parliament's CONT delegation that visited Haiti in 2012, which points out the need to greatly improve the public accessibility of information about the results achieved by Union-funded projects and programmes in Haiti;

67. Observes that since the publication of the CONT report and Union participation in the International Aid Transparency Initiative, some improvements have taken place;

68. Requests that the Commission reports on how Haitian Government reports on and accounts for Union funds received has developed since the CONT delegation found control systems inadequate and accounting for Union spending on an unacceptable level;

69. Urges the Commission to substantially speed-up the process of improving the monitoring and evaluation of Union funded projects and programmes and of making the resulting information publicly accessible in a user-friendly way, according to the letter and spirit of the International Aid Transparency Initiative;

Cooperation with international organisations and non-governmental organisations

70. Is concerned by the Court of Auditors' finding wherein errors were more frequently identified in operations relating to programme estimates, grants and contribution agreements between the Commission and international organisations than in other forms of support, representing 31 transactions out of the 71 tested (i.e. 44 %);

71. Reiterates the need for the reinforcement of the cooperation and contacts with international organisations on the errors found for transactions implemented by them and discussion on actions to be taken jointly in the future to prevent them;

72. Strongly believes that it is of utmost interest to exchange good practices in order to define similar and sustainable core principles of assurance in compliance with the Union Financial regulations;

73. Encourages all actions, furthermore, leading not only to a better mutual understanding of Union and World Bank methodologies but also reinforcing the overall quality and reliability of the control management with regard to the use of Trust funds; takes the view, to that purpose, that the European Commission's 7 Pillars Assessment constitutes a real benchmark for providing adequate level of assurance;

74. Welcomes the decision from the World Bank to endeavour to lift the restriction based on confidentiality and the working arrangement between the World Bank and the Commission whereby one contact person for each institution has been appointed to deal jointly with specific cases where access to documents still encounters some obstacles, both for the Court of Auditors' audit and for the Commission's Residual Error Rate study;

75. Welcomes the creation by the World Bank of a single point of entry for all Trust fund-related audits and verifications and the current process of setting up a streamlined framework for dealing with Trust Fund audit review questions; recalls the utmost interest of Parliament in the increased sharing of any relevant information relating to audits of EU-funded trust funds;

76. Is concerned by the on-going divergence of views between the Commission and the OECD Development Assistance Committee's secretariat about the Official Development Assistance (ODA) eligibility of European Investment Bank (EIB) loans; in the light of the upcoming revisions of ODA-criteria in 2015; encourages the Commission to resolve its disagreements in an orderly manner as this is important to ensure sound statistical data and comparable benchmarks of financial contributions that are considered to contribute towards development goals;

77. Encourages the EIB to foster its dialogue with non-governmental organisations (NGOs) while also ensuring, in the context of certain projects, that the legal status of NGOs associated with the implementation of projects is checked;

78. Asks the Commission to verify, when financing an NGO project, which part of the financing comes from the organisation's own private funding and which part of the financing from government funding, be it national or European; asks the Commission to publish a report each year about its findings;

The investment facility

79. Recalls that the funds allocated to the Investment Facility from the ninth and 10th EDF amounted to EUR 3 137 million;

80. Deplores, as in previous years, the fact that the investment facility is not covered by the Court of Auditors' Statement of Assurance or Parliament's discharge procedure, even though the projects are carried out by the EIB on behalf of and at the risk of the Union, using EDFs' resources; calls, therefore, for an end to be brought to the Tripartite Agreement during the October 2015 revision and include the investment facility in the normal discharge procedure;

81. Asks the Court of Auditors to draw up a Special Report on the performance and alignment with Union development policies and objectives of EIB external lending activities before the mid-term review of the EIB's external mandate and the mid-term review of the Investment Facility, as well as compare the added value with regards the own resources used by the EIB; asks the Court of Auditors, furthermore, to differentiate its analysis between the guarantees granted by the general budget of the Union and by the Member States, the investment facility endowed by the EDF and the usage of reflows for these investments, and the EIB's use of the various forms of blending used in the EU-Africa infrastructural trust fund and the Caribbean investment facility;

82. Welcomes the first report relating to the implementation of the EIB's new results measurement framework (REM) for better estimating the project's expected results and asks for the full methodology to be disclosed, in particular with regards the indicators used for alignment with Union development goals; invites the EIB to regularly issue the REM report and inform Parliament;

83. Encourages the EIB to fine-tune as necessary the REM framework by integrating the first feedbacks from all stakeholders involved, by keeping regular alignment with Union development policies and by indicating the REM's score per operation in APC or OCTs countries in the annual report;

84. Believes that improvements relating to interinstitutional collaboration have to be pursued, namely the increased work at programming level carried out by the Commission and the EEAS;

85. Believes that the EIB should continue to research a convergence of results reporting among the other co-financing international institutions along with the using of common indicators and definitions;

86. Takes the view that it is imperative to ensure a more visible Union by projecting Union values in various domains of intervention such as promoting human rights and rule of law, raising environmental and social standards and overall support for sustainable development and inclusive economic growth;

87. Supports, in the context of the Union's external policies, the progressive development of new financial products with the Commission and the Member States; backs the Investment Facility, in respect of the additionally principle, to continue offering these alternative financial conditions which are not usually available or accessible in local financial markets and that can be mobilised through the development of products blending Union grants, loans and risk sharing instruments or the use of guarantees; demands that best practices and well-defined eligibility criteria be defined for the use of those instruments, accompanied by structured reporting, monitoring and control conditions;

88. Asks the Commission to consider the development impact of the Investment Facility in its annual report to Parliament and Council on the Union's development and external assistance policies and their implementation and the annual activity report;

89. Calls on the Commission to provide a fully-fledged report on the impact and results of the implementation of financial facilities in the context of the platform for cooperation on blending and development policies;

90. Looks forward for the inclusion of the Investment Facility in the next evaluation report on Union support to private sector development;

Budgetisation of the EDF

91. Regrets that the EDF have not been included in the general budget in the new financial rules applicable to the general budget of the Union (Regulation (EU, Euratom) No 966/2012);

92. Recalls that Parliament, the Council and the Commission agreed that those financial rules would be revised in order to include amendments made necessary by the outcome of the negotiations on the multiannual financial framework for the years 2014 to 2020, including on the issue of the possible inclusion of the EDF in the general budget; repeats its call on the Council and Member States to agree to the full incorporation of the EDF into the general budget;

93. Underlines that budgetisation would reduce transaction costs and would simplify reporting and accounting requirements by having only one set of administrative rules and decision-making structures, instead of two;

94. Notes the commitment by the Commission to include the EDF in the general budget no later than when the Cotonou Agreement expires in 2020; emphasises, however, that it is the view of Parliament that it should happen as soon as possible;

95. Deplores that, in the context of the discussion of the future internal agreement for the 11th EDF, the Commission has not made a proposal for a single financial regulation in order to streamline the EDF's management;

96. Is concerned, as regards the implementation of the 11th EDF that entrusted entities can further entrust budget implementation tasks to other organisations governed by private law with a service contract, creating a cascade of trust relationships; recalls for this mode of implementation that those entrusted entities shall guarantee an effective level of protection of the Union's financial interests;

Follow-up of Parliament resolutions

97. Calls on the Court of Auditors to include in its next annual report a review of the follow-up to the Parliament's recommendations in Parliament's annual discharge resolution.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the eighth, ninth and 10th European Development Funds for the financial year 2012

(2014/560/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the Commission's report on the follow-up to the discharge for the 2011 financial year (COM(2013) 668) and to the Commission staff working documents accompanying that report (SWD(2013) 348 and SWD(2013) 349),

— having regard to the financial statements and revenue and expenditure accounts for the eighth, ninth and 10th European Development Funds for the financial year 2012 (COM(2013) 541 – C7-0283/2013),

— having regard to the Commission's Annual Report of 29 April 2013 on the financial management of the eighth, ninth and 10th European Development Funds in 2012,

— having regard to the financial information on the European Development Funds (COM(2013) 346),

— having regard to the annual report of the Court of Auditors on the activities funded by the eighth, ninth and 10th European Development Funds concerning the financial year 2012, together with the Commission's replies ([1]) and to the Court of Auditors' special reports,

— having regard to the statement of assurance ([2]) 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 2012 pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendations of 18 February 2014 concerning the discharge to be given to the Commission in respect of the implementation of the operations of the European Development Funds for the financial year 2012 (05748/2014 – C7-0050/2014, 05750/2014 – C7-0051/2014, 05753/2014 – C7-0052/2014),

— having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States, of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000 ([3]), as revised in Ouagadougou, Burkina Faso, on 22 June 2010 ([4]),

— having regard to Council Decision 2001/822/EC of 27 November 2001 on the association of the overseas countries and territories with the European Community ('Overseas Association Decision') ([5]),

— having regard to Article 33 of the Internal Agreement of 20 December 1995, between the representatives of the governments of the Member States, meeting within the Council, on the financing and administration of the Community aid under the Second Financial Protocol to the fourth ACP-EC Convention ([6]),

— having regard to Article 32 of the Internal Agreement of 18 September 2000, between Representatives of the Governments of the Member States, meeting within the Council, on the financing and administration of Community aid under the Financial Protocol to the Partnership Agreement between the African, Caribbean and Pacific States and the European Community and its Member States signed in Cotonou (Benin) on 23 June 2000, and the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies ([7]),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

([1]) OJ C 331, 14.11.2013, p. 261.
([2]) OJ C 334, 15.11.2013, p. 122.
([3]) OJ L 317, 15.12.2000, p. 3.
([4]) OJ L 287, 4.11.2010, p. 3.
([5]) OJ L 314, 30.11.2001, p. 1 and OJ L 324, 7.12.2001, p. 1.
([6]) OJ L 156, 29.5.1998, p. 108.
([7]) OJ L 317, 15.12.2000, p. 355.

— having regard to Article 74 of the Financial Regulation of 16 June 1998 applicable to development finance cooperation under the fourth ACP-EC Convention [1],

— having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the 9th European Development Fund [2],

— having regard to Article 142 of Council Regulation (EC) No 215/2008 of 18 February 2008 on the Financial Regulation applicable to the 10th European Development Fund [3],

— having regard to the Commission's proposal for a Council regulation on the Financial regulation applicable to the 11th European Development Fund (COM(2013) 660),

— having regard to the Commission's Communications of 13 October 2011 entitled 'Increasing the impact of EU development cooperation – an Agenda for Change' and 'The Future Approach to EU Budget Support to Third Countries',

— having regard to Rules 76 and 77, third indent of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Development (A7-0176/2014),

1. Notes that the final annual accounts of the eighth, ninth and 10th European Development Funds are as shown in Table 2 of the Court of Auditors' annual report;

2. Approves the closure of the accounts of the eighth, ninth and 10th European Development Funds for the financial year 2012;

3. Instructs its President to forward this decision to the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors and the European Investment Bank, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

[1] OJ L 191, 7.7.1998, p. 53.
[2] OJ L 83, 1.4.2003, p. 1.
[3] OJ L 78, 19.3.2008, p. 1.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the European Agency for the Cooperation of Energy Regulators for the financial year 2012

(2014/561/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Agency for the Cooperation of Energy Regulators for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Agency for the Cooperation of Energy Regulators for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators ([4]), and in particular Article 24 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0208/2014),

1. Grants the Director of the European Agency for the Cooperation of Energy Regulators discharge in respect of the implementation of the Agency's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Director of the European Agency for the Cooperation of Energy Regulators, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 1.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 211, 14.8.2009, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Agency for the Cooperation of Energy Regulators for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Agency for the Cooperation of Energy Regulators for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Agency for the Cooperation of Energy Regulators for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators ([4]), and in particular Article 24 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0208/2014),

A. whereas, according to its financial statements, the final budget of the European Agency for the Cooperation of Energy Regulators ('the Agency') for the financial year 2012 was EUR 7 241 850, representing an increase of 51, 11 % compared to 2011, which can be explained by the Agency's recently established nature; whereas the entire budget of the Agency derives from the Union budget,

B. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2012 are reliable and that the underlying transactions are legal and regular,

Follow-up of 2011 discharge

1. Notes from the Court of Auditors' report that regarding the three comments made in 2011, two corrective actions taken in response to the previous year's comments are marked as 'ongoing' and one as 'completed';

([1]) OJ C 365, 13.12.2013, p. 1.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 211, 14.8.2009, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

2. Acknowledges from the Agency that:

— with regard to budgetary and financial management, detailed guidelines of the process for the establishment of the annual budget have been developed, containing a clear allocation of responsibilities, internal deadlines, expected outputs and methodological support to the actors involved; acknowledges that budget line managers are receiving extensive methodological reports in order to guarantee the effectiveness and consistency of the newly-introduced zero line item budgeting,

— the budgetary forecasting component has been introduced in the budget implementation report to provide the information needed for the monitoring of commitments and payments,

— the transparency of recruitment procedures has been improved by specifying in vacancy notices the maximum number of candidates to be put on a reserve list and by making a clear reference to the possibility of appeal, as well as by preparing the questions for written tests and interviews and their weightings before the examination of the applications;

Comments on the legality and regularity of transactions

3. Notes with concern that in order to cover higher school fees, the Agency grants staff whose children attend primary or secondary school a top-up allowance which amounted to some EUR 23 000 in 2012, in addition to the education allowances provided for in the Staff Regulations of the Officials of the European Communities ('the Staff Regulations'); notes that these allowances are not covered by the Staff Regulations and are, therefore, considered irregular by the Court of Auditors; acknowledges, however, that this situation is due to the lack of European Schools in the city the Agency is based in and that the purpose of these top-ups is to ensure equal treatment of the Agency's employees under the Staff Regulations;

Budget and financial management

4. Notes that budget monitoring efforts during the financial year 2012 resulted in a budget implementation rate of 93,75 % and that the payment appropriations execution rate was 66,8 %;

5. Regrets that the Agency carried over committed appropriations under title II (Agency's building and associated costs) of its budget amounting to EUR 1 700 000, representing 81 % of total committed title II appropriations; notes that these carry-overs mainly relate to the implementation of the REMIT regulation, which is on-going; draws the Agency's attention to the Court of Auditors' observation that since the implementation is linked to the Agency's operational activities, it should normally have been budgeted under title III;

6. Notes with concern that the Agency held EUR 4 200 000 in cash at the end of the year, including the 2011 budget surplus of EUR 1 600 000 resulting from an excessive call for funds in 2011, and that this surplus was recovered by the Commission in January 2013; is of the opinion that this is not consistent with rigorous treasury management;

7. Believes that while none of the problems mentioned in this resolution are of a serious nature in and of themselves, nevertheless, taken as a whole, there is obviously a clear need for improvement from the Agency's side as regards following basic guidelines in light of next year's procedure; calls on the Agency to report on its progress within the framework of the 2012 discharge follow-up;

Transfers

8. Notes with concern that in 2012, the Agency made 20 budget transfers of some EUR 1 000 000, affecting 43 budget lines, which indicates weaknesses in budget planning;

Procurement and recruitment procedures

9. Notes with concern that the audited recruitment procedures revealed shortcomings affecting transparency and equal treatment of candidates, namely that questions for interviews and tests were not set before the examination of the applications, the conditions for admission to written tests and interviews and for inclusion in the list of suitable candidates were not specified in sufficient detail and the measures taken to ensure the anonymity of candidates sitting written tests were inadequate; calls on the Agency to remedy this situation and to inform the discharge authority on the progress in this regard within the framework of the 2012 discharge follow-up;

Prevention and management of conflicts of interests and transparency

10. Acknowledges that the Agency is reviewing its policy on the prevention and management of conflicts of interests on the basis of the Commission's Guidelines on the Prevention and Management of Conflict of Interest in EU Decentralised Agencies; calls on the Agency to inform the discharge authority of the assessment results once available;

11. Observes that the CVs and declarations of interests of the Board of Regulators' members, the Director, senior management and the experts participating in the Agency's expert groups, as well as the CVs of the Administrative Board and Board of Appeal's members are not publicly available; calls on the Agency to remedy the situation as a matter of urgency;

Internal audit

12. Acknowledges from the Agency that in 2012, the Agency signed a Mission Charter with the Commission's Internal Audit Service (IAS) and received its first visit in February 2012, when the IAS carried out a full risk assessment of the Agency's operational, administrative and support processes, with the aim of establishing the audit strategy of the IAS for 2013-2015, as well as a limited review of the implementation of the Internal Control Standards; notes that during the risk analysis, the lAS identified processes of high inherent risk which still need to be improved, in particular planning and monitoring, performance appraisal and career development, document management and data management, facility management, logistics, security, stakeholder relations and communication, monitoring of the internal market, national regulatory authorities cooperation and monitoring the implementation of network codes; notes that the Agency submitted an action plan with the objective of improving the controls in those processes and that the plan has been endorsed by the IAS;

Performance

13. Requests that the Agency communicate the results and impact its work has on European citizens in an accessible way, mainly through its website;

14. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 3 April 2014 [1] on the performance, financial management and control of the agencies.

---

[1] Texts adopted, P7_TA(2014)0299 (see page 359 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the European Agency for the Cooperation of Energy Regulators for the financial year 2012

(2014/562/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Agency for the Cooperation of Energy Regulators for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Agency for the Cooperation of Energy Regulators for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators ([4]), and in particular Article 24 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0208/2014),

1. Approves the closure of the accounts of the European Agency for the Cooperation of Energy Regulators for the financial year 2012;

2. Instructs its President to forward this Decision to the Director of the European Agency for the Cooperation of Energy Regulators, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 1.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 211, 14.8.2009, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the Translation Centre for the Bodies of the European Union for the financial year 2012

(2014/563/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Translation Centre for the Bodies of the European Union for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the Translation Centre for the Bodies of the European Union for the financial year 2012, together with the Centre's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 2965/94 of 28 November 1994 setting up a Translation Centre for Bodies of the European Union ([4]), and in particular Article 14 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0205/2014),

1. Grants the Director of the Translation Centre for the Bodies of the European Union discharge in respect of the implementation of the Centre's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Director of the Translation Centre for the Bodies of the European Union, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 15.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 314, 7.12.1994, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the Translation Centre for the Bodies of the European Union for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Translation Centre for the Bodies of the European Union for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the Translation Centre for the Bodies of the European Union for the financial year 2012, together with the Centre's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 2965/94 of 28 November 1994 setting up a Translation Centre for Bodies of the European Union ([4]), and in particular Article 14 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0205/2014),

A. whereas according to its financial statements, the final budget of the Translation Centre for the Bodies of the European Union ('the Centre') for the financial year 2012 was EUR 48 292 749, representing a decrease of 5,86 % compared to 2011,

B. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Centre's annual accounts for the financial year 2012 are reliable and that the underlying transactions are legal and regular,

([1]) OJ C 365, 13.12.2013, p. 15.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 314, 7.12.1994, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

Budget and financial management

1. Notes that budget monitoring efforts during the financial year 2012 resulted in a budget implementation rate of 87,45 % and that the payment appropriations execution rate was 90,23 %;

2. Notes with concern that according to the Court of Auditors' report, the Centre held cash and short term deposits amounting to EUR 35 million at the end of 2012; notes that the Centre cannot adjust prices during the year in order to balance income and expenditure, although it has occasionally refunded its clients in order to reduce the surplus; calls on the Centre, together with the Commission, to propose a remedy to this situation;

Commitments and carry-overs

3. Acknowledges that the Court of Auditors' annual audit has found no notable issues as regards the level of carry-overs in 2012; commends the Centre for adhering to the principle of annuality and for the timely execution of its budget;

Transfers

4. Notes with satisfaction that according to the annual activity report, as well as the Court of Auditors' audit findings, the level and nature of transfers in 2012 have remained within the limits of the financial rules; commends the Centre for its good budgetary planning;

Procurement and recruitment procedures

5. Notes that for the year 2012, neither sampled transactions nor other audit findings have led to any comments on the Centre's procurement procedures in the Court of Auditors' annual audit report;

6. Notes that the Court of Auditors in its annual audit report for 2012 made no comments as regards the Centre's recruitment procedures;

Prevention and management of conflicts of interests and transparency

7. Acknowledges that the Centre will assess its policy on the prevention and management of conflicts of interests on the basis of the Commission's Guidelines on the Prevention and Management of Conflict of Interest in EU Decentralised Agencies; calls on the Centre to inform the discharge authority of the assessment results once available;

8. Observes that the CVs and declarations of interests of the Management Board members, the Executive Director and senior management are not publicly available; calls on the Centre to remedy the situation as a matter of urgency;

Performance

9. Requests that the agency communicate the results and impact its work has on European citizens in an accessible way, mainly through its website;

10. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 3 April 2014 [1] on the performance, financial management and control of the agencies.

---

[1] Texts adopted, P7_TA(2014)0299 (see page 359 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the Translation Centre for the Bodies of the European Union for the financial year 2012

(2014/564/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Translation Centre for the Bodies of the European Union for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the Translation Centre for the Bodies of the European Union for the financial year 2012, together with the Centre's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 2965/94 of 28 November 1994 setting up a Translation Centre for Bodies of the European Union ([4]), and in particular Article 14 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0205/2014),

1. Approves the closure of the accounts of the Translation Centre for the Bodies of the European Union for the financial year 2012;

2. Instructs its President to forward this Decision to the Director of the Translation Centre for the Bodies of the European Union, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 15.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 314, 7.12.1994, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the European Centre for the Development of Vocational Training for the financial year 2012

(2014/565/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Centre for the Development of Vocational Training for the financial year 2012, together with the Centre's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EEC) No 337/75 of the Council of 10 February 1975 establishing a European Centre for the Development of Vocational Training ([4]), and in particular Article 12a thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0207/2014),

1. Grants the Director of the European Centre for the Development of Vocational Training discharge in respect of the implementation of the Centre's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Director of the European Centre for the Development of Vocational Training, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 21.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 39, 13.2.1975, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Centre for the Development of Vocational Training for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Centre for the Development of Vocational Training for the financial year 2012, together with the Centre's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EEC) No 337/75 of the Council of 10 February 1975 establishing a European Centre for the Development of Vocational Training ([4]), and in particular Article 12a thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0207/2014),

A. whereas, according to its financial statements, the final budget of the European Centre for the Development of Vocational Training ('the Centre') for the financial year 2012 was EUR 19 216 951, representing an increase of 1,83 % compared to 2011,

B. whereas, according to its financial statements, the overall contribution of the Union to the Centre's budget for 2012 amounted to EUR 16 933 900, representing a decrease of 0,31 % compared to 2011,

C. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Centre's annual accounts for the financial year 2012 are reliable and that the underlying transactions are legal and regular,

([1]) OJ C 365, 13.12.2013, p. 21.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 39, 13.2.1975, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Acknowledges the essential role of the Centre in the promotion of vocational education and training (VET) in the Union at a time when new methods of training are needed; stresses the relevance of its contribution to policies aimed at exploring VET's potential to support economic development and facilitate the transition from learning to employment, particularly in the context of economic recession; notes that the presence of various stakeholders shows an increased demand for the Centre's expertise and analytical capacity;

Follow-up of 2011 discharge

2. Notes from the Court of Auditors' report that the status of one corrective action taken in response to its previous year's comments is marked as 'ongoing', one is marked as 'completed' and one is marked as 'partially completed' and 'partially ongoing';

3. Notes from the Centre's annual activity report that the its work programme was implemented as planned; welcomes the Centre's achievements in the fields set out in the medium-term priorities (2012-2014) as indicated by the Centre's performance measurement system linked to the work programme;

4. Acknowledges from the Centre that:

— a comprehensive procurement planning and budgetary monitoring was developed which helped reduce the number of transfers in 2012 by more than 25 % and that a methodology was developed, including parameters, projections and steps for improving its forecasting of Title I related expenditure,

— structural measures were implemented in order to address the deficiencies related to the financing of grants for vocational education and training, namely an adapted schedule for deliverables by the network and final implementation reports throughout the first semester; the preparation of the operational verification using check lists focusing on exchange rates, consistency between audit certificates and reports and identifying mistakes in calculations; the provision of refined guidelines to the network members regarding the preparation of final implementation reports in order to avoid frequent or long suspensions of invoices and the application of a monthly monitoring mechanism of the delivery of final implementation reports,

— in order to implement the Commission's Internal Audit Service (IAS) recommendations from 2010, a comprehensive business continuity plan was finalised and approved which assesses the risk of potential disruptions, defines the critical functions and response times needed and includes an action plan for its implementation;

Budget and financial management

5. Notes that budget monitoring efforts during the financial year 2012 resulted in a budget implementation rate of 99,68 % and that the payment appropriations execution rate was 94,44 %;

Commitments and carry-overs

6. Notes that carry-overs of committed appropriations were high for Title II at 39 %; acknowledges that according to the Court's annual report, this was mainly due to reasons beyond the Centre's control;

Transfers

7. Notes that according to the annual activity report, as well as the Court of Auditors' audit findings, the level and nature of transfers in 2012 have remained within the limits of the financial rules, and commends the Centre for its good budgetary planning;

Procurement and recruitment procedures

8. Notes that for the year 2012, neither sampled transactions nor other audit findings have led to any comments on the Centre's procurement procedures in the Court of Auditors' annual audit report;

9. Notes with concern that according to the Court of Auditors' findings, members of the pre-selection committee did not sign a declaration as regards the absence of conflicts of interest for the two recruitment procedures for the post of the Centre's Director, which had been launched in 2010 and 2011 and had been declared unsuccessful; expresses concern that questions for interviews and their weightings, as well as the threshold scores for inclusion in the list of suitable candidates, were set after the screening of candidates;

Prevention and management of conflicts of interests and transparency

10. Acknowledges that the Centre will assess its policy on the prevention and management of conflicts of interests on the basis of the Commission's Guidelines on the Prevention and Management of Conflicts of Interest in EU Decentralised Agencies; calls on the Centre to inform the discharge authority of the assessment results once available;

11. Observes that the CVs and declarations of interests of the Governing Board members, as well as the declarations of interests of the Executive Director and senior management, are not publicly available; calls on the Centre to remedy the situation as a matter of urgency;

Comments on internal controls

12. Regrets that according to the Court of Auditors' annual report, the staff costs claimed by beneficiaries are not usually being verified on the basis of original supporting documentation, even though the Centre's *ex ante* verifications of grants (awarded on an annual basis to a network of national partners) consist of a comprehensive desk-analysis of cost claims submitted by grant beneficiaries, as well as a review of certificates obtained from external auditors which were contracted by the beneficiaries or of certificates from independent public officers; regrets the fact that related *ex post* verifications were last carried out in 2009 and stresses the need to carry out *ex post* verifications in order to enhance the procedure; notes with concern that according to the Court of Auditors' findings, *ex ante* verifications provide only limited assurances and suggests that *ex ante* verification procedures should be strengthened; calls on the Centre to address this issue and to report to the discharge authority on the steps taken within the framework of the 2012 discharge follow-up;

Internal audit

13. Acknowledges from the Centre that the IAS carried out a risk assessment exercise for 2012 and identified five risk issues as critical; notes that those five issues were included in the Centre's annual risk management plan for 2012 as a part of Centre's work programme for 2012); acknowledges that the actions taken on three of those issues are completed, and the actions on the remaining two critical risks are on-going;

Performance

14. Requests that the Centre communicate the results and impact its work has on European citizens in an accessible way, mainly through its website;

15. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 3 April 2014 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted, P7_TA(2014)0299 (see page 359 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the European Centre for the Development of Vocational Training for the financial year 2012

(2014/566/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Centre for the Development of Vocational Training for the financial year 2012, together with the Centre's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EEC) No 337/75 of the Council of 10 February 1975 establishing a European Centre for the Development of Vocational Training ([4]), and in particular Article 12a thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0207/2014),

1. Approves the closure of the accounts of the European Centre for the Development of Vocational Training for the financial year 2012;

2. Instructs its President to forward this Decision to the Director of the European Centre for the Development of Vocational Training, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 21.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 39, 13.2.1975, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the European Police College for the financial year 2012

(2014/567/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Police College for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Police College for the financial year 2012, together with the College's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Decision 2005/681/JHA of 20 September 2005 establishing the European Police College (CEPOL) ([4]), and in particular Article 16 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Commission Decision C(2011) 4680 of 30 June 2011 granting consent to a derogation requested by the European Police College from Regulation (EC, Euratom) No 2343/2002,

— having regard to the report of the European Police College of 12 July 2010 on the Reimbursement of Private Expenditure (10/0257/KA),

— having regard to the external audit commissioned by the European Police College (Contract Ref. No CEPOL/2010/001) on the reimbursement of private expenditure,

— having regard to the final report on the five-year external evaluation of the European Police College (Contract Ref. No CEPOL/CT/2010/002),

— having regard to the Annual Activity Report 2009 of the Directorate-General for Justice, Freedom and Security,

— having regard to the fourth progress report of the European Police College on the implementation of its Multi-annual Action Plan (MAP) for 2010-2014,

— having regard to the Court of Auditors' report on the implementation of the European Police College MAP for 2010-2014,

— having regard to the note of the Internal Audit Service (IAS) of 4 July 2011 (Ref. Ares (2011) 722479) on the third progress report on the implementation of the European Police College MAP for 2010-2014,

([1]) OJ C 365, 13.12.2013, p. 29.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 256, 1.10.2005, p. 63.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

— having regard to the report and annexes of the European Police College on the implementation of the European Parliament's resolution on '2009 Discharge: European Police College',

— having regard to the report and annex of the European Police College on the application of its Procurement Manual for the period covering 1 July 2010 - 1 July 2011,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A7-0240/2014),

1. Grants the Director of the European Police College discharge in respect of the implementation of the College's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Director of the European Police College, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Police College for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Police College for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Police College for the financial year 2012, together with the College's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]) ('the Financial Regulation'), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Decision 2005/681/JHA of 20 September 2005 establishing the European Police College (CEPOL) ([4]), and in particular Article 16 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002, on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Commission Decision C(2011) 4680 of 30 June 2011 granting consent to a derogation requested by the European Police College from Regulation (EC, Euratom) No 2343/2002,

— having regard to the report of the European Police College of 12 July 2010 on the Reimbursement of Private Expenditure (10/0257/KA),

— having regard to the external audit commissioned by the European Police College (Contract Ref. No CEPOL/2010/001) on the reimbursement of private expenditure,

— having regard to the final report on the five-year external evaluation of the European Police College (Contract Ref. No CEPOL/CT/2010/002),

— having regard to the Annual Activity Report 2009 of the Directorate-General Justice, Freedom and Security,

— having regard to the fourth progress report of the European Police College on the implementation of its Multi-annual Action Plan (MAP) for 2010-2014,

([1]) OJ C 365, 13.12.2013, p. 29.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 256, 1.10.2005, p. 63.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

— having regard to the Court of Auditors' report on the implementation of the European Police College MAP for 2010-2014,

— having regard to the note of the Internal Audit Service (IAS) of 4 July 2011 (Ref. Ares (2011) 722479) on the third progress report on the implementation of the European Police College MAP for 2010-2014,

— having regard to the report and annexes of the European Police College on the implementation of the European Parliament's resolution on '2009 Discharge: European Police College',

— having regard to the report and annex of the European Police College on the application of its Procurement Manual for the period covering 1 July 2010 - 1 July 2011,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A7-0240/2014),

A. whereas according to its financial statements, the final budget of the European Police College ('the College') for the financial year 2012 was EUR 8 450 640, representing an increase of 1,31 % compared to 2011; whereas the entire budget of the Authority derives from the Union budget,

B. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the College's annual accounts for the financial year 2012 are reliable and that the underlying transactions are legal and regular,

Follow-up of 2011 discharge

1. Notes from the Court of Auditors' report that the status of three out of four corrective actions taken in response to the previous year's comments are outstanding, while one corrective action is marked as ongoing;

2. Acknowledges from the College that:

— the high level of carry-overs mainly arose from the fact that the costs relating to courses organised in the last months of 2011 under the grant agreements were not due for reimbursement until the beginning of 2012 and that the cancellations are mainly explained by grant beneficiaries in the Member States implementing the courses with less money than initially budgeted,

— the budget implementation monitoring and the monitoring of the use of individual commitments have been improved, with an additional focus on commitments that have been carried over,

— in order to improve financial management and prevent a recurrence of situations such as the use of payments on incorrect budget lines which were related to 'Courses and seminars', the College implemented a rationalisation process of its budget structure by reducing the number of budget lines involved in the creation of a commitment for courses,

— a new procedure for budget transfers has been developed and is expected to be approved and that improved budget structure together with increased supervision on budget implementation and further improvements of the budget procedures are expected to put the budget transfers on a decreasing trend;

Budget and financial management

3. Notes that budget monitoring efforts during the financial year 2012 resulted in a budget implementation rate of 95,1 % and that the payment appropriations execution rate was 76 %;

Commitments and carry-overs

4. Notes with concern that out of the committed appropriations carried over from 2011 amounting to EUR 1 700 000, EUR 700 000 (41,2 %) were cancelled in 2012; acknowledges that this was mainly due to lower than estimated costs to be reimbursed under the 2011 grant agreements (EUR 440 000 of cancelled carry-overs);

5. Notes that the level of committed 2012 appropriations for the different titles varied between 90 % and 99 % of total appropriations, indicating that legal commitments were made in a timely manner; notes that the level of committed appropriations carried over to 2013 was high for title III (operating expenditure) as it amounted to EUR 1 500 000 (36 %); acknowledges that this was not due to delays in implementing the College's 2012 annual work programme but mainly arose from the carry-over referred to in paragraph 6 and from the fact that costs relating to courses that were organised in the last months of 2012 under 2012 grant agreements were not due for reimbursement until the beginning of 2013;

6. Regrets that the carry-over to 2013 of committed appropriations amounting to EUR 355 500 for the 2013 Exchange Programme (scheduled to take place between March and November 2013) was done in the absence of any reference to the 2013 Exchange Programme in the College's 2012 annual work programme; notes that as no financing decision had been made on the matter in 2012, this carry-over is irregular;

Transfers

7. Notes that in 2012, the College made 37 budgetary transfers amounting to EUR 1 000 000, of which 36 were within their respective titles;

Procurement and recruitment procedures

8. Reminds the College of the need to ensure full compliance with the 'Guide to CEPOL recruitment' and to further improve the transparency of recruitment procedures; notes with concern that vacancy notices were not always published at least six weeks before applications were due and that there was no evidence that assessors ensured that the rules for the submission of applications had been respected; expresses concern that the selection criteria that were applied did not always match those that had been specified in the vacancy notices and that there were major delays in some cases in the examination of applications;

Prevention and management of conflicts of interests and transparency

9. Acknowledges that the College will review its conflicts of interests arrangements currently in place with the aim of developing a specific conflict of interest policy in 2014 on the basis of the Commission's Guidelines on the Prevention and Management of Conflicts of Interests in EU Decentralised Agencies; notes that members of the Governing Board and working groups or other categories of stakeholders directly collaborating with the College but not employed by the College will be considered within the scope of this exercise; calls on the College to inform the discharge authority on the review results once available;

10. Observes that the CVs and declarations of interests of the Governing Board members, the Executive Director and the senior management are not publicly available; calls on the College to remedy the situation as a matter of urgency;

Internal audit

11. Acknowledges from the College that in 2012 the Commission's Internal Audit Service (IAS) carried out an audit on procurement, as well as a follow up of earlier recommendations; acknowledges that the College's internal control capability carried out an *ex post* verification of management and control systems in two areas; notes that the IAS audit resulted in two very important and five important recommendations; acknowledges that the College prepared an action plan which was accepted by the IAS and it implemented immediate measures addressing the two very important recommendations; notes that all recommendations from previous IAS reports (2011 and earlier) have been closed;

Other comments

12. Notes with concern that discussions about the College's future, which have been ongoing for several years, have created a situation of uncertainty which continues to hamper business planning and implementation;

13. Stresses that the issue of the College's future seat has to be clarified as soon as possible before the end of 2014, for reasons relating to staff and budget planning which have been highlighted by the Court of Auditors;

14. Stresses that, when selecting a new seat for the College, economic factors must be taken in consideration;

15. Stresses that the Commission's proposal to merge the College with the European Police Office was rejected by a large majority in the Council and that an initiative by 25 Member States proposed to amend the College's founding Decision 2005/681/JHA by means of a Regulation to be adopted under the codecision procedure;

16. Stresses the need to maximise predictability so as to ensure that the move to the new seat is carried out in accordance with sound financial management principles; takes the view that, to this end, the United Kingdom should bear the College's removal costs, given that it decided unilaterally not to host the College;

Performance

17. Requests that the College communicate the results and impact its work has on European citizens in an accessible way, mainly through its website;

18. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 3 April 2014 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted, P7_TA(2014)0299 (see page 359 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the European Police College for the financial year 2012

(2014/568/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Police College for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Police College for the financial year 2012, together with the College's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Decision 2005/681/JHA of 20 September 2005 establishing the European Police College (CEPOL) ([4]), and in particular Article 16 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Commission Decision C(2011) 4680 of 30 June 2011 granting consent to a derogation requested by the European Police College from Regulation (EC, Euratom) No 2343/2002,

— having regard to the report of the European Police College of 12 July 2010 on the Reimbursement of Private Expenditure (10/0257/KA),

— having regard to the external audit commissioned by the European Police College (Contract Ref. No CEPOL/2010/001) on the reimbursement of private expenditure,

— having regard to the final report on the five-year external evaluation of the European Police College (Contract Ref. No CEPOL/CT/2010/002),

— having regard to the Annual Activity Report 2009 of the Directorate-General Justice, Freedom and Security,

— having regard to the fourth progress report of the European Police College on the implementation of its Multi-annual Action Plan (MAP) for 2010-2014,

— having regard to the Court of Auditors' report on the implementation of the European Police College MAP for 2010-2014,

([1]) OJ C 365, 13.12.2013, p. 29.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 256, 1.10.2005, p. 63.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

— having regard to the note of the Internal Audit Service (IAS) of 4 July 2011 (Ref. Ares (2011) 722 479) on the third progress report on the implementation of the European Police College MAP for 2010-2014,

— having regard to the report and annexes of the European Police College on the implementation of the European Parliament's resolution on '2009 Discharge: European Police College',

— having regard to the report and annex of the European Police College on the application of its Procurement Manual for the period covering 1 July 2010 - 1 July 2011,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A7-0240/2014),

1. Approves the closure of the accounts of the European Police College for the financial year 2012;

2. Instructs its President to forward this Decision to the Director of the European Police College, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the European Aviation Safety Agency for the financial year 2012

(2014/569/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Aviation Safety Agency for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 216/2008 of the European Parliament and of the Council ([4]) establishing a European Aviation Safety Agency, and in particular Article 60 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A7-0221/2014),

1. Grants the Executive Director of the European Aviation Safety Agency discharge in respect of the implementation of the Agency's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Executive Director of the European Aviation Safety Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 66.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 79, 19.3.2008, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Aviation Safety Agency for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Aviation Safety Agency for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 216/2008 of the European Parliament and of the Council ([4]) establishing a European Aviation Safety Agency, and in particular Article 60 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A7-0221/2014),

A. whereas according to its financial statements, the final budget of the European Aviation Safety Agency ('the Agency') for the financial year 2012 was EUR 158 848 191, representing an increase of 7 % compared to 2011,

B. whereas the overall contribution of the Union to the Agency's budget for 2012 amounted to EUR 38 651 354,83, representing an increase of 6,95 % compared to 2011,

C. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2012 are reliable and that the underlying transactions are legal and regular,

([1]) OJ C 365, 13.12.2013, p. 66.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 79, 19.3.2008, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Highlights the Agency's vital role in ensuring the highest possible level of aviation safety throughout Europe; notes, furthermore, that the current review of the Single European Sky legislation could lead to greater powers being accorded to the Agency; stresses that, should this be the case, the Agency will need to be given the financial, material and human resources it needs to perform its tasks successfully;

Follow-up of 2011 discharge

2. Notes from the Court of Auditors' report on the annual accounts that regarding the five comments made in 2011, two corrective actions taken in response to the previous year's comments are marked as 'ongoing' and three as 'completed';

3. Acknowledges from the Agency that:

— the level of title III carry-overs, excluding fees and charges, was considerably reduced in 2012 to EUR 6 200 000 (46 %),

— work instructions for both fixed assets management and inventory management have been adopted and a full inventory was carried out in 2012, which resulted in the disposal of a number of fully depreciated assets,

— in order not to hold cash funds in only one bank, a negotiated tender for opening bank accounts was launched in 2013, based on strict criteria as regards the credit rating of the prospective banks; notes that the selected bank has an excellent credit rating and once a contract is signed, the Agency's cash funds will be transferred to this bank depending on the balance between credit risk and interest rate,

— measures and controls have been put in place to allow for the recruitment of the necessary experts from the industry, at the same time avoiding potential conflicts of interest situations; observes, moreover, that the conflicts of interest training is finalised and that regular training is put in place for newcomers;

Budget and financial management

4. Notes that the overall level of appropriations committed was 95 %, varying between 96 % for title I (staff expenditure), 95 % for title II (administrative expenditure) and 89 % for title III (operational expenditure);

5. Notes with concern that carry-overs of committed appropriations were high for title III at 46 %; stresses that, although this is partly justified by the multiannual nature of the Agency's operations and by the duly justified carry-overs included in the Court of Auditors' sample, nevertheless such a high level is at odds with the budgetary principle of annuality;

Transfers

6. Notes with satisfaction that according to the annual activity report as well as the Court of Auditors' audit findings, the level and nature of transfers in 2012 have remained within the limits of the financial rules; commends the Agency for its good budgetary planning;

Procurement and recruitment procedures

7. Notes with concern that in one of the audited recruitment procedures, the selected candidate did not meet the requirements of the Staff Regulations of Officials of the European Communities as regards university degrees or equivalent professional training; calls on the Agency to provide an explanation as to how it could have happened;

Prevention and management of conflicts of interests and transparency

8. Welcomes the Agency's adoption of the 'cooling off period' of non-assignment for a year, so that anyone new to the organisation is not allocated work on files they had directly worked on in the previous five years;

9. Notes that following the recommendation of the discharge authority, the Agency will include information and statistics on the management of conflicts of interests in its 2013 annual activity report;

10. Notes that the Agency is currently assessing the declarations of interests of managers and of person holding sensitive functions; regrets, however, that the CVs and declarations of interests of Management Board members and observers, as well as the declarations of interests of the Executive Director, are still not publicly available on the Agency's website; calls on the Agency to remedy the situation as a matter of urgency;

11. Regrets the lack of information available on the Agency's website regarding the members of the Board of Appeal; believes that the names, CVs and declarations of interests of those members should be made public; therefore, calls on the Agency to remedy the situation as a matter of urgency;

Internal controls

12. Notes with concern that while the Agency established a standard procedure for *ex ante* verifications, the related checklists were not completed and documentation justifying the validation of expenditure was not always available; calls on the Agency to take steps to rectify this and to report on its actions within the framework of the 2012 discharge follow-up;

13. Regrets the fact that although a methodology for *ex post* verifications was approved in 2009 and that the Agency made further developments in its implementation, room for improvement still exists in some areas, namely that there is still no annual planning of verifications, that the sample of transactions to be checked is not risk-based and that the methodology does not cover public procurement procedures; calls on the Agency to further improve its performance in this regard and to report on the progress made within the framework of the 2012 discharge follow-up;

Internal audit

14. Acknowledges from the Agency that in 2012, the Commission's Internal Audit Service (IAS) performed a limited review of IT projects management, which led to two very important recommendations; notes that the IAS also carried out an assessment of the progress made by the Agency in implementing its recommendations resulting from its earlier audits (2006-2011); observes that the IAS confirmed that the Agency has adequately implemented 22 out of 23 recommendations, while the remaining one was reported by the Agency as implemented and waiting for final assessment by IAS;

Performance

15. Requests that the Agency communicate the results and impact its work has on European citizens in an accessible way, mainly through its website;

16. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 3 April 2014 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted, P7_TA(2014)0299 (see page 359 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the European Aviation Safety Agency for the financial year 2012

(2014/570/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Aviation Safety Agency for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 216/2008 of the European Parliament and of the Council ([4]) establishing a European Aviation Safety Agency, and in particular Article 60 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A7-0221/2014),

1. Approves the closure of the accounts of the European Aviation Safety Agency for the financial year 2012;

2. Instructs its President to forward this Decision to the Executive Director of the European Aviation Safety Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 66.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 79, 19.3.2008, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the European Asylum Support Office for the financial year 2012

(2014/571/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Asylum Support Office for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Asylum Support Office for the financial year 2012, together with the Office's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 439/2010 of the European Parliament and of the Council of 19 May 2010 establishing a European Asylum Support Office ([4]), and in particular Article 35 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Civil Liberties, Justice and Home Affairs (A7-0187/2014),

1. Grants the Executive Director of the European Asylum Support Office discharge in respect of the implementation of the Office's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Executive Director of the European Asylum Support Office, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 73.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 132, 29.5.2010, p. 11.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Asylum Support Office for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Asylum Support Office for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Asylum Support Office for the financial year 2012, together with the Office's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 439/2010 of the European Parliament and of the Council of 19 May 2010 establishing a European Asylum Support Office ([4]), and in particular Article 35 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Civil Liberties, Justice and Home Affairs (A7-0187/2014),

A. whereas the European Asylum Support Office ('the Office') was granted financial autonomy on 20 September 2012, its budget having been implemented by the Commission until that date,

B. whereas according to its financial statements, the Office's budget for the financial year 2012 was EUR 10 000 000,

C. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Office's annual accounts for the financial year 2012 are reliable and that the underlying transactions are legal and regular,

Comments on the legality and regularity of transactions

1. Notes that the Office's accounting system has not yet been validated by its accounting officer;

Budget and financial management

2. Notes that budget monitoring efforts during the financial year 2012 resulted in a budget implementation rate of 69,02 % and that the payment appropriations execution rate was 41,20 %;

([1]) OJ C 365, 13.12.2013, p. 73.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 132, 29.5.2010, p. 11.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

Commitments and carry-overs

3. Notes that the budgetary needs for 2012 were considerably overestimated as only EUR 4 800 000 out of EUR 7 000 000 transferred upon receiving financial autonomy were committed;

4. Notes with concern that the committed appropriations of EUR 3 200 000 have been carried over, representing 65,13 % of the total committed appropriations for the period of financial autonomy; reminds the Office that a high level of carry-overs is at odds with the budgetary principle of annuality; invites the Office to therefore improve its performance in this regard; acknowledges, however, that the carry-overs are mostly related to invoices not yet received or paid at the end of the year and to pending reimbursements for costs relating to experts; acknowledges, moreover, that approximately EUR 800 000 concern refurbishment work carried out at the Office's premises in 2012, for which the payments will be made following final acceptance;

5. Notes with concern that a carry-over of EUR 200 000 was not covered by a legal commitment (contract) and was therefore irregular; calls on the Office to inform the discharge authority on the steps taken to prevent similar situations in the future;

Transfers

6. Notes with satisfaction that according to the annual activity report as well as the Court of Auditors' audits findings, the level and nature of transfers in 2012 have remained within the limits of the financial rules;

Procurement and recruitment procedures

7. Notes that for the year 2012, neither sampled transactions nor other audit findings have led to any comments on the Office's procurement procedures in the Court of Auditors' annual audit report;

8. Notes that the Court of Auditors in its annual audit report for 2012 made no comments as regards the Office's recruitment procedures;

Prevention and management of conflicts of interest and transparency

9. Acknowledges from the Office that it has adopted a policy on the prevention and management of conflicts of interest, which aims at setting out a number of principles, procedures and tools intended to prevent, identify and manage situations of conflicts of interest;

10. Observes that the CVs and Declarations of Interests of the members of the Management Board and senior management as well as the Declaration of Interests of the Executive Director are not publicly available; calls on the Office to remedy the situation as a matter of urgency;

Internal Controls

11. Notes the lack of a physical inventory and the fact that 20 % of payments were made after the deadlines set in the Financial Regulation; notes that 10 of the 16 internal control standards had not yet been fully implemented; notes the Office's explanations regarding the exceptional circumstances in 2012, which was the year in which the Office became financially independent from the Commission (DG HOME), in September;

Performance

12. Requests that the Office communicate the results and impact its work has on European citizens in an accessible way, mainly through its website;

13. Takes the view that at the very minimum, the Office's annual activity report should be published in all official languages of the Union, and not only in English as it is at present; is of the opinion that German and French versions of the report should be made available as a first step if it is not possible to publish it in all official languages of the Union immediately;

14. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 3 April 2014 [1] on the performance, financial management and control of the agencies.

---

[1] Texts adopted, P7_TA(2014)0299 (see page 359 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the European Asylum Support Office for the financial year 2012

(2014/572/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Asylum Support Office for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Asylum Support Office for the financial year 2012, together with the Office's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 439/2010 of the European Parliament and of the Council of 19 May 2010 establishing a European Asylum Support Office ([4]), and in particular Article 35 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Civil Liberties, Justice and Home Affairs (A7-0187/2014),

1. Approves the closure of the accounts of the European Asylum Support Office for the financial year 2012;

2. Instructs its President to forward this Decision to the Executive Director of the European Asylum Support Office, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 73.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 132, 29.5.2010, p. 11.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the European Banking Authority for the financial year 2012

(2014/573/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Banking Authority for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Banking Authority for the financial year 2012, together with the Authority's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority) ([4]), and in particular Article 64 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A7-0220/2014),

1. Grants the Executive Director of the European Banking Authority discharge in respect of the implementation of the Authority's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Executive Director of the European Banking Authority, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 80.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 331, 15.12.2010, p. 12.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Banking Authority for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Banking Authority for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Banking Authority for the financial year 2012, together with the Authority's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority) ([4]), and in particular Article 64 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A7-0220/2014),

A. whereas according to its financial statements, the final budget of the European Banking Authority ('the Authority') for the financial year 2012 was EUR 20 747 000, representing an increase of 63,56 % compared to 2011; whereas this increase is due to the Authority's recently established nature,

B. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Authority's annual accounts for the financial year 2012 are reliable and that the underlying transactions are legal and regular,

1. Recalls that Parliament was a key actor in the establishment of the Authority — together with the European Securities and Markets Authority and the European Insurance and Occupational Pensions Authority — as one of the three economic and financial European Supervisory Authorities which are still in a setting-up phase; therefore, considers that better coordination at European level is still needed;

([1]) OJ C 365, 13.12.2013, p. 80.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 331, 15.12.2010, p. 12.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

Comments on the legality and regularity of transactions

2. Notes with concern that in order to cover higher school fees, the Authority grants staff whose children attend primary or secondary school a top-up allowance, which amounted to some EUR 76 000 in 2012, in addition to the education allowances provided for in the Staff Regulations of Officials of the European Union ('the Staff Regulations'); notes that these allowances are not covered by the Staff Regulations and are, therefore, considered irregular by the Court of Auditors; acknowledges, however, that this situation is due to the lack of European Schools in the city the Authority is based in and that the purpose of these top-ups is to ensure equal treatment of the Authority's employees under the Staff Regulations;

Budget and financial management

3. Notes that the overall level of appropriations committed was 89 %, varying between 84 % for title I (staff expenditure), 86 % for title II (administrative expenditure) and 100 % for title III (operational expenditure);

4. Notes with concern that carry-overs of committed appropriations were high for title II (45 %); acknowledges that this was mainly due to reasons beyond the Authority's control, such as the unsuccessful attempt to find new premises and delays in the implementation of some IT projects for which it was difficult to obtain the information needed from the predecessor organisation;

5. Notes with concern the high carry-overs of committed appropriations for title III (85 %); acknowledges that they were mainly due to the complexity and the lengthy duration of two IT procurement procedures which were carried out according to plan, delays in the launching and implementation of three other IT projects and the late invoicing for certain IT services by the suppliers;

6. Stresses that the additional tasks entrusted to the Authority, as well as future tasks envisaged in the legislative proposals yet to be agreed upon, will require budgetary increases and new human resources in order to enable the Authority to properly fulfil its supervisory role; considers this to be extremely important, as the tasks of the Authority are likely to keep growing; notes that eventual increases in human resources should be, where possible, preceded or accompanied by rationalisation efforts such as reallocation to achieve efficiency gains;

7. Observes that the current financing arrangements of the Authority, based on a mixed financing system, are inflexible, create unnecessary administrative burdens and might jeopardise its independence;

Transfers

8. Notes with satisfaction that according to the annual activity report, as well as the Court of Auditors' audit findings, the level and nature of transfers in 2012 have remained within the limits of the financial rules and commends the Authority for its good budgetary planning;

Procurement and recruitment procedures

9. Notes with concern that the Court of Auditors identified weaknesses in the audited recruitment procedures affecting transparency and equal treatment, namely that candidates were given a global score, instead of one score for each of the selection criteria and that there was no evidence that the questions for interviews and tests had been set before the date of the examinations;

Prevention and management of conflicts of interests and transparency

10. Welcomes the adoption of Ethics Guidelines by the Authority; notes that those guidelines were developed jointly with the European Insurance and Occupational Pensions Authority and the European Securities and Markets Authority; acknowledges that the Authority is finalising the preparation of its conflicts of interests policy; calls on the Authority to inform the discharge authority of the adoption of that policy;

11. Observes that the CVs and declarations of interests of the members of the Management Board and the Board of Supervisors, as well as the declarations of interests of the Executive Director and senior management, are not publicly available; calls on the Authority to remedy the situation as a matter of urgency;

Internal controls

12. Notes that in accordance with the Authority's IT strategy, which was drawn up by its predecessor organisation, the Authority's IT core application systems were outsourced to an external IT provider until December 2013; calls on the Authority to inform the discharge authority, within the framework of the 2012 discharge follow-up, whether potential risks linked to its limited control and supervision over its IT systems have been duly mitigated;

Internal audit

13. Acknowledges from the Authority that in February 2012, the Commission's Internal Audit Service (IAS) carried out an in-depth risk assessment in the Authority with the aim of determining its audit priorities for the coming years; notes that the IAS defined the most important risks related to the Authority's processes and defined a Strategic Audit Plan for 2013-2015, which includes a list of future audit topics; notes that the Authority developed an action plan to address the identified high risk areas and that this plan was discussed with, and agreed upon, by the IAS; observes that the relevant actions undertaken by the Authority are to be followed up by the IAS during the next in-depth risk assessment; notes that the IAS Strategic Audit Plan for 2013-2015 was approved by the Authority's Director and its Management Board; notes that in future, the IAS has decided to carry out a limited review on the implementation of internal control standards by the Authority, in line with its Strategic Audit Plan for 2013-2015;

Performance

14. Requests that the Authority communicate the results and impact its work has on European citizens in an accessible way, mainly through its website;

15. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 3 April 2014 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P7_TA(2014)0299 (see page 359 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the European Banking Authority for the financial year 2012

(2014/574/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Banking Authority for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Banking Authority for the financial year 2012, together with the Authority's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority) ([4]), and in particular Article 64 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A7-0220/2014),

1. Approves the closure of the accounts of the European Banking Authority for the financial year 2012;

2. Instructs its President to forward this Decision to the Executive Director of the European Banking Authority, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 80.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 331, 15.12.2010, p. 12.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the European Centre for Disease Prevention and Control for the financial year 2012

(2014/575/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Centre for Disease Prevention and Control for the financial year 2012, together with the Centre's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 851/2004 of the European Parliament and of the Council of 21 April 2004 establishing a European Centre for Disease Prevention and Control ([4]), and in particular Article 23 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A7-0224/2014),

1. Grants the Director of the European Centre for Disease Prevention and Control discharge in respect of the implementation of the Centre's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Director of the European Centre for Disease Prevention and Control, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 89.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 142, 30.4.2004, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on the discharge in respect of the implementation of the budget of the European Centre for Disease Prevention and Control for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Centre for Disease Prevention and Control for the financial year 2012, together with the Centre's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 851/2004 of the European Parliament and of the Council of 21 April 2004 establishing a European Centre for Disease Prevention and Control ([4]), and in particular Article 23 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A7-0224/2014),

A. whereas according to its financial statements, the final budget of the European Centre for Disease Prevention and Control ('the Centre') for the financial year 2012 was EUR 58 200 000, representing an increase of 2,72 % compared to 2011,

B. whereas the overall contribution of the Union to the Centre's budget for 2012 amounted to EUR 56 727 000, representing an increase of 2,40 % compared to 2011,

C. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Centre's annual accounts for the financial year 2012 are reliable and that the underlying transactions are legal and regular,

([1]) OJ C 365, 13.12.2013, p. 89.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 142, 30.4.2004, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

Follow-up of 2011 discharge

1. Recalls that the Court of Auditors' opinion on the legality and regularity of the Centre's transactions for the year 2011 was qualified because the Centre did not respect the maximum amount of a framework contract from 2009, according to which the Centre could sign specific contracts with selected suppliers up to a maximum amount of EUR 9 000 000; notes, however, that by the end of 2011, payments of EUR 12 200 000 had been made;

2. Acknowledges from the Centre that the corrective actions are completed;

3. Notes from the Court of Auditors' report that the 2012 payments amounting to EUR 5 200 000 stem from failures in previous years when the ceiling of the framework contract was not respected; points out, nevertheless, that given the corrective action taken by the Centre in 2012, the Court of Auditors has not qualified its opinion on the legality and regularity of transactions for 2012;

Budget and financial management

4. Notes that budget monitoring efforts during the financial year 2012 resulted in a budget implementation rate of 93,91 %; notes that the payment appropriations execution rate was 76,26 % and that budget implementation rates were satisfactory for title I (staff expenditure) and title II (administrative expenditure) at 97 % and 80 % of committed appropriations respectively;

5. Acknowledges from the Court of Auditors that in 2012, the Centre awarded grants to research institutions and individuals and that the total grant expenditure amounted to EUR 752 000, representing 1,4 % of the 2012 operating expenditure; is concerned that the Centre does not usually obtain any documents to substantiate the eligibility and accuracy of the costs claimed by beneficiaries; notes that while the Centre has adopted an *ex post* verification strategy and has planned for its implementation in 2012, no *ex post* verifications of 2012 grant expenditure have yet taken place; acknowledges that for the transactions audited by the Court of Auditors, supporting documentation was obtained by the Centre on the Court's behalf, which provided reasonable assurance as to the legality and regularity of those transactions;

6. Recalls that the Centre receives its funding via the Commission's budget; asks, however, that the Centre make clear in its internal and external communication that it receives funds made available by the Union budget (Union subsidy) instead of funds made available by the Commission subsidy;

Commitments and carryovers

7. Notes that the Court of Auditors' annual audit has found that the level of carry-overs related to title III is high at EUR 8 300 000; acknowledges that these carryovers did not arise from delays in the implementation of the Centre's annual work programme, but rather that they reflect the multiannual nature of activities; notes that the Centre has adopted a budgetary planning module that is directly linked to its annual work programme and that payments were planned and made according to operational needs;

Transfers

8. Notes with satisfaction that according to the annual activity report, as well as the Court of Auditors' audit findings, the level and nature of transfers in 2012 have remained within the limits of the financial rules and commends the Centre for its good budgetary planning;

Procurement and recruitment procedures

9. Notes that for the year 2012, neither sampled transactions nor other audit findings have led to any comments on the Centre's procurement procedures in the Court of Auditors' annual audit report;

10. Notes that the Court of Auditors in its annual audit report for 2012 made no comments as regards the Centre's recruitment procedures;

11. Takes note that 187 posts out of 200 had been filled by the end of 2012 and that 91 contract agents and seconded national experts were employed by the Centre at that time; acknowledges the improved employment rate compared to 2011;

Prevention and management of conflicts of interests and transparency

12. Acknowledges that a revised version of the Centre's comprehensive independence policy is to be adopted by the Centre's Management Board in 2014;

13. Observes that the CVs of the members of the Management Board and the Advisory Forum are not publicly available; calls on the Centre to remedy the situation as a matter of urgency;

Internal audit

14. Acknowledges from the Centre that in 2012, the Commission's Internal Audit Service carried out an audit on human resources (HR) management, with the aim of assessing and providing independent assurance on the design and effective application of the internal control system regarding HR management; notes that the audit led to one very important recommendation as regards performance indicators to measure the achievement of individual objectives (already implemented), as well as six recommendations rated 'important', five of which have already been implemented; notes, moreover, that one important recommendation from an earlier audit on financial management remains to be implemented;

Performance

15. Requests that the Centre communicate the results and impact its work has on European citizens in an accessible way, mainly through its website;

16. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 3 April 2014 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted, P7_TA(2014)0299 (see page 359 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the European Centre for Disease Prevention and Control for the financial year 2012

(2014/576/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Centre for Disease Prevention and Control for the financial year 2012, together with the Centre's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 851/2004 of the European Parliament and of the Council of 21 April 2004 establishing a European Centre for Disease Prevention and Control ([4]), and in particular Article 23 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A7-0224/2014),

1. Approves the closure of the accounts of the European Centre for Disease Prevention and Control for the financial year 2012;

2. Instructs its President to forward this Decision to the Director of the European Centre for Disease Prevention and Control, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 89.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 142, 30.4.2004, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the European Chemicals Agency for the financial year 2012

(2014/577/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Chemicals Agency for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Chemicals Agency for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 1907/2006 of the European Parliament and of the Council establishing a European Chemicals Agency ([4]), and in particular Article 97 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A7-0229/2014),

1. Grants the Executive Director of the European Chemicals Agency discharge in respect of the implementation of the Agency's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Executive Director of the European Chemicals Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 97.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 396, 30.12.2006, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Chemicals Agency for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Chemicals Agency for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Chemicals Agency for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 1907/2006 of the European Parliament and of the Council establishing a European Chemicals Agency ([4]), and in particular Article 97 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A7-0229/2014),

A. whereas, according to the Court of Auditors' report, the final budget of the European Chemicals Agency ('the Agency') for the financial year 2012 was EUR 98 900 000, representing an increase of 6,12 % compared to 2011,

B. whereas the Agency received Union subsidies of EUR 4 184 040 from the Commission, as well as a pre-financing sum of EUR 500 000 from DG Environment as contractual compensation for undertaking preparatory activities for the Regulation on Biocide Products and IPA pre-financing amounting to EUR 185 676,

C. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2012 are reliable and that the underlying transactions are legal and regular,

Follow-up of 2011 discharge

1. Notes from the Court of Auditors' report that two corrective actions taken in response to the previous year's comments are marked as 'ongoing', whereas two other actions are marked as 'completed';

([1]) OJ C 365, 13.12.2013, p. 97.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 396, 30.12.2006, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

2. Acknowledges from the Agency that:

— a formal policy on 'Fixed assets management' has been established and implemented in 2013 and that the Fixed Assets Retirement Committee has been created and is functioning to give advisory opinions on the retirement of assets,

— new selection recruitment procedures were introduced in 2013 to address shortcomings in the recruitment procedures and a project was completed with respect to the reorganisation of personal files,

— in order to reduce the risk of possible conflicts of interest, the following measures have been taken, namely laying down general principles and guidance for the Committees and the Forum, providing guidance for the Committee and Forum Chairs on possible mitigating measures, reviewing the eligibility criteria for the Agency's bodies, developing an electronic tool for managing declarations of interest, providing compulsory training sessions for the Agency's staff and management and carrying out an external audit of the policies and procedures for managing conflicts of interest,

Budget and financial management

3. Notes that the budget implementation rates for the year 2012 were satisfactory for titles I and II; notes with concern that the rate of committed appropriations carried over was high for title III at 50 % (EUR 11 300 000); acknowledges that this primarily relates to the multiannual nature of significant IT development projects (EUR 3 700 000), substance evaluations with an annual regulatory deadline set at February N+1 (EUR 1 800 000), translations not yet delivered by the end of the year (EUR 1 300 000) and the start of two new activities, Biocides (EUR 1 200 000) and PIC (EUR 1 300 000), in the second half of the year;

4. Notes that for the second consecutive year, the Agency did not receive any contribution from the Union budget in 2012 in compliance with Regulation (EC) No 1907/2006 (REACH) and Regulation (EC) No 1272/2008 (CLP) ([1]); notes that budgetary revenue from fees and charges in terms of cash received amounted to EUR 26 611 825; notes that for preparatory actions with regard to the implementation of the biocides and PIC activities an amount of EUR 4 184 040 was provided by the Union budget; stresses that this amount represents 0,003 % of the general Union budget;

5. Expresses satisfaction with the Agency's operation in implementing the Union's chemicals' legislation within its legal role and responsibilities; appreciates that the reserve amounting to EUR 230 198 367 in 2012 (EUR 280 565 807 in 2011) deriving from fee income will be used up, by 2015 at the latest, as envisaged by REACH and CLP; notes that the reserve is managed through service level agreements with two different banks (EIB and Central Bank of Finland), in accordance with standards agreed by the Agency's Management Board;

Transfers

6. Notes that according to the annual activity report as well as the Court of Auditors' audit findings, the level and nature of transfers in 2012 have remained within the limits of the financial rules; commends the Agency for its good budgetary planning;

Procurement and recruitment procedures

7. Notes that for the year 2012, neither sampled transactions nor other audit findings have led to any comments on the Agency's procurement procedures in the Court of Auditors' annual audit report;

8. Notes that the Court of Auditors in its annual audit report for 2012 made no comments as regards the Agency's recruitment procedures;

9. Points out that 447 of 470 available posts had been filled and that 65 contract agents and seconded national experts were employed by the end of 2012;

Prevention and management of conflicts of interests and transparency

10. Notes that following a recommendation of the discharge authority, the Agency will include information and statistics on the management of conflicts of interests in its 2013 annual activity report;

([1]) Regulation (EC) No 1272/2008 of the European Parliament and of the Council of 16 December 2008 on classification, labelling and packaging of substances and mixtures, amending and repealing Directives 67/548/EEC and 1999/45/EC, and amending Regulation (EC) No 1907/2006 (OJ L 353, 31.12.2008, p. 1).

11. Observes that the CVs and declarations of interests of certain members of the Management Board are not publicly available; notes from the Agency that the missing CVs mainly concern members in the process of being replaced, but emphasises that no explanation has been provided for the missing declarations of interests; calls on the Agency to remedy the situation as a matter of urgency;

Internal controls

12. Regrets that physical inventory results show serious weaknesses in the safeguarding and tracking of fixed assets and that there is no tracking procedure for software and internal components (2 370 items out of the 5 878 ICT fixed assets recorded); expresses concern, moreover, that 306 items could not be found, of which 93 were laptops and 29 were computers; calls on the Agency to remedy this situation and to duly follow this up before initiating the 2013 discharge procedure;

Internal audit

13. Acknowledges from the Agency that in 2012 the Commission's Internal Audit Service (IAS) conducted a light risk assessment, which was agreed by the Agency; notes that the IAS also performed an audit on stakeholder relations and external communication, that the Agency accepted all the recommendations of the final audit report and created an action plan to implement them and that the IAS considered the plan to be adequate; notes that the IAS also reviewed its earlier recommendations and concluded which of those have been implemented and closed them; observes that follow-up audits on action plans revealed that five recommendations remain partially implemented, of which two were prioritised as very important;

Performance

14. Expects that the Agency provides the Commission, Parliament and the Council with a detailed analysis on possible measures to improve the implementation of REACH in order to:

— reduce administrative burden for businesses

— reduce uncertainty in the authorisation process, i.e. measures that will make the outcome of REACH procedures more predictable

— improve the proportionality of REACH procedures including considerations on limiting the scope of analyses of alternative substances

— ensure confidence in REACH procedures, including considerations on the avoidance of retroactive charging in the context of joint submissions and lead registrants

— improve legal clarity, including considerations on the definition of criteria for the admissibility of joint submissions

15. Requests that the Agency communicate the results and impact its work has on European citizens in an accessible way, mainly through its website;

16. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 3 April 2014 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted, P7_TA(2014)0299 (see page 359 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the European Chemicals Agency for the financial year 2012

(2014/578/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Chemicals Agency for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Chemicals Agency for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 1907/2006 of the European Parliament and of the Council establishing a European Chemicals Agency ([4]), and in particular Article 97 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A7-0229/2014),

1. Approves the closure of the accounts of the European Chemicals Agency for the financial year 2012;

2. Instructs its President to forward this Decision to the Executive Director of the European Chemicals Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 97.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 396, 30.12.2006, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the European Environment Agency for the financial year 2012

(2014/579/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Environment Agency for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Environment Agency for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 401/2009 of the European Parliament and of the Council of 23 April 2009 on the European Environment Agency and the European Environment Information and Observation Network ([4]), and in particular Article 13 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A7-0235/2014),

1. Grants the Executive Director of the European Environment Agency discharge in respect of the implementation of the Agency's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Executive Director of the European Environment Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 106.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 126, 21.5.2009, p. 13.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Environment Agency for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Environment Agency for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Environment Agency for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 401/2009 of the European Parliament and of the Council of 23 April 2009 on the European Environment Agency and the European Environment Information and Observation Network ([4]), and in particular Article 13 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A7-0235/2014),

A. whereas according to its financial statements, the final budget of the European Environment Agency ('the Agency') for the financial year 2012 was EUR 41 700 000, representing an increase of 1,25 % compared to 2011,

B. whereas according to its financial statements, the contribution of the Union to the Agency's budget for 2012 amounted to EUR 35 363 354,85, representing a decrease of 0,23 % compared to 2011,

C. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2012 are reliable and that the underlying transactions are legal and regular,

1. Welcomes the fact that the Agency has completed all actions deriving from previous comments made by the Court of Auditors;

([1]) OJ C 365, 13.12.2013, p. 106.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 126, 21.5.2009, p. 13.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

Budget and financial management

2. Notes that budget monitoring efforts during the financial year 2012 resulted in a budget implementation rate of 99,19 % and that the payment appropriations execution rate was 89,41 %;

3. Stresses that the Union's contribution to the Agency's budget for 2012 represents 0,026 % of the overall Union budget;

4. Regrets that for the year 2012, the mission expenses of the Executive Director of the Agency were remarkably higher than those of the executive directors of other agencies; calls on the Agency to provide further explanation for this situation to the discharge authority in the framework of the 2012 discharge follow-up;

Commitments and carry-overs

5. Acknowledges that the Court of Auditors' annual audit has found no notable issues as regards the level of carry-overs in 2012; commends the Agency for adhering to the principle of annuality and for timely execution of its budget;

Transfers

6. Notes with satisfaction that according to the annual activity report as well as the Court of Auditors' audit findings, the level and nature of transfers in 2012 have remained within the limits of the financial rules; commends the Agency for its good budgetary planning;

Procurement and recruitment procedures

7. Notes that for the year 2012, neither sampled transactions nor other audit findings have led to any comments on the Agency's procurement procedures in the Court of Auditors' annual audit report;

8. Notes that the Court of Auditors made no comments in its annual audit report for 2012 as regards the Agency's recruitment procedures;

9. Takes note that 131 posts out of 136 had been filled and that 86 contract agents and seconded national experts were employed by the Agency by the end of 2012; welcomes the Agency's improved occupation rate compared to 2011;

Prevention and management of conflicts of interests and transparency

10. Acknowledges that the Agency will carry out an assessment to identify its degree of exposure with a view to strengthening or supplementing its policy on the management and prevention of conflicts of interests and with a view to assessing its implementation, monitoring and reporting during the first quarter of 2014 on the basis of the Commission's Guidelines on the Prevention and Management of Conflicts of Interests in EU Decentralised Agencies; calls on the Agency to inform the discharge authority of the assessment results once available;

11. Observes that the CVs and declarations of interests of the members of the Management Board, the members of the Scientific Committee, the Executive Director and senior management are not publicly available; calls on the Agency to remedy the situation as a matter of urgency;

12. Notes that the Agency has revised its policy for dealing with potential conflicts of interest; notes that respective details are part of the obligations of the Agency's officials and other servants under the Staff Regulations and Conditions for Employment, information clearly presented on the Agency's website; notes, furthermore, that besides the signature of a declaration of commitment at the start of the term as scientific committee member, it is also necessary to sign an annual declaration on conflicts of interest;

Internal controls

13. Notes with concern that in 2012, the Agency awarded grants under three major grant programmes to consortia consisting of environmental institutions and bodies in Europe, UN organisations and national environment organisations; observes that total grant expenditure in 2012 amounted to EUR 11 900 000, representing 27 % of the total operating expenditure; notes that while the Agency's *ex ante* verifications before reimbursement of costs claimed by beneficiaries consist of a desk analysis of cost claims, it does not usually obtain any document from beneficiaries to substantiate the eligibility and accuracy of the staff costs claimed, which represent the main part of costs;

14. Regrets that existing controls provide only limited assurances to the Agency's management as to the eligibility and accuracy of the costs claimed by beneficiaries; believes that a random verification of supporting documents for staff expenses and a higher coverage of beneficiaries by means of on-the-spot verifications could considerably increase assurances; calls on the Agency to take steps to that effect and to report to the discharge authority on its progress;

Performance

15. Requests that the Agency communicate the results and impact its work has on European citizens in an accessible way, mainly through its website;

16. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 3 April 2014 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted, P7_TA(2014)0299 (see page 359 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the European Environment Agency for the financial year 2012

(2014/580/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Environment Agency for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Environment Agency for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 401/2009 of the European Parliament and of the Council of 23 April 2009 on the European Environment Agency and the European Environment Information and Observation Network ([4]), and in particular Article 13 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A7-0235/2014),

1. Approves the closure of the accounts of the European Environment Agency for the financial year 2012;

2. Instructs its President to forward this Decision to the Executive Director of the European Environment Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 106.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 126, 21.5.2009, p. 13.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the European Fisheries Control Agency for the financial year 2012

(2014/581/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Fisheries Control Agency for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Fisheries Control Agency for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 768/2005 of 26 April 2005 establishing a European Fisheries Control Agency ([4]), and in particular Article 36 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Fisheries (A7-0233/2014),

1. Grants the Executive Director of the European Fisheries Control Agency discharge in respect of the implementation of the Agency's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Executive Director of the European Fisheries Control Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 113.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 128, 21.5.2005, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Fisheries Control Agency for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Fisheries Control Agency for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Fisheries Control Agency for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 768/2005 of 26 April 2005 establishing a European Fisheries Control Agency ([4]), and in particular Article 36 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Fisheries (A7-0233/2014),

A. whereas according to its financial statements, the final budget of the European Fisheries Control Agency ('the Agency') for the financial year 2012 was EUR 9 216 900, representing a decrease of 28,27 % compared to 2011,

B. whereas according to its financial statements, the initial contribution of the Union to the Agency's budget for 2012 amounted to EUR 10 216 900, representing a decrease of 13,78 % compared to 2011,

C. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2012 are reliable and that the underlying transactions are legal and regular,

1. Acknowledges the importance of the tasks carried out by the Agency; commends the Agency for its effectiveness in carrying out its tasks;

([1]) OJ C 365, 13.12.2013, p. 113.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 128, 21.5.2005, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

2. Emphasises the importance of the Agency's role in the adoption and implementation of the reform of the common fisheries policy (CFP); stresses its significant contribution to the implementation of the CFP's ambitious objectives, particularly in light of the increased demands in terms of the monitoring, control and surveillance of fishing activity; stresses the future importance of control underpinned by a large budget geared to supporting the additional financial effort for this field; expresses its readiness, which it shares with the Agency, to ensure that this type of activity is suitably coordinated and structured in all the Member States;

3. Points out that the policy objectives of the reform of the CFP mean that control will play a pivotal role in the future and that it is therefore important to boost the financial and human resources available to the Agency in the coming years and to guarantee that the amounts entered in future budgets match the growing requirements in relation to the control and surveillance of fishing activity advocated in the reformed CFP;

Follow-up of 2011 discharge

4. Acknowledges from the Agency that:

— the Agency has improved procurement procedures by means of systematic documenting and filing of contract value estimations and by maintaining selection criteria as specific as possible; notes that it has also established and implemented the procedure for intangible assets,

— the Agency's vacancy notices now include information on the appeal process and that the Agency has also made the necessary changes to the documentation of the meetings of the Selection Board;

Budget and financial management

5. Notes that budget monitoring efforts during the financial year 2012 resulted in a budget implementation rate of 96 % and that the payment appropriations execution rate was 83 %;

Commitments and carry-overs

6. Acknowledges that the level of committed appropriations for the different titles varied between 94 % and 99 % of total appropriations, indicating that legal commitments were signed in a timely manner;

7. Notes, however, that the level of committed appropriations carried over to 2013 was high for title II (administrative expenditure) at 35 % and title III (operating expenditure) at 46 %; acknowledges that for title II, this was caused, to a large extent, by events beyond the Agency's control, such as the late invoicing of the 2012 office rental costs by the Spanish authorities; notes, moreover, that in order to meet the increased operational needs it was faced with in the last quarter of 2012, the Agency ordered a high volume of goods and services for which delivery was still pending by the end of the year; acknowledges that for title III, an important reason for the high level of carry-overs was the considerable workload faced by the agency as a result of the large number of IT projects that were either launched or ongoing in 2012 and this workload had an impact on the timeliness of procurement procedures in the case of two IT projects launched in 2012; acknowledges, furthermore, that expenses related to training and missions undertaken by staff and experts in the last quarter of 2012 were only due for reimbursement at the beginning of 2013;

Transfers

8. Notes with satisfaction that according to the annual activity report, as well as the Court of Auditors' audit findings, the level and nature of transfers in 2012 have remained within the limits of the financial rules and commends the Agency for its good budgetary planning;

Procurement and recruitment procedures

9. Acknowledges that in response to the Court of Auditors' 2011 report, the Agency took corrective action in June 2012 to improve the transparency of recruitment procedures; notes that in 2012, the Court of Auditors identified weaknesses related to three audited recruitment procedures that were initiated prior to the Court's 2011 report, namely that vacancy notices did not provide information to the candidates on complaint and appeal procedures, that candidates were given a global score instead of one score for each of the selection criteria and that there was no evidence that the questions for interviews and written tests had been set before the date of the examinations; welcomes the fact that the recommendations issued by the Court of Auditors have all been implemented;

Prevention and management of conflicts of interests and transparency

10. Acknowledges that the Agency will assess its policy on the prevention and management of conflicts of interests on the basis of the Commission's Guidelines on the Prevention and Management of Conflicts of Interests in EU Decentralised Agencies; calls on the Agency to inform the discharge authority of the assessment results once available;

11. Observes that the CVs and declaration of interests of the members of the Administrative and Advisory Boards, as well as the declarations of interests of the Executive Director and senior management are not publicly available; calls on the Agency to remedy the situation as a matter of urgency;

Internal audit

12. Acknowledges from the Agency that there are no open 'critical' or 'very important' recommendations stemming from the previous Internal Audit Service (IAS) reports, and that the follow-up by the IAS of the recommendations issued in the context of the IAS audit of 'Capacity Building' in 2011 allowed the IAS to conclude that the recommendations had been adequately implemented;

13. Acknowledges from the Agency that in 2012, it continued fine tuning its key performance indicators (KPIs), and its Annual Report for 2012 contains detailed KPIs for operational activities; notes that the Agency's Internal Audit Capability (IAC) conducted a limited audit on human resources activities, resulting in some recommendations and that the Agency has taken actions to remedy those identified shortcomings; is satisfied that the IAC also concluded an audit focusing on payment cycle (leading to no critical or very important recommendations) and performed a full review of the implementation of internal control standards within the Agency;

Performance

14. Requests that the Agency communicate the results and impact its work has on European citizens in an accessible way, mainly through its website;

15. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 3 April 2014 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted, P7_TA(2014)0299 (see page 359 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the European Fisheries Control Agency for the financial year 2012

(2014/582/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Fisheries Control Agency for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Fisheries Control Agency for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 768/2005 of 26 April 2005 establishing a European Fisheries Control Agency ([4]), and in particular Article 36 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Fisheries (A7-0233/2014),

1. Approves the closure of the accounts of the European Fisheries Control Agency for the financial year 2012;

2. Instructs its President to forward this Decision to the Executive Director of the European Fisheries Control Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 113.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 128, 21.5.2005, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the European Food Safety Authority for the financial year 2012

(2014/583/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Food Safety Authority for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2012, together with the Authority's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council establishing a European Food Safety Authority ([4]), and in particular Article 44 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A7-0219/2014),

1. Grants the Executive Director of the European Food Safety Authority discharge in respect of the implementation of the Authority's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Executive Director of the European Food Safety Authority, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 120.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 31, 1.2.2002, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Food Safety Authority for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Food Safety Authority for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2012, together with the Authority's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]) ('the Financial Regulation'), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council establishing the European Food Safety Authority ([4]), and in particular Article 44 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A7-0219/2014),

A. whereas according to its financial statements, the final budget of the European Food Safety Authority ('the Authority') for the financial year 2012 was EUR 78 279 000, representing an increase of 1,25 % compared to 2011; whereas that amount represents 0,056 % of the overall Union budget; whereas the Authority's entire budget derives from the Union budget,

B. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Authority's annual accounts for the financial year 2012 are reliable and that the underlying transactions are legal and regular,

([1]) OJ C 365, 13.12.2013, p. 120.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 31, 1.2.2002, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

Follow-up of 2011 discharge

1. Notes from the Court of Auditors' report that corrective actions taken in response to the previous year's comments are marked as 'ongoing';

2. Acknowledges from the Authority that:

— improvements in budgetary planning resulted in reduced transfers from chapter to chapter and from Title I to Title II, compared to the previous financial year (transfers were reduced from 6,81 % to 2,75 % of the total budget),

— in order to improve the management of conflicts of interest situations, the Authority adopted a new policy on independence and scientific decision-making process in December 2011, followed by the adoption of implementing rules in March 2012,

— in the interest of preventing the Authority's staff from moving directly from their position to work in a similar post in the industry or a related lobbying group or vice versa, the Authority has implemented a decision of its Executive Director under which staff members leaving the Authority are required to inform their employer of negotiations with prospective employers and of any change in circumstances linked to their post within two years after leaving service; notes that the Executive Director may approve, conditionally approve or forbid the activity;

Budget and financial management

3. Notes that budget monitoring efforts during the financial year 2012 resulted in a budget implementation rate of 99,30 % and that the payment appropriations execution rate was 88,00 %; notes that in comparison with 2011, the amounts committed and paid out in 2012 increased by 2,1 % and 8,6 % respectively;

4. Acknowledges that the relocation of the Authority to its new premises generated savings amounting to EUR 3 940 000 and that that amount was reallocated to operational activities such as scientific cooperation and the recruitment of scientific staff;

Reliability of the accounts

5. Notes that the Court of Auditors found, in its annual audit report for 2012, that the validation of the accounting systems by the Authority's accounting officer covers the central ABAC and SAP systems, but not the local systems and the reliability of data exchanges between central and local systems, which represents a risk as to the reliability of accounting data; acknowledges that the risk did not materialise in the use of inaccurate data by the Authority's accounting officer; expects the Authority, however, to integrate its local systems in the validation process by its accounting officer;

Commitments and carry-overs

6. Notes that the Court of Auditors' annual audit has found a high level of committed appropriations carried over for title II (EUR 2 300 000), which represents 22 % of title II appropriations, and for title III (EUR 5 600 000), which represents 30 % of title III appropriations; acknowledges that for title II, carry-overs made in conformity with the Authority's management plan or related to payments suspended for reasons beyond the Authority's control amounted to EUR 1 100 000; notes that for title III, carryovers made in conformity with the Authority's management plan amounted to EUR 2 100 000 and that an amount of EUR 830 000 was carried-over for reasons beyond the Authority's control; reminds the Authority that it should respect the principle of annuality;

Transfers

7. Notes with satisfaction that according to the annual activity report, as well as the Court of Auditors' audit findings, the level and nature of transfers in 2012 have remained within the limits of the financial rules; commends the Authority for its good budgetary planning;

Procurement and recruitment procedures

8. Notes that for the year 2012, neither sampled transactions nor other audit findings have led to any comments on the Authority's procurement procedures in the Court of Auditors' annual audit report;

9. Notes that the Court of Auditors made no comments in its annual audit report for 2012 as regards the Authority's recruitment procedures;

10. Takes note that 342 posts out of 355 had been filled and that 124 contract agents and seconded national experts were employed by the Authority by the end of 2012; acknowledges the Authority's improved occupation rate compared to 2011;

11. Appreciates the public interest in the decision-making process within the Authority, which is done within its legal role and responsibilities; notes that it currently dedicates 70 % of its human resources to scientific activities, evaluation and data collection; encourages the Authority to progress further on this path;

Prevention and management of conflicts of interests and transparency

12. Believes that the procedure for assessing possible conflicts of interest at the Authority, where declarations of interest are screened by Heads of Unit and are generally assessed on a case by case basis, is burdensome and is subject to criticism, raising questions about its credibility and effectiveness; notes with concern that even a revised procedure has not helped dispel fears about the Authority's expert impartiality; calls on the Authority to come up with a simplified procedure with less uncertainty which would validate and streamline the process and save both human resources and money without, however, jeopardising the newly set standards for the detection and prevention of conflicts of interests;

13. Welcomes the progress made by the Authority on its conflicts of interests policy; calls on the Authority to continue its work and to dedicate sufficient resources and staff to this matter, and to consider appointing specialised staff for the screening work on conflicts of interests;

14. Notes with concern that the Authority applies a less stringent conflicts of interest policy to experts from food safety organisations (FSOs), as the list which the Authority uses to indicate these FSOs includes institutes that are nominated by Member States and co-financed by private or undisclosed partners, creating a possible loophole;

15. Believes that the Authority should apply a two-year cooling-off period to all material interests related to the commercial agrifood sector, including research funding, consultancy contracts and decision-making positions in industry-captured organisations;

16. Believes that financial interests in particular should be dealt with the utmost care and that experts should be asked to declare whether their interests were remunerated or not; believes that if this is the case, the amount should be specified; is of the opinion that the current practice of experts anonymising their interests, for instance by using the expression 'private company', should not be accepted by the Authority;

17. Believes that that list should be revised by excluding organisations which receive more than 50 % of their funding from sources other than public sources, in order to avoid undue influence; notes that this currently appears to be the case only for the entries nominated by the Commission, while Member States use their own criteria; is of the opinion that experts should be allowed to cooperate with the Authority on the condition that they meet previously established criteria; expresses the opinion, however, that the status of FSO should not be extended to organisations and institutions which receive more than 50 % of their funding from private sources;

18. Acknowledges that the Authority has initiated a review of the implementation of its independence policy in the last quarter of 2013 and that the results will be available by October 2014; believes that the current declarations of interests forms could be further improved and should include information, inter alia, on: (i) whether the interest declared was remunerated, (ii) the amount of the remuneration, (iii) the participation in industry-linked conferences and the institution/person covering the expenses;

19. Regrets that the Management Board refused to elect its Chair and Vice-Chairs by open ballot, despite the recommendation of the discharge authority, and expects further transparency in this respect in the future electing procedure;

20. Observes that the Authority engaged in a structured dialogue with civil society on matters relating to conflicts of interests; views this development in a positive manner and calls on the Authority to hold structured dialogue regularly in the future;

21. Believes that the Authority should pay further attention to public opinion and to commit itself as much as possible to an open and transparent dialogue; welcomes the implementing rules for its Policy on Independence and Scientific Decision-Making Processes as adopted by the Authority's Management Board in December 2011; welcomes in this context the improved presentation and accessibility of information and documents on the Authority's homepage;

Internal audit

22. Acknowledges from the Authority that a number of potential critical risks were identified in the operation of the Authority's internal controls, particularly in the areas of data management, business continuity and IT security, by a high level risk assessment carried out by an external consultant in 2012 and by the assessment performed by the Commission's Internal Audit Service (IAS) in February 2013; notes that the Authority started a comprehensive self-assessment of its internal control system in 2012 and that the process of the implementation of corrective actions is on-going; expects the Authority to inform the discharge authority of the results of implementation of corrective actions;

Performance

23. Requests that the Authority communicate the results and impact its work has on European citizens in an accessible way, mainly through its website;

24. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 3 April 2014 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted, P7_TA(2014)0299 (see page 359 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the European Food Safety Authority for the financial year 2012

(2014/584/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Food Safety Authority for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2012, together with the Authority's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC, Euratom) No 178/2002 of the European Parliament and of the Council establishing a European Food Safety Authority ([4]), and in particular Article 44 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A7-0219/2014),

1. Approves the closure of the accounts of the European Food Safety Authority for the financial year 2012;

2. Instructs its President to forward this Decision to the Executive Director of the European Food Safety Authority, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 120.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 31, 1.2.2002, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the European Institute for Gender Equality for the financial year 2012

(2014/585/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Institute for Gender Equality for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Institute for Gender Equality for the financial year 2012, together with the Institute's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 1922/2006 of the European Parliament and of the Council of 20 December 2006 on establishing a European Institute for Gender Equality ([4]), and in particular Article 15 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Women's Rights and Gender Equality (A7-0230/2014),

1. Grants the Director of the European Institute for Gender Equality discharge in respect of the implementation of the Institute's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Director of the European Institute for Gender Equality, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 127.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 403, 30.12.2006, p. 9.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Institute for Gender Equality for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Institute for Gender Equality for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Institute for Gender Equality for the financial year 2012, together with the Institute's replies [1],

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities [2], and in particular Article 185 thereof,

— 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 1605/2002 [3], and in particular Article 208 thereof,

— having regard to Regulation (EC) No 1922/2006 of the European Parliament and of the Council of 20 December 2006 on establishing a European Institute for Gender Equality [4], and in particular Article 15 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities [5],

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council [6], and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Women's Rights and Gender Equality (A7-0230/2014),

A. whereas according to its financial statements, the final budget of the European Institute for Gender Equality ('the Institute') for the financial year 2012 was EUR 7 741 800, representing an increase of 2,81 % compared to 2011; whereas the Institute's entire budget derives from the Union budget,

B. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Institute's annual accounts for the financial year 2012 are reliable and that the underlying transactions are legal and regular,

[1] OJ C 365, 13.12.2013, p. 127.
[2] OJ L 248, 16.9.2002, p. 1.
[3] OJ L 298, 26.10.2012, p. 1.
[4] OJ L 403, 30.12.2006, p. 9.
[5] OJ L 357, 31.12.2002, p. 72.
[6] OJ L 328, 7.12.2013, p. 42.

Follow-up of 2011 discharge

1. Acknowledges from the Institute that it had adopted a number of short-term and long-term measures with the aim of improving budget planning and implementation, as well as ensuring a satisfactory budget implementation rate; notes that the Institute has also carried out a physical inventory and changed the process of the estimation of the accrued charges and that the Court of Auditors considers those actions 'completed';

Budget and financial management

2. Notes that budget monitoring efforts during the financial year 2012 resulted in a budget implementation rate of 95,56 % and that the payment appropriations execution rate was 63,95 %;

3. Acknowledges from the Institute that in the third quarter of 2014, it plans to create budget monitoring guidelines, including control functions and deviations, in order to ensure adequate monitoring and reporting of the budget implementation; calls on the Institute to inform the discharge authority of the state of play of this action;

4. Calls on the Institute to take into consideration in its annual work programme, when planning payment requirements and budgetary priorities, the activities set out in the cooperation plan it has agreed with the Committee on Women's Rights and Gender Equality;

Commitments and carry-overs

5. Notes that the Institute has reduced the overall level of carry-overs of committed appropriations from 50 % in 2011 to 32 % in 2012; points out that the carry-overs to 2013 amount to EUR 2 500 000 and mainly concern title II (administrative expenditure), amounting to EUR 300 000, and title III (operational expenditure), amounting to EUR 2 100 000, representing 23 % and 59 % of the corresponding committed appropriations; acknowledges that carry-overs for title II mainly relate to commitments made at the end of 2012 in connection with the move to a new premises, which took place in January 2013, while carry-overs for title III mainly relate to procurement procedures that were concluded late in 2012; notes, furthermore, that 7 % of committed appropriations carried over from 2011 to 2012 had not been used and had to be cancelled;

Transfers

6. Notes with satisfaction that according to the annual activity report, as well as the Court of Auditors' audit findings, the level and nature of transfers in 2012 have remained within the limits of the financial rules; commends the Institute for its good budgetary planning;

Procurement and recruitment procedures

7. Calls on the Institute to address the shortcomings identified by the Court of Auditors in the Institute's documentation of recruitment procedures; notes in particular that there was no evidence that questions for written tests and interviews, as well as their respective weightings, were prepared before the examination of the applications;

8. Notes with concern that the Institute does not have a formalised procurement planning and monitoring procedure; notes in particular that its annual work programme does not include a procurement schedule linked to the planned activities that would define the optimal scope and timing of procurements;

9. Acknowledges from the Institute that, in order to improve the planning and monitoring of the procurement, it is currently developing a monitoring tool to follow up the expected dates of each step of the annual procurement proceedings; calls on the Institute to inform the discharge authority when this tool is fully implemented and, up until then, to keep it informed of the state of play regarding its development and implementation;

Prevention and management of conflicts of interests and transparency

10. Acknowledges that the Institute's conflict of interests policy was presented to the Commission for consultation on 12 November 2013; calls on the Institute to inform the discharge authority of the results of that consultation and of the final adoption of its conflict of interests policy;

11. Observes that the CVs and declarations of interests of the members of the Management Board, the Director and senior management are not publicly available; calls on the Institute to remedy the situation as a matter of urgency;

Internal audit

12. Acknowledges from the Institute that in 2012, the Commission's Internal Audit Service (IAS) carried out audit work in accordance with the Institute's strategic audit plan; notes that this work included an audit on budget execution, which identified good practices, but also led to four very important recommendations; takes note of the Institute's action plan to address the risks and notes that the IAS considered this to be adequate; notes that no critical recommendations were open as of 31 December 2012; expresses concern, however, that the implementation of two very important recommendations from 2011 has been delayed;

Performance

13. Requests that the Institute communicate the results and impact its work has on European citizens in an accessible way, mainly through its website;

14. Stresses the progress made by the Institute as regards the completion of its establishment plan, which contributes to its effective functioning;

15. Notes the main findings of the Institute's activity report and points out that in 2012, inter alia, the Institute produced two reports for the Presidencies, focusing on 'gender equality — climate change' and 'violence against women — victims support', finalised the construction of the Gender Equality Index, launched seven studies and developed an online database of gender training resources;

16. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 3 April 2014 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted, P7_TA(2014)0299 (see page 359 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the European Institute for Gender Equality for the financial year 2012

(2014/586/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Institute for Gender Equality for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Institute for Gender Equality for the financial year 2012, together with the Institute's replies [1],

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities [2], and in particular Article 185 thereof,

— 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 1605/2002 [3], and in particular Article 208 thereof,

— having regard to Regulation (EC) No 1922/2006 of the European Parliament and of the Council of 20 December 2006 on establishing a European Institute for Gender Equality [4], and in particular Article 15 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities [5],

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council [6], and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Women's Rights and Gender Equality (A7-0230/2014),

1. Approves the closure of the accounts of the European Institute for Gender Equality for the financial year 2012;

2. Instructs its President to forward this Decision to the Director of the European Institute for Gender Equality, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

---

[1] OJ C 365, 13.12.2013, p. 127.
[2] OJ L 248, 16.9.2002, p. 1.
[3] OJ L 298, 26.10.2012, p. 1.
[4] OJ L 403, 30.12.2006, p. 9.
[5] OJ L 357, 31.12.2002, p. 72.
[6] OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority for the financial year 2012

(2014/587/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2012, together with the Authority's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority) ([4]), and in particular Article 64 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A7-0232/2014),

1. Grants the Executive Director of the European Insurance and Occupational Pensions Authority discharge in respect of the implementation of the Authority's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Executive Director of the European Insurance and Occupational Pensions Authority, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 134.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 331, 15.12.2010, p. 48.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2012, together with the Authority's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority) ([4]), and in particular Article 64 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A7-0232/2014),

A. whereas, according to its financial statements, the final budget of the European Insurance and Occupational Pensions Authority ('the Authority') for the financial year 2012 was EUR 15 655 000, representing an increase of 46,76 % compared to 2011; whereas this increase is due to the Authority's recently established nature,

B. whereas the overall contribution of the Union to the Authority's budget for 2012 was EUR 5 484 109,07, representing an increase of 28,52 % compared to 2011,

([1]) OJ C 365, 13.12.2013, p. 134.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 331, 15.12.2010, p. 48.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

C. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Authority's annual accounts for the financial year 2012 are reliable and that the underlying transactions are legal and regular,

1. Recalls that Parliament was a key actor in the establishment of the Authority — together with the European Banking Authority and the European Securities and Markets Authority — as one of the three economic and financial European Supervisory Authorities which are still in a setting-up phase; therefore, considers that better coordination at European level is still needed;

2. Believes that the Authority's role in promoting the safety and soundness of insurance and reinsurance institutions and in safeguarding the interests of the insured and of members of pension schemes is essential for the economic recovery and the creation of sustainable jobs and growth in Europe;

Follow-up of 2011 discharge

3. Welcomes the fact that as of September 2013, the Authority had completed two corrective actions following the comments of Court of Auditors in 2011; recalls that this process must be fully satisfactory; notes that corrective actions are still ongoing and are definitely needed;

4. Acknowledges from the Authority that during 2012 and 2013, it has introduced a number of measures regarding the internal procedures to ensure an appropriate level of commitment execution rates for Title II (administrative expenditure), and as a consequence of these and other measures, the budget execution rate for this title reached 95,37 % for 2012 and 92,02 % for 2013, while the commitment execution rate for Title III reached 99,21 % for 2012 and 98,77 % for 2013;

5. Acknowledges that new rules on the management of conflicts of interest regarding the members of the Board of Supervisors and of the Management Board were adopted by the Authority's Management Board on 19 November 2013 and that similar rules regarding staff members and contractual parties were adopted by the Executive Director; notes that both sets of rules contain clear requirements concerning declarations, the definition of conflicts and breaches and management processes and sanctions;

Budget and financial management

6. Notes that budget monitoring efforts during the financial year 2012 resulted in an overall budget implementation rate of 90,63 %; notes with concern that the payment appropriations execution rate was 67,21 %;

7. Stresses that the additional tasks entrusted to the Authority, as well as future tasks envisaged in the legislative proposals yet to be agreed upon, will require budgetary increases and new human resources in order to enable the Authority to properly fulfil its supervisory role; considers this to be extremely important, as the tasks of the Authority are likely to keep growing; notes that eventual increases in human resources should be, where possible, preceded or accompanied by rationalisation efforts such as reallocation to achieve efficiency gains;

8. Observes that the current financing arrangements of the Authority, based on a mixed financing system, are inflexible, create unnecessary administrative burdens and might jeopardise its independence;

Commitments and carry-overs

9. Regrets that the carry-over of committed appropriations to 2013 was very high for title III (operational expenditure) at 79 % of total appropriations; acknowledges that this is mainly the result of the complexity and of the lengthy duration of one IT procurement procedure for which the contract of EUR 2 200 000 was signed as planned in December 2012; notes that during 2013, the execution rate of the 2012 carry-over appropriations of title III has reached a level of 95 %;

Transfers

10. Notes with satisfaction that according to the annual activity report as well as the Court of Auditors' audit findings, the level and nature of transfers in 2012 have remained within the limits of the financial rules;

Procurement and recruitment procedures

11. Notes with satisfaction that the Authority has undertaken an action plan leading to the improvement of its procurement procedures in order to become fully compliant with Union procurement rules;

12. Regrets that one contract related to the design of a financial database was subdivided into four lots of EUR 60 000 each, which were all directly awarded to two companies; is of the opinion that given the total value of the services to be procured for the same project (EUR 240 000), an open or restricted procedure should have been applied and that the related commitments and payments are thus irregular;

13. Expects, particularly in light of the above contract procedures, that all relevant staff have now received appropriate training to ensure they are fully able to implement the new Financial Regulation and judge, for example, where contracts may or may not be divided;

14. Notes that the Court of Auditors made no comments in its annual audit report for 2012 as regards the Authority's recruitment procedures;

Prevention and management of conflicts of interests and transparency

15. Welcomes the fact that the Authority has now adopted its policy and rules on the management of conflicts of interests for members of its Board of Supervisors and Management Board, as well as for its staff members and contractual parties; acknowledges that the Authority adopted its Ethics Rules in 2011 and established specific provisions for its Stakeholders Groups and Board of Appeal to handle potential conflicts of interests; calls on the Authority to inform the discharge authority whether it intends to review its Ethic Rules on the basis of the Commission's Guidelines on the Prevention and Management of Conflicts of Interests in EU Decentralized Agencies;

16. Welcomes the fact that the Authority is currently working on the structure of its website, including the establishment of a dedicated webpage on conflicts of interests; observes that the CV and declarations of interests of the members of the Management Board and the Board of Supervisors as well as the declarations of interests of the Executive Director and senior management are not publicly available; calls on the Authority to remedy the situation as a matter of urgency;

Internal audit

17. Acknowledges from the Authority that in 2012 the Commission's Internal Audit Service (IAS) conducted an in-depth assessment of audit priorities for the coming years, which defined the most important risks and the Strategic Audit Plan 2013-2015, and which listed future audit topics; acknowledges that the Authority developed an action plan to address the identified high risk areas and that the plan was agreed with IAS;

Internal controls

18. Regrets that while a physical verification of assets was carried out in May and June 2012, no physical verification report was produced; regrets, moreover, that the Authority has not adopted any procedures or guidelines on physical checks on tangible assets;

19. Acknowledges from the Authority that it has taken corrective actions, in particular, training took place and guidelines for documenting the asset processes have been adopted; calls on the Authority to inform the discharge authority on the implementation of those guidelines and on the results of the corrective action;

Performance

20. Requests that the Authority communicate the results and impact its work has on the European citizens in an accessible way, mainly through its website;

21. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 3 April 2014 [1] on the performance, financial management and control of the agencies.

---

[1] Texts adopted, P7_TA(2014)0299 (see page 359 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the European Insurance and Occupational Pensions Authority for the financial year 2012

(2014/588/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2012, together with the Authority's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority) ([4]), and in particular Article 64 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A7-0232/2014),

1. Approves the closure of the accounts of the European Insurance and Occupational Pensions Authority for the financial year 2012;

2. Instructs its President to forward this Decision to the Executive Director of the European Insurance and Occupational Pensions Authority, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 134.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 331, 15.12.2010, p. 48.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the European Institute of Innovation and Technology for the financial year 2012

(2014/589/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Institute of Innovation and Technology for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Institute of Innovation and Technology for the financial year 2012, together with the Institute's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 294/2008 of the European Parliament and of the Council of 11 March 2008 establishing the European Institute of Innovation and Technology ([4]), and in particular Article 21 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0234/2014),

1. Grants the Director of the European Institute of Innovation and Technology discharge in respect of the implementation of the Institute's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Director of the European Institute of Innovation and Technology, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 142.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 97, 9.4.2008, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Institute of Innovation and Technology for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Institute of Innovation and Technology for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Institute of Innovation and Technology for the financial year 2012, together with the Institute's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 294/2008 of the European Parliament and of the Council of 11 March 2008 establishing the European Institute of Innovation and Technology ([4]), and in particular Article 21 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0234/2014),

A. whereas according to its financial statements, the final budget of the European Institute of Innovation and Technology ('the Institute') for the financial year 2012 was EUR 95 300 000 for commitment appropriations, representing an increase of 48,87 % compared to 2011, and EUR 77 090 000 for payment appropriations,

B. whereas according to its financial statements, the overall contribution of the Union to the Institute's budget for 2012 amounted to EUR 68 697 863, compared to EUR 8 043 439,83 in 2011,

([1]) OJ C 365, 13.12.2013, p. 142.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 97, 9.4.2008, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

C. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Institute's annual accounts for the financial year 2012 are reliable, but could not obtain sufficient appropriate audit evidence on the legality and regularity of the underlying transactions,

Basis for a qualified opinion on the legality and regularity of the underlying transactions

1. Regrets that the Court of Auditors found the quality of the audit certificates is inadequate in many instances; notes that in order to have a second layer of assurances on the legality and regularity of grant transactions, at the end of 2012, the Institute introduced complementary *ex post* verifications for grants related to 2011 activities, which were carried out by independent audit firms and are assessed as reliable; regrets that the *ex post* verification results confirmed that *ex ante* verifications were not fully effective;

2. Deplores the fact that no *ex post* verifications have been carried out for transactions related to grants for 2010 activities (EUR 11 300 000); deplores the fact, furthermore, that given the limited assurances that can be drawn from *ex ante* verifications, there is no reasonable assurance as to the legality and regularity of these transactions and the Court of Auditors could not obtain sufficient appropriate audit evidence on the legality and regularity of the audited grant transactions related to 2010 activities;

Qualified opinion on the legality and the regularity of the underlying transactions

3. Notes that according to the Court of Auditors, except for the possible effects of the matters described in the basis for a qualified opinion, the transactions underlying the annual accounts for the year 2012 are legal and regular in all material respects;

Commitments and carry-overs

4. Notes that out of the committed appropriations carried over from 2011 amounting to some EUR 22 000 000, some EUR 10 000 000 (45 %) were cancelled in 2012; acknowledges that the high level of cancellations is mainly due to lower than estimated costs claimed by beneficiaries under the 2011 grant agreements (EUR 9 200 000, or 92 % of cancelled carry-overs);

Transfers

5. Notes with satisfaction that according to the annual activity report, as well as the Court of Auditors' audit findings, the level and nature of transfers in 2012 have remained within the limits of the financial rules;

Procurement and recruitment procedures

6. Notes that for the year 2012, neither sampled transactions nor other audit findings have led to any comments on the Institute's procurement procedures in the Court of Auditors' annual audit report;

7. Notes that the Court of Auditors made no comments in its annual audit report for 2012 as regards the Institute's recruitment procedures;

Prevention and management of conflicts of interests and transparency

8. Acknowledges that the Institute has two framework rules regulating conflicts of interests; calls on the Institute to inform the discharge authority whether it intends to update those framework rules according to the Commission's Guidelines on the Prevention and Management of Conflicts of Interests in EU Decentralised Agencies;

9. Observes that the declarations of interests of members of the Governing Board, the Executive Director and senior management are not publicly available; calls on the Institute to remedy the situation as a matter of urgency;

Internal audit

10. Acknowledges from the Institute that in 2012, the Commission's Internal Audit Service (IAS) carried out an independent assessment on the design adequacy of the internal control systems related to the preparation of annual grant agreements, which led to one critical and four very important recommendations to the Institute;

11. Notes that following the assessment carried out by the IAS, the Institute prepared an action plan addressing the critical recommendation, with a total of 11 actions, of which eight were scheduled for implementation before 31 July 2013; notes that the four very important recommendations were to be mitigated through the implementation of a total of 12 actions (three before 31 July 2013); notes, furthermore, that the IAS considers that the action plan adequately addresses the risks and will mitigate them if implemented in a timely manner;

Internal controls

12. Regrets the fact that budgets for grant agreements signed in 2010 and 2011 were not sufficiently specific, which resulted in payments in 2012; observes that there was no link between the approved funds and the activities to be implemented and that grant agreements did not set individual thresholds for specific cost categories (i.e. staff costs, sub-contracting, legal services, etc.) and did not include rules for the procurement of goods and services by the Knowledge and Innovation Communities and their partners;

13. Notes that the Institute also carried out technical verifications for all funded projects as part of its *ex ante* verifications; regrets, however, that the lack of quantifiable targets hampered an effective assessment of project activities and results; believes that such a situation could and should have been avoided and calls on the Institute to remedy it and to inform the discharge authority on the progress in this regard within the framework of the 2012 discharge follow-up;

14. Acknowledges from the Institute that on the basis of the final audit reports, all the amounts unduly paid (EUR 1 044 512,28 for 2010 and EUR 1 242 317,31 for 2011) have been recovered; acknowledges that a comprehensive grant assurance strategy, covering both *ex ante* and *ex post* controls, was put in place by the Institute in the period 2012-2013;

15. Notes with concern that the Institute did not have an internal auditor for the entire calendar year 2013, as the previous auditor left the Institute on 31 December 2012, and the current auditor took over the task only on 1 January 2014; believes that such a situation should have been avoided, especially given the problems shown to exist in the Institute as regards the 2012 discharge;

Performance

16. Requests that the Institute communicate the results and impact its work has on European citizens in an accessible way, mainly through its website;

17. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 3 April 2014 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted, P7_TA(2014)0299 (see page 359 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the European Institute of Innovation and Technology for the financial year 2012

(2014/590/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Institute of Innovation and Technology for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Institute of Innovation and Technology for the financial year 2012, together with the Institute's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 294/2008 of the European Parliament and of the Council of 11 March 2008 establishing the European Institute of Innovation and Technology ([4]), and in particular Article 21 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0234/2014),

1. Approves the closure of the accounts of the European Institute of Innovation and Technology for the financial year 2012;

2. Instructs its President to forward this Decision to the Director of the European Institute of Innovation and Technology, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 142.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 97, 9.4.2008, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the European Medicines Agency for the financial year 2012

(2014/591/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Medicines Agency for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Medicines Agency for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 726/2004 of the European Parliament and of the Council ([4]) establishing a European Medicines Agency, and in particular Article 68 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A7-0227/2014),

1. Grants the Executive Director of the European Medicines Agency discharge in respect of the implementation of the Agency's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Executive Director of the European Medicines Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 150.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 136, 30.4.2004, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Medicines Agency for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Medicines Agency for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Medicines Agency for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 726/2004 of the European Parliament and of the Council ([4]) establishing a European Medicines Agency, and in particular Article 68 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A7-0227/2014),

A. whereas, according to its financial statements, the final budget of the European Medicines Agency ('the Agency') for the financial year 2012 was EUR 222 489 000, representing an increase of 6,52 % compared to 2011,

B. whereas according to its financial statements, the overall contribution of the Union to the Agency's budget for 2012 amounted to EUR 31 341 107,18, representing a decrease of 6,50 % compared to 2011,

C. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2012 are reliable and that the underlying transactions are legal and regular,

([1]) OJ C 365, 13.12.2013, p. 150.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 136, 30.4.2004, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Reiterates the Agency's important role in protecting and promoting public and animal health by assessing and supervising medicines for human or veterinary use;

Follow-up of 2011 discharge

2. Notes from the Court of Auditors' report that one corrective action taken in response to the previous year's comments is marked as 'completed', one as 'outstanding' and one as 'ongoing';

3. Acknowledges from the Agency that:

— a new systematic *ex ante* control on the correct completion of the electronic declaration of interests submitted by the experts has been performed for all new appointed experts as from June 2013, the results having demonstrated that new experts completed their electronic declarations of interests correctly,

— the *ex post* control on handling conflicts of interest of experts carried out in 2013 resulted in minor findings with no impact on the experts' participation in the Agency's activities and has given useful information to the Agency on how to further strengthen its internal controls, while providing reassurance on the robustness of the Agency's handling of conflicts of interest;

Comments on the reliability of the accounts

4. Notes with concern that the Agency applies differing recognition criteria for fee revenues and associated expenditure and that the revenue from application fees is recognised on a straight-line basis over a set time period; observes, however, that expenditure for the evaluation of such applications by the competent national authorities is accrued when a specific milestone in service delivery is reached; believes that this is in contradiction with the matching principle;

5. Regrets that the Agency has not yet validated its accounting system in the area of intangible fixed assets, which, given the considerable investment in the development of information and communications technology (ICT), is a crucial part of the whole accounting system; calls on the Agency to inform the discharge authority on progress in this regard within the framework of the 2012 discharge follow-up;

Comments on the legality and regularity of transactions

6. Notes with concern that in order to cover higher school fees, the Agency grants staff whose children attend primary or secondary school a top-up allowance, which amounted to some EUR 389 000 in 2012, in addition to the education allowances provided for in the Staff Regulations of Officials of the European Communities ('the Staff Regulations'); notes that these allowances are not covered by the Staff Regulations and are, therefore, considered irregular by the Court of Auditors; acknowledges, however, that this situation is due to the lack of European Schools in the city the Agency is based in and that the purpose of these top-ups is to ensure equal treatment of the Agency's employees under the Staff Regulations;

Budget and financial management

7. Notes that the Agency's budget implementation rates for the year 2012 were satisfactory for titles I and III; notes with concern that the rate of committed appropriations carried over was high for title II at 27 %; acknowledges that this relates primarily to the Agency's planned move to a new premises in 2014 (EUR 4 205 000) and to the development of ICT systems (EUR 1 596 000);

Commitments and carry-overs

8. Notes the reduced amount carried over to 2013 in comparison with 2010 and 2011; appreciates that the carry-over is partly related to the new building project; reminds the Agency of the importance of respecting the budgetary principle of annuality;

Transfers

9. Notes with satisfaction that according to the annual activity report, as well as the Court of Auditors' audit findings, the level and nature of transfers in 2012 have remained within the limits of the financial rules; commends the Agency for its good budgetary planning;

Procurement and recruitment procedures

10. Notes with concern that in 2012, the Agency issued multiple framework contracts for the provision of services; expresses concern that the procurement procedure presented some irregularities affecting the principle of transparency;

11. Notes that the Court of Auditors made no comments in its annual audit report for 2012 as regards the Agency's recruitment procedures;

12. Is satisfied that 575 of 590 available posts were filled and notes that 160 contract agents and seconded national experts were employed by the end of 2012, which is 17 less than in 2011;

Prevention and management of conflicts of interests and transparency

13. Welcomes the fact that for the second year in a row, the Agency held a public workshop on conflicts of interests, aimed at defining the right balance between ensuring the impartiality and independence of experts involved in the Agency's work and securing the best possible scientific expertise;

14. Acknowledges that the Agency revised its policy on the handling of conflicts of interests by the Scientific Committees' members and experts which is expected for endorsement by the Management Board in March 2014; calls on the Agency to present that revised policy to the discharge authority once adopted;

15. Notes that the Agency works together closely with a variety of patient, healthcare and consumer organisations in order to take their opinions into account; calls on the Agency to request public disclosure regarding the funding of any patient, consumer and healthcare organisation it works with, and to carry out a conflict of interests check regarding those organisations;

Internal audit

16. Acknowledges from the Agency that in 2012 the Commission's Internal Audit Service (IAS) carried out an operation audit on planning and budgeting in the Agency, as well as a follow-up audit on the recommendations concerning internal control standards, the provision of scientific advice, human resources management, the 2010 follow-up audit and operational business continuity in the Agency audits; notes that the audit on planning and budgeting identified strengths as regards revenue forecasting and monitoring and raised seven recommendations, two of which were rated as 'very important' and five as 'important'; acknowledges that all recommendations were accepted by the management and that the Agency prepared an action plan which the IAS considered to be adequate; notes that the follow-up concluded that three recommendations from the previous audits remain open, one of which was downgraded to 'important';

Performance

17. Requests that the Agency communicate the results and impact its work has on European citizens in an accessible way, mainly through its website;

18. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 3 April 2014 [1] on the performance, financial management and control of the agencies.

---

[1] Texts adopted, P7_TA(2014)0299 (see page 359 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the European Medicines Agency for the financial year 2012

(2014/592/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Medicines Agency for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Medicines Agency for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 726/2004 of the European Parliament and of the Council ([4]) establishing a European Medicines Agency, and in particular Article 68 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A7-0227/2014),

1. Approves the closure of the accounts of the European Medicines Agency for the financial year 2012;

2. Instructs its President to forward this Decision to the Executive Director of the European Medicines Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 150.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 136, 30.4.2004, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2012

(2014/593/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2012, together with the Centre's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 1920/2006 of the European Parliament and of the Council of 12 December 2006 on the European Monitoring Centre for Drugs and Drug Addiction ([4]), and in particular Article 15 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A7-0185/2014),

1. Grants the Director of the European Monitoring Centre for Drugs and Drug Addiction discharge in respect of the implementation of the Centre's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Director of the European Monitoring Centre for Drugs and Drug Addiction, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 158.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 376, 27.12.2006, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2012, together with the Centre's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]) ('the Financial Regulation'), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 1920/2006 of the European Parliament and of the Council of 12 December 2006 on the European Monitoring Centre for Drugs and Drug Addiction ([4]), and in particular Article 15 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A7-0185/2014),

A. whereas, according to its financial statements, the budget of the European Monitoring Centre for Drugs and Drug Addiction ('the Centre') for the financial year 2012 was EUR 16 317 000 representing an increase of 0,26 % compared to 2011,

([1]) OJ C 365, 13.12.2013, p. 158.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 376, 27.12.2006, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

B. whereas the overall contribution of the Union to the Centre's budget for 2012 amounted to EUR 15 550 920, representing an increase of 0, 98 % compared to 2011,

C. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Centre's annual accounts for the financial year 2012 are reliable and that the underlying transactions are legal and regular,

Follow-up of the 2011 discharge

1. Notes from the Court of Auditors' annual report that four corrective actions taken in response to the previous year's comments are marked as 'completed', one is marked as 'ongoing' and one is marked as 'outstanding';

2. Acknowledges from the Centre that:

— no solution to the problem of selling or leasing the unused office space has been found, even though the Centre actively seeks an adequate solution; acknowledges, furthermore, that the Centre has further rationalised and reduced its maintenance costs by revising security settings and reducing energy consumption,

— the third evaluation of the Centre by the Commission was completed in 2012 and that the action plan to follow-up on the recommendations resulting from the evaluation exercise has been prepared by the Centre and endorsed by its Management Board, defining detailed measures to be taken during the 2013-2015 work programme,

— a revision of the Centre's internal processes was made to reduce the volume of carry-overs which resulted in a reduction of 16 % of the appropriations carried forward from 2012 to 2013, compared to the previous year,

— a treasury policy related to minimising and spreading financial risk aimed at periodically monitoring the possible risk has been put in place,

— a revision of the Centre's policy on exceptions has been put in place in order to explicitly cover any exception that reflects a deviation from any rule formally adopted and in force at the Centre,

— its recruitment processes were adjusted to provide for the definition of the content of written tests and interviews before the selection board examines the applications received;

Budget and financial management

3. Notes that budget monitoring efforts during the financial year 2012 resulted in a budget implementation rate of 99,74 % and that the payment appropriations execution rate was 98,5 %;

Commitments and carry-overs

4. Acknowledges that the Court of Auditors' annual audit has found no notable issues as regards the level of carry-overs in 2012; commends the Centre for adhering to the principle of annuality and for the timely execution of its budget;

Transfers

5. Notes with satisfaction that according to the annual activity report as well as the Court of Auditors' audit findings, the level and nature of transfers in 2012 have remained within the limits of the financial rules; commends the Centre for its good budgetary planning;

Procurement and recruitment procedures

6. Notes that for the year 2012, neither sampled transactions nor other audit findings have led to any comments on the Centre's procurement procedures in the Court of Auditors' annual audit report;

7. Notes that the Court of Auditors made no comments in its annual audit report for 2012 as regards the Centre's recruitment procedures;

Comments on internal controls

8. Notes with concern that according to the Court of Auditors' annual audit report, the Centre does not usually obtain any documents from beneficiaries to substantiate the eligibility and accuracy of the costs claimed in relation to grants for supporting cooperation under the Reitox network and that *ex post* on-the-spot verifications of costs at beneficiary level are rare; calls on the Centre to address the issue by accepting the Court of Auditors' recommendation of having a random verification of supporting documents and a higher coverage of beneficiaries by on-the-spot verifications which could considerably increase assurances; calls on the Centre to report to the discharge authority, within the framework of the 2012 discharge follow-up, on the steps taken;

9. Notes with concern that no *ex post* verifications were carried out for any transactions made after 2008, except for grants; calls on the Centre to address the issue and to report to the discharge authority, within the framework of the 2012 discharge follow-up, on the steps taken;

Other comments

10. Notes with concern from the Court of Auditors' annual audit report that the Centre currently bears the annual cost of about EUR 200 000 for unused office space in its former building and in the new headquarters; calls on the Centre, as a matter of priority, to work in cooperation with the Commission and national authorities to seek adequate solutions for this unused office space, and to report to the discharge authority, within the framework of the 2012 discharge follow-up, on the steps taken;

Prevention and management of conflicts of interests and transparency

11. Acknowledges that the Centre will review its policy on the prevention and management of conflicts of interests on the basis of the Commission's Guidelines on the Prevention and Management of Conflict of Interest in EU Decentralised Agencies; calls on the Centre to inform the discharge authority on the assessment results once available;

12. Observes that the CVs and declarations of interests of the members of the Management Board and the senior management of the Centre, as well as the declaration of interests of the Executive Director, are not publicly available; calls on the Centre to remedy the situation as a matter of urgency;

Internal audit

13. Acknowledges from the Centre that in 2012 the Commission's Internal Audit Service (IAS) submitted a three-year strategic audit plan for the Centre on 27 November 2012 and that it was endorsed by the Centre's Management Board at its meeting of 6-7 December 2012; notes that the IAS did not carry out any audits at the Centre in 2012; notes that the IAS carried out a follow-up of its earlier recommendations and found that at the cut-off date of 31 December 2012, one very important recommendation was still being implemented, while two had been implemented but were subject to confirmation from the IAS;

Performance

14. Requests that the Centre communicate the results and impact its work has on European citizens in an accessible way, mainly through its website;

15. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 3 April 2014 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted, P7_TA(2014)0299 (see page 359 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2012

(2014/594/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2012, together with the Centre's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 1920/2006 of the European Parliament and of the Council of 12 December 2006 on the European Monitoring Centre for Drugs and Drug Addiction ([4]), and in particular Article 15 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A7-0185/2014),

1. Approves the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2012;

2. Instructs its President to forward this Decision to the Director of the European Monitoring Centre for Drugs and Drug Addiction, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 158.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 376, 27.12.2006, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the European Maritime Safety Agency for the financial year 2012

(2014/595/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Maritime Safety Agency for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 1406/2002 of the European Parliament and of the Council of 27 June 2002 establishing a European Maritime Safety Agency ([4]), and in particular Article 19 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A7-0196/2014),

1. Grants the Executive Director of the European Maritime Safety Agency discharge in respect of the implementation of the Agency's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Executive Director of the European Maritime Safety Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 165.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 208, 5.8.2002, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Maritime Safety Agency for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Maritime Safety Agency for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]) ('the Financial Regulation'), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 1406/2002 of the European Parliament and of the Council of 27 June 2002 establishing a European Maritime Safety Agency ([4]), and in particular Article 19 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A7-0196/2014),

A. whereas according to its financial statements, the budget of the European Maritime Safety Agency ('the Agency') for the financial year 2012 was EUR 55 127 505, representing a decrease of 2,33 % compared to 2011; whereas the Agency's entire budget derives from the Union budget,

B. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2012 are reliable and that the underlying transactions are legal and regular,

([1]) OJ C 365, 13.12.2013, p. 165.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 208, 5.8.2002, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Emphasises the Agency's vital role as guarantor of maritime safety in Europe, with its competences having been expanded following the adoption of its new basic regulation in February 2013; stresses in this respect that the Agency has to be given the financial, material and human resources it needs to perform its tasks successfully;

Follow-up of the 2011 discharge

2. Notes from the Court of Auditors' report that the status of one corrective action taken in response to the previous year's comments is marked as 'ongoing', one is marked as 'completed' and one is marked as partially 'completed' and partially 'outstanding';

3. Acknowledges from the Agency that:

— year-end procedures implemented for the analysis of outstanding budget commitments were fine-tuned in 2012, having resulted in the cancellation of the outstanding balances on commitments not related to existing legal obligations,

— a consolidated set of guidelines on conflicts of interest, which complement the rules of the Staff Regulations, has been prepared and made available to the Agency's staff and furthermore, training on ethics and integrity is provided in-house and is compulsory to all staff;

Comments on the legality and regularity of transactions

4. Notes with concern that the Court of Auditors' annual audit has found a budget commitment amounting to EUR 800 000 which was not related to an existing legal commitment and was thus irregular; notes the response from the Agency explaining that this irregularity was caused by a delay in the signing of a contract; reminds the Agency, nevertheless, of its duty to ensure that its annual accounts are in order and welcomes in this respect its decision to introduce annual budget analysis procedures in order to prevent the recurrence of this type of situation;

Budget and financial management

5. Notes that the budget monitoring efforts during the financial year 2012 resulted in a budget implementation rate of 94 % and that the payment appropriations execution rate was 89 %;

6. Reminds the Agency that it has a duty to ensure all possible efficient savings and an intelligent use of existing administrative structures so that it can carry out its newly assigned competences without an undue budget increase, being mindful of the fact that it must avoid unnecessary duplications of the work of national authorities;

Commitments and carry-overs

7. Acknowledges that the Court of Auditors' annual audit has found no notable issues as regards the level of carry-overs in 2012; commends the Agency for adhering to the principle of annuality and for the timely execution of its budget;

Transfers

8. Notes with satisfaction that according to the annual activity report as well as the Court of Auditors' audit findings, the level and nature of transfers in 2012 have remained within the limits of the financial rules; commends the Agency for its good budgetary planning;

Procurement and recruitment procedures

9. Notes that for the year 2012, neither sampled transactions nor other audit findings have led to any comments on the Agency's procurement procedures in the Court of Auditors' annual audit report;

10. Notes with concern that the Court of Auditors identified shortcomings in the transparency of two recruitment procedures carried out during the first half of 2012, for which the questions for written tests and interviews, as well as their weightings, were not prepared before the examination of the applications and threshold scores to be included on a list of suitable candidates were not prepared before the examination of the applications; acknowledges, however, that following the Court of Auditors' comments from last year, the Agency implemented corrective measures and no such weaknesses were found for the two audited recruitment procedures carried out in the second half of 2012;

Prevention and management of conflicts of interests and transparency

11. Acknowledges that the Agency adopted a policy for the avoidance of conflicts of interests in safety assessment and inspection activities in April 2012, as well as a conflicts of interests policy for the members of the Administrative Board in November 2013;

12. Observes that the CVs and declarations of interests of the members of the Administrative Board, the Executive Director and the senior management are not publicly available; calls on the Agency to remedy the situation as a matter of urgency;

Comments on internal controls

13. Notes with concern that accounting procedures and information in respect of costs for internally generated intangible assets are not fully reliable; expects the Agency to implement corrective measures and inform the discharge authority on the results;

Internal audit

14. Acknowledges from the Agency that in 2012 the Commission's Internal Audit Service (IAS) carried out an audit to assess and provide assurance on the adequacy and effective application of the internal control systems related to business continuity management of the Agency, which led to three important recommendations, and that the Agency prepared a detailed action plan approved by the IAS; notes that the IAS also performed a follow-up of past audits, which concluded that 17 out of 20 recommendations have been adequately implemented;

Performance

15. Requests that the Agency communicate the results and impact its work has on the European citizens in an accessible way, mainly through its website;

16. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 3 April 2014 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted, P7_TA(2014)0299 (see page 359 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the European Maritime Safety Agency for the financial year 2012

(2014/596/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Maritime Safety Agency for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 1406/2002 of the European Parliament and of the Council of 27 June 2002 establishing a European Maritime Safety Agency ([4]), and in particular Article 19 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A7-0196/2014),

1. Approves the closure of the accounts of the European Maritime Safety Agency for the financial year 2012;

2. Instructs its President to forward this Decision to the Executive Director of the European Maritime Safety Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 165.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 208, 5.8.2002, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the European Network and Information Security Agency for the financial year 2012

(2014/597/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Network and Information Security Agency for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Network and Information Security Agency for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 460/2004 of the European Parliament and of the Council of 10 March 2004 establishing the European Network and Information Security Agency ([4]), and in particular Article 17 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0194/2014),

1. Grants the Executive Director of the European Network and Information Security Agency discharge in respect of the implementation of the Agency's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Executive Director of the European Network and Information Security Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 172.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 77, 13.3.2004, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Network and Information Security Agency for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Network and Information Security Agency for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Network and Information Security Agency for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]) ('the Financial Regulation'), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 460/2004 of the European Parliament and of the Council of 10 March 2004 establishing the European Network and Information Security Agency ([4]), and in particular Article 17 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0194/2014),

A. whereas, according to its financial statements, the final budget of the European Network and Information Security Agency ('the Agency') for the financial year 2012 was EUR 8 158 163, representing an increase of 0,68 % compared to 2011; whereas the Agency's entire budget derives from the Union budget,

B. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2012 are reliable and that the underlying transactions are legal and regular,

([1]) OJ C 365, 13.12.2013, p. 172.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 77, 13.3.2004, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

Follow-up of the 2011 discharge

1. Acknowledges from the Agency that:

— the amount of carry-overs at the end of 2012 for Title III represented 13 % of the annual budget and that the carry-overs for Title II represented 2 % of the annual budget, while the global amount carried forward represented 8,5 % of the annual budget; acknowledges that the reduction in the level of appropriations carried forward to the next year was achieved by shifting procurement planning from the first quarter of the financial year to the last quarter of the preceding year,

— its first inventory count was launched in April 2013 using ABAC Assets application and technology, whereby the Agency verified the existence, valuation, eligibility and correctness of fixed asset records,

— the necessary measures were taken to address the lack of transparency of recruitment procedures; acknowledges that the Court of Auditors marked the issue as 'completed' in its report;

Budget and financial management

2. Notes with satisfaction that budget monitoring efforts during the financial year 2012 resulted in a budget implementation rate of 100 % and that the payment appropriations execution rate was 91,45 %;

Commitments and carry-overs

3. Acknowledges that the Court of Auditors' annual audit has found no notable issues as regards the level of carry-overs in 2012 and commends the Agency for adhering to the principle of annuality and for timely execution of its budget;

Transfers

4. Notes with satisfaction that according to the annual activity report, as well as the Court of Auditors' audit findings, the level and nature of transfers in 2012 have remained within the limits of the financial rules and commends the Agency for its good budgetary planning;

Procurement and recruitment procedures

5. Notes that for the year 2012, neither sampled transactions nor other audit findings have led to any comments on the Agency's procurement procedures in the Court of Auditors' annual audit report;

6. Notes that the Court of Auditors made no comments in its annual audit report for 2012 as regards the Agency's recruitment procedures;

Prevention and management of conflicts of interests and transparency

7. Acknowledges that the Management Board approved and signed the decision on practical arrangements for implementing transparency and confidentiality rules in October 2013;

8. Observes that the CVs and declarations of interests of the members of the Management Board are not publicly available; calls on the Agency to remedy the situation as a matter of urgency;

Comments on internal controls

9. Notes with concern that according to the Court of Auditors' annual audit report, although the Financial Regulation and the corresponding implementing rules provide for a physical inventory of fixed assets at least every three years, this was not respected and the Agency did not carry out a comprehensive physical inventory in 2012, following the physical inventory of 2009; acknowledges that it would have been either very difficult or even counterproductive to carry out an inventory in 2012 because the inventory management module of the integrated budget and accounting platform, supported by the Commission (DG BUDG), has only been in place since that same year; acknowledges that this issue has been addressed with the new system in 2013;

Internal audit

10. Acknowledges from the Agency that in 2012 the Commission's Internal Audit Service (IAS) carried out an in-depth risk assessment exercise in order to determine the audit priorities for the coming three years; observes that the IAS submitted its final strategic audit plan for 2013-2015 on 3 December 2012, defining the prospective topics for the IAS audits of the Agency for this period; notes that the IAS also carried out a desk review on information provided by the Agency, which showed that no critical recommendations were open as of 31 December 2012; notes with concern, however, that the implementation of four very important recommendations was delayed, with respect to the deadlines defined by the Agency in the original action plans; notes that two of those recommendations are actually closed;

Performance

11. Requests that the Agency communicate the results and impact its work has on European citizens in an accessible way, mainly through its website;

12. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 3 April 2014 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted, P7_TA(2014)0299 (see page 359 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the European Network and Information Security Agency for the financial year 2012

(2014/598/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Network and Information Security Agency for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Network and Information Security Agency for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 460/2004 of the European Parliament and of the Council of 10 March 2004 establishing the European Network and Information Security Agency ([4]), and in particular Article 17 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0194/2014),

1. Approves the closure of the accounts of the European Network and Information Security Agency for the financial year 2012;

2. Instructs its President to forward this Decision to the Executive Director of the European Network and Information Security Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 172.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 77, 13.3.2004, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the European Railway Agency for the financial year 2012

(2014/599/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Railway Agency for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Railway Agency for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 881/2004 of the European Parliament and of the Council of 29 April 2004 establishing a European Railway Agency ([4]), and in particular Article 39 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A7-0209/2014),

1. Grants the Executive Director of the European Railway Agency discharge in respect of the implementation of the Agency's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Executive Director of the European Railway Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 184.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 164, 30.4.2004, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Railway Agency for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Railway Agency for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Railway Agency for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]) ('the Financial Regulation'), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 881/2004 of the European Parliament and of the Council of 29 April 2004 establishing a European Railway Agency ([4]), and in particular Article 39 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A7-0209/2014),

A. whereas according to its financial statements, the budget of the European Railway Agency ('the Agency') for the financial year 2012 was EUR 25 799 000, representing a decrease of 0,72 % compared to 2011,

B. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2012 are reliable and that the underlying transactions are legal and regular,

([1]) OJ C 365, 13.12.2013, p. 184.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 164, 30.4.2004, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Highlights the Agency's vital role in ensuring the safety and interoperability of rail systems in Europe; notes furthermore that a review of the Agency's powers is currently under way as part of the Fourth Railway Package; stresses that should it be accorded greater powers, the Agency will need to be given the financial, material and human resources it needs to perform its tasks successfully;

Follow-up of the 2011 discharge

2. Notes from the Court of Auditors' report that corrective actions taken in response to previous year's comments are ongoing;

3. Acknowledges from the Agency that:

— corrective measures were implemented in order to reduce the negative impact on the Agency's activities as regards the significant turnover of operational staff; calls on the Agency, however, to inform the discharge authority of the impact of the measures taken,

— actions were taken to address deficiencies related to the appropriations carried forward, namely the implementation of stricter rules as regards the deadline for signing contracts, the revision of IT specific contracts allowing invoicing in line with the deliverables and the introduction of a new invoicing system by the Translation Centre for the Bodies of the European Union allowing for the reduction of carry-overs in the area of translation,

— in order to improve the recruitment procedures, to ensure transparency and equal treatment of candidates and to avoid conflicts of interest in the selection procedures, a new procedure for the selection and recruitment of staff and new guidelines for section committees were adopted;

Budget and financial management

4. Notes that budget monitoring efforts during the financial year 2012 resulted in a budget implementation rate of 94,92 % and that the payment appropriations execution rate was 85,63 %;

Two locations

5. Deplores the fact that using two locations (Lille and Valenciennes) to carry out its activities exposes the Agency to additional costs; acknowledges the efforts made by the Agency to minimise the negative impact of the decision on its seat;

6. Calls for a single location for the Agency, in a place easily accessible by public transport in order to save scare resources and increase its efficiency;

Commitments and carry-overs

7. Acknowledges that the Court of Auditors' annual audit has found no notable issues as regards the level of carry-overs in 2012 and commends the Agency for adhering to the principle of annuality and for the timely execution of its budget;

Transfers

8. Notes with satisfaction that according to the annual activity report as well as the Court of Auditors' audit findings, the level and nature of transfers in 2012 have remained within the limits of the financial rules; commends the Agency for its good budgetary planning;

Prevention and management of conflicts of interests and transparency

9. Acknowledges that the Agency will review its policy on the prevention and management of conflicts of interests in 2014 on the basis of Commission's Guidelines on the Prevention and Management of Conflicts of Interests in EU Decentralised Agencies; calls on the Agency to inform the discharge authority on the assessment results once available;

10. Observes that the CVs and declarations of interests of the members of the Management Board are not publicly available; calls on the Agency to remedy the situation as a matter of urgency;

Procurement and recruitment procedures

11. Notes that for the year 2012, neither sampled transactions nor other audit findings have led to any comments on the Agency's procurement procedures in the Court of Auditors' annual audit report;

12. Notes that the Court of Auditors made no comments in its annual audit report for 2012 as regards the Agency's recruitment procedures;

Internal audit

13. Acknowledges from the Agency that in 2012 the Commission's Internal Audit Service (IAS) carried out an audit ('Building Blocks of Assurance') during the last quarter of 2012 which resulted in 10 recommendations for the Agency, two of which were rated as 'very important', seven as 'important' and one as 'desirable'; notes that due to the late timing of the 2012 IAS audit, it was not possible for the Agency to provide detailed information on the actions planned in order to close the IAS recommendations; calls on the Agency to inform the discharge authority of those actions;

14. Notes that there are no outstanding recommendations marked as 'very important' from the 2011 IAS audit on 'Expert management in Interoperability' and that there are two outstanding recommendations marked as 'important' which were open at the end of 2013; calls on the Agency to inform the discharge authority of the actions taken;

15. Notes that the Court of Auditors indicates in its annual audit report for 2012 that the Agency has suppressed the Internal Audit Capability and has replaced it with an Internal Control Coordinator (ICC) post;

16. Regrets that the recruitment procedure for the ICC post was lengthy and that as of January 2014, the selected candidate had not yet started working at the Agency;

17. Notes with concern that the Court of Auditors indicates in its annual audit report for 2012 that the Agency does not comply with its Internal Control Standard regarding business continuity and that no approved IT Business Continuity and Disaster Recovery plans exist; acknowledges that the Agency has decided to implement adequate measures in order to ensure the continuity of the IT services and systems that are horizontal to the Agency's business; calls on the Agency to inform the discharge authority on actions implemented;

Performance

18. Requests that the Agency communicate the results and impact its work has on European citizens in an accessible way, mainly through its website;

19. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 3 April 2014 [1] on the performance, financial management and control of the agencies.

---

[1] Texts adopted, P7_TA(2014)0299 (see page 359 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the European Railway Agency for the financial year 2012

(2014/600/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Railway Agency for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Railway Agency for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 881/2004 of the European Parliament and of the Council of 29 April 2004 establishing a European Railway Agency ([4]), and in particular Article 39 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A7-0209/2014),

1. Approves the closure of the accounts of the European Railway Agency for the financial year 2012;

2. Instructs its President to forward this Decision to the Executive Director of the European Railway Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 184.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 164, 30.4.2004, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the European Securities and Markets Authority for the financial year 2012

(2014/601/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Securities and Markets Authority for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Securities and Markets Authority for the financial year 2012, together with the Authority's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority) ([4]), and in particular Article 64 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A7-0231/2014),

1. Grants the Executive Director of the European Securities and Markets Authority discharge in respect of the implementation of the Authority's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Executive Director of the European Securities and Markets Authority, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 197.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 331, 15.12.2010, p. 84.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Securities and Markets Authority for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Securities and Markets Authority for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Securities and Markets Authority for the financial year 2012, together with the Authority's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]) ('the Financial Regulation'), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority) ([4]), and in particular Article 64 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A7-0231/2014),

A. whereas, according to its financial statements, the budget of the European Securities and Markets Authority ('the Authority') for the financial year 2012 was EUR 20 279 000, representing an increase of 19,53 % compared to 2011,

B. whereas, according to its financial statements, the overall contribution of the Union to the Authority's budget for 2012 amounted to EUR 6 408 000, representing a decrease of 5,54 % compared to 2011,

([1]) OJ C 365, 13.12.2013, p. 197.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 331, 15.12.2010, p. 84.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

C. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Authority's annual accounts for the financial year 2012 are reliable and that the underlying transactions are legal and regular,

1. Recalls that Parliament was a key actor in the establishment of the Authority — together with the European Banking Authority and the European Insurance and Occupational Pensions Authority — as one of the three economic and financial European Supervisory Authorities which are still in a setting-up phase; therefore, considers that better coordination at European level is still needed;

2. Believes that the Authority's role in promoting stable and safe financial markets and the stability of the financial system and in bringing about secure operation of European equities markets is essential for the economic recovery and the creation of sustainable jobs and growth in Europe;

Follow-up of the 2011 discharge

3. Notes from the Court of Auditors' report that in response to the nine comments made the Court in 2011, one corrective action is marked as 'outstanding', five as 'ongoing' and, as of September 2013, three were finalised; recalls that this process must be fully completed, including in what regards the cancellation of carry-overs, the lack of transparency of selection procedures and the inadequacies of budgetary planning;

4. Acknowledges from the Authority that:

— the validation of accounting systems has been finalised by both the Authority's accountant and the Management Board,

— a close monitoring of budget execution by the Authority's management has been implemented in order to ensure that corrective actions related to low commitment execution rates are taken in due time; observes, furthermore, that a more rigorous verification and authorisation process for managing carry-overs has been established in 2012,

— the recruitment templates and guidelines have been revised and improved, with more rigorous controls and checks of supporting documents being undertaken in order to improve recruitment procedures,

— in order to avoid conflicts of interest, the Authority's conflicts of interest policy, due to be adopted by the Management Board, includes a provision that the Management Board members confirm that their awareness of their obligations in relation to conflicts of interest shall be made public;

Budget and financial management

5. Notes that budget monitoring efforts during the financial year 2012 resulted in a budget implementation rate of 86,12 % and that the payment appropriations execution rate was 65,22 %;

6. Stresses that the additional tasks entrusted to the Authority, as well as future tasks envisaged in the legislative proposals yet to be agreed upon, will require budgetary increases and new human resources in order to enable the Authority to properly fulfil its supervisory role; considers this to be extremely important, as the tasks of the Authority are likely to keep growing; notes that eventual increases in human resources should be, where possible, preceded or accompanied by rationalisation efforts such as reallocation to achieve efficiency gains;

7. Observes that the current financing arrangements of the Authority, based on a mixed financing system, are inflexible, create unnecessary administrative burdens and might jeopardise its independence;

Commitments and carry-overs

8. Notes with concern that according to the Court of Auditors' annual audit, EUR 2 800 000 (14 %) of total appropriations were cancelled and EUR 4 200 000 (21 %) of committed appropriations were carried over to 2013; acknowledges that the high level of cancellations results mainly from the fact that the budget was established on the basis of a fully implemented staff establishment plan at the beginning of 2012, whereas some recruitment were only made during the year, and form delays in IT procurements;

9. Notes with concern that the level of committed appropriations carried over is high at 39 % for Title II and at 52 % for Title III; acknowledges that for Title II, this was mainly caused by the fact that a significant contract for works on the Authority's premises was awarded in December 2012 (EUR 600 000) and that for Title III, the high level of committed appropriations carried over results from the multiannual nature of significant IT development projects and delays in related procurements;

Transfers

10. Notes with concern that the Authority made 22 budget transfers amounting to EUR 3 200 000, representing 16 % of total 2012 budget, which indicates weaknesses in budget planning;

Procurement and recruitment procedures

11. Regrets that according to the Court of Auditors' annual audit, there is considerable room for improving the timeliness and documentation of procurement procedures;

12. Notes with concern that according to the Court of Auditors' annual audit, the level of transparency of the Authority's recruitment procedures needs to be improved; calls on the Authority to implement corrective measures and to inform the discharge authority on the results of measures taken;

Prevention and management of conflicts of interests and transparency

13. Acknowledges that following the Court of Auditors' Special Report No 15/2012, the Authority revised its ethics guidelines, jointly with the European Banking Authority and the European Insurance and Occupational Pensions Authority, on the basis of the Commission's Guidelines on the Prevention and Management of Conflicts of Interests in EU Decentralised Agencies; welcomes the fact that those guidelines were assessed by the Commission's Internal Audit Service (IAS) in 2013 and were considered as best practices;

14. Observes that the CVs and declarations of interests of the members of the Board of Supervisors and members of the Management Board, as well as the declarations of interests of the Executive Director and senior management, are not publicly available; calls on the Authority to remedy the situation as a matter of urgency;

Comments on internal controls

15. Acknowledges that the Authority took an important step during its second year of activity with the adoption and implementation of the baseline requirements for all internal control standards; notes with concern that full implementation of the standards has not been achieved;

Internal audit

16. Acknowledges from the Authority that in 2012 the IAS carried out its first mission at the Authority, a full risk assessment of the Authority; notes that as a result, the IAS submitted a risk-based strategic audit plan for the Authority on 14 September 2012 and that the plan was endorsed by the Authority's Management Board on 5 November 2012;

Performance

17. Requests that the Authority communicate the results and impact its work has on the European citizens in an accessible way, mainly through its website;

18. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 3 April 2014 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted, P7_TA(2014)0299 (see page 359 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the European Securities and Markets Authority for the financial year 2012

(2014/602/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Securities and Markets Authority for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Securities and Markets Authority for the financial year 2012, together with the Authority's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority) ([4]), and in particular Article 64 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A7-0231/2014),

1. Approves the closure of the accounts of the European Securities and Markets Authority for the financial year 2012;

2. Instructs its President to forward this Decision to the Executive Director of the European Securities and Markets Authority, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 197.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 331, 15.12.2010, p. 84.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2012

(2014/603/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Training Foundation for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2012, together with the Foundation's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation ([4]), and in particular Article 17 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0182/2014),

1. Grants the Director of the European Training Foundation discharge in respect of the implementation of the Foundation's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Director of the European Training Foundation, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 206.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 354, 31.12.2008, p. 82.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Training Foundation for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2012, together with the Foundation's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation ([4]), and in particular Article 17 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0182/2014),

A. whereas according to its financial statements, the budget of the European Training Foundation ('the Foundation') for the financial year 2012 was EUR 20 144 530, representing an increase of 1,48 % compared to 2011,

B. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Foundation's annual accounts for the financial year 2012 are reliable and that the underlying transactions are legal and regular,

([1]) OJ C 365, 13.12.2013, p. 206.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 354, 31.12.2008, p. 82.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Points out the Foundation's important role in contributing to improving human capital development in the partner countries; welcomes, in this regard, the achievement of the objectives of the work programme, as shown by the increased number of corporate outputs in 2012 detailed in the annual activity report; acknowledges the emphasis placed by the Foundation's activity on the important issues of youth employment and the renewed focus on vocational education and training, the skills dimension of small and medium-sized enterprises and migration processes;

2. Notes with regret from the Foundation's annual accounts that the issue of the Foundation's premises remained unsolved in 2012, despite the preventive and mitigation actions put in place; welcomes the fact that an agreement was concluded with the regional authorities in 2013, which ensures the continuation of the Foundation's activities for the 2013-2015 period;

Follow-up of 2011 discharge

3. Acknowledges from the Court of Auditors' report that corrective actions taken in response to previous year's comments have been completed;

4. Acknowledges from the Foundation that:

— the Foundation cooperates closely with the European Centre for the Development of Vocational Training ('Cedefop'), including cooperation on administrative issues, in the context of an annual joint work programme annexed to the annual work programme of each Agency and reported in their respective annual activity reports,

— on main thematic areas, under DG EAC coordination, the Foundation and Cedefop will set up common projects focusing on the added value of the cooperation of the two very distinctive agencies; notes that an on-going area of cooperation concerns the Copenhagen/Bruges review process,

— the Foundation also cooperates closely with the European Foundation for the Improvement of Living and Working Conditions under a collaboration agreement which includes an annual joint action plan; notes that although the Foundation has no areas of common interest with the European Agency for Safety and Health at Work, nevertheless it will cooperate willingly with any Commission initiative aimed at achieving economies of scale and optimising performance among agencies;

Budget and financial management

5. Notes that budget monitoring efforts during the financial year 2012 resulted in a budget implementation rate of 99,91 %; notes that the payment appropriations execution rate was 95,49 %;

Commitments and carry-overs

6. Acknowledges from the Court of Auditors' report that in 2012, the overall level of committed appropriations was 99,9 %, indicating that commitments were made in a timely manner; notes, however, that the level of committed appropriations carried over to 2013 was high for title II (administrative expenditure) at EUR 600 000 (36,8 %); appreciates that the main reasons for such a high level were the late receipt of invoices for building-related services delivered in 2012 (EUR 300 000) and a number of IT hardware and software purchases ordered as planned during the last months of 2012 (EUR 300 000) but not delivered until 2013;

Transfers

7. Notes with satisfaction that according to the Foundation's annual activity report, as well as the Court of Auditors' findings, the level and nature of transfers in 2012 have remained within the limits of the financial rules; commends the Foundation for its good budgetary planning;

Procurement and recruitment procedures

8. Notes that for the year 2012, neither sampled transactions nor other audit findings have led to any comments on the Foundation's procurement procedures in the Court of Auditors' annual audit report;

9. Notes that the Court of Auditors, in its annual audit report for 2012, made no comments as regards the Foundation's recruitment procedures;

10. Welcomes the measures taken by the Foundation in response to concerns raised about the lack of treasury policy and transparency of recruitment procedures;

11. Regrets that before adopting a formal decision, the Governing Board failed to inform Parliament of its intention to extend the Director's term of office, as provided for by Article 10 of Regulation (EC) No 1339/2008; recalls that the procedure is independent of the high quality of the person confirmed as Director; demands full respect for the role and powers of Parliament, as provided for in that Regulation;

Prevention and management of conflicts of interests and transparency

12. Welcomes the adoption of guidelines on preventing and managing conflicts of interests in June 2013; calls on the Foundation to make those guidelines available on its website;

13. Observes that the CVs and declarations of interests of the members of the Governing Board, as well as the declarations of interests of the Executive Director and senior management, are not publicly available; calls on the Foundation to remedy the situation as a matter of urgency;

Internal audit

14. Acknowledges from the Foundation that as of 23 May 2013, the Commission's Internal Audit Service (IAS) has formally closed 12 out of the 14 recommendations from the 2011 IAS audit on communication and that the Foundation does not have any outstanding open recommendations ranked as 'very important'; notes however, that there are still two open IAS audit recommendations from the 2011 IAS audit on external and internal communication, both ranked as 'important', one of which is considered to have been implemented by the Foundation and is currently pending IAS review and closure, while the other is in the process of implementation and was expected to be fully implemented in 2013 in line with planned actions;

Performance

15. Requests that the Foundation communicate the results and impact its work has on the European citizens in an accessible way, mainly through its website;

16. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 3 April 2014 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted, P7_TA(2014)0299 (see page 359 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the European Training Foundation for the financial year 2012

(2014/604/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Training Foundation for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2012, together with the Foundation's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation ([4]), and in particular Article 17 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0182/2014),

1. Approves the closure of the accounts of the European Training Foundation for the financial year 2012;

2. Instructs its President to forward this Decision to the Director of the European Training Foundation, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 206.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 354, 31.12.2008, p. 82.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the European Agency for Safety and Health at Work for the financial year 2012

(2014/605/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Agency for Safety and Health at Work for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 2062/94 of 18 July 1994 establishing a European Agency for Safety and Health at Work ([4]), and in particular Article 14 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Committee on Employment and Social Affairs (A7-0193/2014),

1. Grants the Director of the European Agency for Safety and Health at Work discharge in respect of the implementation of the Agency's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Director of the European Agency for Safety and Health at Work, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 275.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 216, 20.8.1994, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Agency for Safety and Health at Work for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Agency for Safety and Health at Work for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]) ('the Financial Regulation'), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 2062/94 of 18 July 1994 establishing a European Agency for Safety and Health at Work ([4]), and in particular Article 14 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0193/2014),

A. whereas according to its financial statements, the budget of the European Agency for Safety and Health at Work ('the Agency') for the financial year 2012 was EUR 15 260 512, representing an increase of 6,95 % compared to 2011,

B. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2012 are reliable and that the underlying transactions are legal and regular,

([1]) OJ C 365, 13.12.2013, p. 275.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 216, 20.8.1994, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Welcomes the continued contribution of the Agency in the promotion of high standards of safety and health at work in the Union; points out the Agency's important key activities in 2012, such as the Foresight project linked to risks associated with green jobs and the launch of the Healthy Workplaces Campaign; looks forward to the Agency's new multiannual strategic programme, which is closely linked to the objectives of the Europe 2020 strategy and will support the much needed and expected Union strategy on safety and health at work 2013-2020;

Follow-up of the 2011 discharge

2. Notes from the Court of Auditors' report that the status of two out of four corrective actions taken in response to the previous year's comments are 'completed', whereas two corrective actions are marked as 'ongoing';

3. Acknowledges from the Agency that:

— it has reported a reduction in the cancellation rate for 2012 to 5,7 %, compared to 8 % for 2011; notes, moreover, that an ABB model will be implemented as from 2014 in order to further improve the Agency's overall internal planning and monitoring of its annual management plan, thus ensuring better budget implementation,

— whereas the Agency's Financial Regulation and the corresponding implementing rules provide for a physical inventory at least once every three years, the inventory was completed in 2012,

— the Agency has accepted the draft seat agreement with the host state in order to avoid further delay in the completion of negotiations;

Budget and financial management

4. Notes that budget monitoring efforts during the financial year 2012 resulted in a budget implementation rate of 94,64 % and that the payment appropriations execution rate was 73,43 %;

Commitments and carry-overs

5. Notes with concern that EUR 3 200 000 (22 % of the budget) have been carried over to 2013 and that the level of committed appropriations carried over is high for both Title II at 36 % and Title III at 33 %; acknowledges that for Title II, this was mainly caused by the renewal of annual IT contracts concluded as planned in the fourth quarter of 2012; acknowledges that for Title III, the high level was a result of both the multiannual nature of major projects and of delays in the awarding of specific contracts;

6. Notes that the cancellation rate for Title I appropriations for the year 2012 was 9,5 %; acknowledges that the cancellation rate was mainly the result of frozen recruitment procedures and an anticipated salary increase which had not yet been paid out;

Transfers

7. Notes with satisfaction that according to the annual activity report as well as the Court of Auditors' audit findings, the level and nature of transfers in 2012 have remained within the limits of the financial rules; commends the Agency for its good budgetary planning;

Procurement and recruitment procedures

8. Notes that for the year 2012, neither sampled transactions nor other audit findings have led to any comments on the Agency's procurement procedures in the Court of Auditor's annual audit report;

9. Notes that the Court of Auditors made no comments in its annual audit report for 2012 as regards the Agency's recruitment procedures;

Prevention and management of conflicts of interests and transparency

10. Acknowledges that the Agency will adopt a conflict of interest policy in 2014 based on the Commission's Guidelines on the Prevention and Management of Conflict of Interest in EU Decentralised Agencies; calls on the Agency to inform the discharge authority upon the adoption of that policy;

11. Observes that the CVs and declarations of interests of the members of the Management Board, the Executive Director and senior management are not publicly available; calls on the Agency to remedy the situation as a matter of urgency;

Internal audit

12. Acknowledges from the Agency that in 2012 the Commission's Internal Audit Service (IAS) carried out an in-depth risk assessment and submitted its final strategic audit plan for 2013-2015, which was endorsed by the Agency's Director and its Management Board; notes that the IAS also carried out an audit on contract management and procurement, which led to seven recommendations (no critical recommendations, two very important), the implementation of which is on track; notes that the IAS also followed up its earlier recommendations and concluded that no critical recommendations were open and that the implementation of two very important recommendations was on track;

Performance

13. Requests that the Agency communicate the results and impact its work has on European citizens in an accessible way, mainly through its website;

14. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 3 April 2014 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted, P7_TA(2014)0299 (see page 359 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the European Agency for Safety and Health at Work for the financial year 2012

(2014/606/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Agency for Safety and Health at Work for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 2062/94 of 18 July 1994 establishing a European Agency for Safety and Health at Work ([4]), and in particular Article 14 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0193/2014),

1. Approves the closure of the accounts of the European Agency for Safety and Health at Work for the financial year 2012;

2. Instructs its President to forward this Decision to the Director of the European Agency for Safety and Health at Work, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 275.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 216, 20.8.1994, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the Euratom Supply Agency for the financial year 2012

(2014/607/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Euratom Supply Agency for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the Euratom Supply Agency for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Decision 2008/114/EC, Euratom of 12 February 2008 establishing Statutes for the Euratom Supply Agency ([4]), and in particular Article 8 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0180/2014),

1. Grants the Director-General of the Euratom Supply Agency discharge in respect of the implementation of the Agency's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Director-General of the Euratom Supply Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 213.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 41, 15.2.2008, p. 15.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the Euratom Supply Agency for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Euratom Supply Agency for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the Euratom Supply Agency for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Decision 2008/114/EC, Euratom of 12 February 2008 establishing Statutes for the Euratom Supply Agency ([4]), and in particular Article 8 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0180/2014),

A. whereas according to its financial statements, the final budget of the Euratom Supply Agency ('the Agency') for the financial year 2012 was EUR 104 000,

B. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2012 are reliable and that the underlying transactions are legal and regular,

Emphasis of matter

1. Reminds the Commission of the Court of Auditors' observation that between 2008 and 2011, the Agency did not receive its own budget and the Commission directly financed and discharged all expenditure, a situation which the Court of Auditors considered to be at odds with the Statutes of the Agency;

([1]) OJ C 365, 13.12.2013, p. 213.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 41, 15.2.2008, p. 15.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

2. Notes with concern that for 2012, although the Commission granted the Agency its own budget amounting to EUR 98 000 (EUR 104 000 including financial revenue from its own investments) following the Court's comments, and although Article 54 of the Treaty establishing the European Atomic Energy Community and Article 6 of the Statutes of the Agency provide that it shall have financial autonomy, nevertheless, most of the Agency's expenditure was still financed directly by the Commission; calls on the Commission to provide an explanation for this situation;

Budget and financial management

3. Notes that budget monitoring efforts during the financial year 2012 resulted in a budget implementation rate of 98,51 %;

4. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 3 April 2014 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted, P7_TA(2014)0299 (see page 359 of this Official Journal)

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the Euratom Supply Agency for the financial year 2012

(2014/608/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Euratom Supply Agency for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the Euratom Supply Agency for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Decision 2008/114/EC, Euratom of 12 February 2008 establishing Statutes for the Euratom Supply Agency ([4]), and in particular Article 8 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0180/2014),

1. Approves the closure of the accounts of the Euratom Supply Agency for the financial year 2012;

2. Instructs its President to forward this Decision to the Director-General of the Euratom Supply Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 213.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 41, 15.2.2008, p. 15.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2012

(2014/609/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2012, together with the Foundation's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EEC) No 1365/75 of the Council of 26 May 1975 on the creation of a European Foundation for the Improvement of Living and Working Conditions ([4]), and in particular Article 16 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0183/2014),

1. Grants the Director of the European Foundation for the Improvement of Living and Working Conditions discharge in respect of the implementation of the Foundation's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Director of the European Foundation for the Improvement of Living and Working Conditions, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 221.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 139, 30.5.1975, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2012, together with the Foundation's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]) ('the Financial Regulation'), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EEC) No 1365/75 of the Council of 26 May 1975 on the creation of a European Foundation for the Improvement of Living and Working Conditions ([4]), and in particular Article 16 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0183/2014),

A. whereas according to its financial statements, the final budget of the European Foundation for the Improvement of Living and Working Conditions ('the Foundation') for the financial year 2012 was EUR 21 430 000, representing an increase of 4,03 % compared to 2011,

([1]) OJ C 365, 13.12.2013, p. 221.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 139, 30.5.1975, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

B. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Foundation's annual accounts for the financial year 2012 are reliable and that the underlying transactions are legal and regular,

1. Welcomes the Foundation's contribution to the promotion of knowledge about living and working conditions in the Union at a time when these conditions are continuing to deteriorate in some Member States; recalls the launch of the overview report from the fifth European Working Conditions Survey containing important and relevant findings about trends in job quality, sustainable work and ageing workforce, health and well-being, and working time and work-life balance;

2. Notes that the 2012 annual programme was the final within the Foundation's four-year programme 2009-2012; welcomes the Foundation's prompt reaction to the changes of policy priorities induced by the economic crisis by launching new projects linked to priority themes on the social impact of the crisis, recovery and job creation, demographic change and sustainable public sector;

Budget and financial management

3. Notes that budget implementation rates for titles I and II were 98 % and 82 %, respectively;

Carry-overs

4. Notes that while the carry-over of committed appropriations for title III is high at 50 % (EUR 3 688 996), this corresponds to payment schedules and reflects the multiannual nature of the Foundation's operations; notes that a large part of the carry-over for title III (71 %) concerns two projects for which the activities were implemented as planned and as set out in the annual work programme;

Transfers

5. Notes with satisfaction that according to the annual activity report, as well as the Court of Auditors' findings, the level and nature of transfers in 2012 has remained within the limits of the financial rules; commends the Foundation for its good budgetary planning;

Procurement and recruitment procedures

6. Notes that for the year 2012, neither sampled transactions nor other audit findings have led to any comments on the Foundation's procurement procedures in the Court of Auditors' annual audit report;

7. Notes that the Court of Auditors in its annual audit report for 2012 made no comments as regards the Foundation's recruitment procedures;

Prevention and management of conflicts of interest and transparency

8. Acknowledges from the Foundation that since 2011, the Foundation has established a system of monitoring and reporting potential conflicts of interest of members of the Governing Board and the relevant forms are published on the Foundation's website; acknowledges, furthermore, that the Foundation's Governing Board discussed a comprehensive strategy on the detection and management of conflicts of interest at its meeting of 25 October 2013 and that the policy is currently being finalised on this basis, with the aim of publishing it in the first quarter of 2014; calls on the Foundation to submit the adopted document to the discharge authority;

9. Observes that the CVs of the members of the Management Board and the declarations of interests of the Executive Director and senior management are not publicly available; calls on the Foundation to remedy the situation as a matter of urgency;

Internal audit

10. Acknowledges from the Foundation that in 2012, the Commission's Internal Audit Service (IAS) carried out an audit with the objective of providing an independent assurance on the adequacy and effectiveness of the internal control system with regard to drawing up the annual activity report and, in particular, issuing the Director's declaration of assurance;

11. Notes that the IAS identified a number of strengths during the audit and that it believes that the Foundation's internal control system in place provides reasonable assurances regarding the achievement of those objectives; notes, however, that 12 recommendations were made, one of which was classified as 'very important'; notes that those recommendations are in the process of being implemented;

12. Notes with satisfaction that the IAS recommendations issued in the context of its past audits had been adequately implemented;

Performance

13. Requests that the Foundation communicate the results and impact its work has on European citizens in an accessible way, mainly through its website;

14. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 3 April 2014 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted, P7_TA(2014)0299 (see page 359 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2012

(2014/610/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2012, together with the Foundation's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EEC) No 1365/75 of the Council of 26 May 1975 on the creation of a European Foundation for the Improvement of Living and Working Conditions ([4]), and in particular Article 16 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0183/2014),

1. Approves the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2012;

2. Instructs its President to forward this Decision to the Director of the European Foundation for the Improvement of Living and Working Conditions, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 221.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 139, 30.5.1975, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of Eurojust for the financial year 2012

(2014/611/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of Eurojust for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of Eurojust for the financial year 2012, together with Eurojust's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime ([4]), and in particular Article 36 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Civil Liberties, Justice and Home Affairs (A7-0186/2014),

1. Grants the Administrative Director of Eurojust discharge in respect of the implementation of Eurojust's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Administrative Director of Eurojust, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 228.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 63, 6.3.2002, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of Eurojust for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of Eurojust for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of Eurojust for the financial year 2012, together with the Eurojust's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]) ('the Financial Regulation'), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime ([4]), and in particular Article 36 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Civil Liberties, Justice and Home Affairs (A7-0186/2014),

A. whereas according to its financial statements, the final budget of Eurojust for the financial year 2012 was EUR 33 322 996, representing an increase of 6,27 % compared to 2011,

B. whereas, according to its financial statements, the contribution of the Union to Eurojust's budget for 2012 amounted to EUR 32 967 000, representing an increase of 5,21 % compared to 2011,

C. whereas the Court of Auditors has stated that it has obtained reasonable assurances that Eurojust's annual accounts for the financial year 2012 are reliable and that the underlying transactions are legal and regular,

([1]) OJ C 365, 13.12.2013, p. 228.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 63, 6.3.2002, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

Follow-up of 2011 discharge

1. Notes from the Court of Auditors' report on the annual accounts that out of four comments made in 2011, two corrective actions taken in response to the previous year's comments are still marked as 'outstanding' and two as 'completed';

2. Acknowledges from Eurojust that:

— it has provided the discharge authority with a report presenting the measures adopted and implemented following the discharge authority's recommendations of 2010,

— different measures have been introduced to reduce the automatic carry-overs of commitments that aim at executing the budget in a timely manner, such as a new forecasting report reinforcing the operational units' budget planning and execution, information on the overall budget execution being sent monthly, the Budget, Finance and Procurement Unit working in close contact with the operational units to assist them in the budget implementation and mandatory expenditure lifecycle training for all actors involved in the budget implementation,

— in order to reduce the vacancy rate and eliminate shortcomings in the implementation of recruitment procedures, Eurojust has set up a comprehensive recruitment action plan for 2012, putting the vacancy rate at the end of 2012 at 11,74 %;

Comment on the legality and regularity of transactions

3. Notes with concern that a framework contract for security services was signed in 2008 and amended in 2009; notes that the amended formula to calculate prices progressively increased them by 22 %, whereas the original framework contract had provided for a maximum increase of 4 %; notes that the total price increase above the 4 % ceiling amounted to some EUR 440 000 for the 2008 to 2012 period, of which some EUR 68 000 were paid in 2012; expresses concern that such a significant increase may undermine the transparency and fairness of the initial procurement procedure and distort competition;

Budget and financial management

4. Notes that budget monitoring efforts during the financial year 2012 resulted in a budget implementation rate of 98 % for Title I, almost 100 % for Title II and 96 % for Title III in 2012; notes that the payment appropriations execution rate was 96 % for Title I, 85 % for Title II and 74 % for Title III;

Commitments and carry-overs

5. Acknowledges that the Court of Auditors' annual audit has found no notable issues as regards the level of carry-overs in 2012; commends Eurojust for adhering to the principle of annuality and for the timely execution of its budget;

Transfers

6. Notes with satisfaction that according to the annual activity report as well as the Court of Auditors' audit's findings, the level and nature of transfers in 2012 have remained within the limits of the financial rules; commends Eurojust for its good budgetary planning;

Procurement and Recruitment procedures

7. Requires Eurojust to improve the transparency of recruitment procedures; notes that there was no evidence that questions for tests and interviews were set before the examination of the applications by the Selection Board and there is no evidence that the weighting between written tests and interviews was set before candidates' screening; calls on Eurojust to follow this up within the framework of discharge 2012 follow-up report;

Prevention and management of conflicts of interests and transparency

8. Acknowledges Eurojust's arrangements for the prevention and management of conflicts of interests; calls on Eurojust to inform the discharge authority of its intention to review its arrangements on the basis of the Commission's Guidelines on the Prevention and Management of Conflict of Interest in EU Decentralised Agencies;

9. Observes that the CVs and declarations of interests of the members of the Management Board, the Executive Director and senior management are not publicly available; calls on Eurojust to remedy the situation as a matter of urgency;

Internal audit

10. Acknowledges from Eurojust that in 2012 the Commission's Internal Audit Service (IAS) carried out a follow up engagement in accordance with the Eurojust's Strategic Audit Plan; observes that in the course of the risk analysis, the IAS identified certain processes of high inherent risk which could not be considered as auditable within the audit plan, that Eurojust management submitted an action plan aimed at addressing these weaknesses and the actions undertaken by Eurojust were to be followed up by the IAS during the next in-depth risk assessment (2013); notes that there were four 'very important' recommendations from the years before which still were in the process of being addressed by Eurojust;

Performance

11. Requests that Eurojust communicate the results and impact its work has on European citizens in an accessible way, mainly through its website;

12. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 3 April 2014 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted, P7_TA(2014)0299 (see page 359 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of Eurojust for the financial year 2012

(2014/612/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of Eurojust for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of Eurojust for the financial year 2012, together with the Eurojust's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime ([4]), and in particular Article 36 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Civil Liberties, Justice and Home Affairs (A7-0186/2014),

1. Approves the closure of the accounts of Eurojust for the financial year 2012;

2. Instructs its President to forward this Decision to the Administrative Director of Eurojust, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 228.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 63, 6.3.2002, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the European Police Office for the financial year 2012

(2014/613/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Police Office for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Police Office for the financial year 2012, together with the Office's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Decision 2009/371/JHA of 6 April 2009 establishing the European Police Office (Europol) ([4]), and in particular Article 43 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Civil Liberties, Justice and Home Affairs (A7-0179/2014),

1. Grants the Director of the European Police Office discharge in respect of the implementation of the Office's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Director of the European Police Office, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 236.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 121, 15.5.2009, p. 37.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Police Office for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Police Office for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Police Office for the financial year 2012, together with the Office's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]) ('the Financial Regulation'), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Decision 2009/371/JHA of 6 April 2009 establishing the European Police Office (Europol) ([4]), and in particular Article 43 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Civil Liberties, Justice and Home Affairs (A7-0179/2014),

A. whereas, according to its financial statements, the final budget of the European Police Office ('Europol') for the financial year 2012 was EUR 84 152 000, representing a decrease of 0,73 % compared to 2011,

B. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Office's annual accounts for the financial year 2012 are reliable and that the underlying transactions are legal and regular,

([1]) OJ C 365, 13.12.2013, p. 236.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 121, 15.5.2009, p. 37.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

Comments on the legality and regularity of transactions

1. Notes with concern that the Office carried over EUR 1 200 000 for changes to its premises in connection with the setting up of the European Cybercrime Centre; notes that although the Office agreed upon those changes with the host state in July 2012, the contract for the works required was only signed in April 2013; notes, in addition, that the Office carried over EUR 100 000 related to the introduction of a new human resources system; expresses concern that both of those carry-overs did not correspond to legal commitments made at the end of the year and were thus irregular; calls on the Office to take steps in order to prevent similar situations in the future and to report on this within the framework of the 2012 discharge follow-up;

2. Notes the action — most of which is still ongoing- taken as a result of comments made by the Court of Auditors in respect of the 2011 financial year regarding the lack of procedures for exceptions; notes that the accounting system had not yet been fully validated;

3. Notes the Court of Auditors' report on the annual accounts of the Europol Pension Fund ([1]) for the financial year 2012, together with the Fund's replies; calls on the Office to notify it of any decision on the future of the Fund;

Budget and financial management

4. Notes that budget monitoring efforts during the financial year 2012 resulted in a budget implementation rate of 98,8 % and that the payment appropriations execution rate was 79,7 %;

Commitments and carry-overs

5. Regrets that commitments amounting to EUR 2 600 000 (out of EUR 15 000 000) carried over from 2011 had to be cancelled in 2012, as they were in excess of the actual needs; calls on the Office to improve its financial planning in the future;

6. Notes that the Office carried over EUR 16 300 000 of committed appropriations (19,64 % of total committed appropriations) to 2013; notes that these carry-overs mainly concern title II – other administrative expenditure – (EUR 4 200 000) and title III – operational activities – (EUR 11 200 000); acknowledges that those carry-overs are mostly related to the new task assigned to the Office in June 2012 of running the European Cybercrime Centre; acknowledges that the implementation of this task resulted in significant budgetary commitments made close to the end of the year and affected the amount carried over to 2013;

Transfers

7. Notes that the Office made 19 budgetary transfers amounting to EUR 4 500 000, affecting 82 of the 115 budget lines; acknowledges that they were mainly carried out in order to purchase IT equipment for the European Cybercrime Centre;

Procurement and recruitment procedures

8. Notes with concern that the recruitment procedures examined showed the three shortcomings, namely that questions for written tests and interviews were set after the applications had been examined by the selection board, that there was no evidence that the weighting of the selection criteria used for short listing was set before the examination of the applications and that selection boards did not appropriately document all their meetings and decisions; calls on the Office to remedy this situation and to report on this within the framework of the 2012 discharge follow-up;

Prevention and management of conflicts of interests and transparency

9. Acknowledges that the Office will establish an additional specific policy on conflicts of interests management and the handling of gift items in 2014;

10. Observes that the CVs and Declarations of Interests of the members of the Management Board and senior management, as well as the Declaration of Interests of the Executive Director, are not publicly available; calls on the Office to remedy the situation as a matter of urgency;

([1]) The Fund's purpose is to finance and pay pensions for staff already employed by Europol before it became an EU agency on 1 January 2010.

Internal audit

11. Acknowledges from the Office that in 2012 the Commission's Internal Audit Service (IAS) performed one audit with the objective of providing independent assurance on the adequate design and effective implementation of the internal control system with regard to monitoring and reporting on activities and budget execution in the Office which identified several major strengths and led to one very important and six important recommendations; notes that the IAS followed up its earlier recommendations and concluded that 20 IAS recommendations aimed at promoting internal control standards at the Office are considered implemented, while five recommendations out of 11, relating to the 2011 audit on planning and budgeting, are still open (in progress);

12. Calls on the Europol department responsible to publish, on the Europol website, how many classified documents, broken down by level of classification, it has received from (or forwarded to) individual institutions, other bodies, Member States and third parties;

Performance

13. Requests that the Office communicate the results and impact its work has on the European citizens in an accessible way, mainly through its website.

14. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 3 April 2014 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted, P7_TA(2014)0299 (see page 359 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the European Police Office for the financial year 2012

(2014/614/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Police Office for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Police Office for the financial year 2012, together with the Office's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Decision 2009/371/JHA of 6 April 2009 establishing the European Police Office (Europol) ([4]), and in particular Article 43 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Civil Liberties, Justice and Home Affairs (A7-0179/2014),

1. Approves the closure of the accounts of the European Police Office for the financial year 2012;

2. Instructs its President to forward this Decision to the Director of the European Police Office, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 236.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 121, 15.5.2009, p. 37.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the European Union Agency for Fundamental Rights for the financial year 2012

(2014/615/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Fundamental Rights for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Union Agency for Fundamental Rights for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 168/2007 of 15 February 2007 establishing a European Union Agency for Fundamental Rights ([4]), and in particular Article 21 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Civil Liberties, Justice and Home Affairs (A7-0184/2014),

1. Grants the Director of the European Union Agency for Fundamental Rights discharge in respect of the implementation of the Agency's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Director of the European Union Agency for Fundamental Rights, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 245.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 53, 22.2.2007, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Union Agency for Fundamental Rights for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Fundamental Rights for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Union Agency for Fundamental Rights for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 168/2007 of 15 February 2007 establishing a European Union Agency for Fundamental Rights ([4]), and in particular Article 21 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Civil Liberties, Justice and Home Affairs (A7-0184/2014),

A. whereas according to its financial statements, the budget of the European Union Agency for Fundamental Rights ('the Agency') for the financial year 2012 was EUR 20 376 000, representing an increase of 0,97 % compared to 2011,

B. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2012 are reliable and that the underlying transactions are legal and regular,

([1]) OJ C 365, 13.12.2013, p. 245.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 53, 22.2.2007, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

Follow-up of 2011 discharge

1. Acknowledges from the Agency that:

— for the 2012 financial year, the Court of Auditors already noted satisfactory rates of the implementation of payment appropriations for Titles I and II (98 % and 89 %, respectively); acknowledges that for Title III, the rate of payment implementation of 49 % was justified and carry forwards of this level are unavoidable and are not the result of delays in the planning and implementation of the Agency's annual work programme,

— in May 2013, the Executive Board of the Agency adopted a decision (Decision 2013/01) on the conduct of administrative inquiries and disciplinary procedures, and in conclusion the Agency complied with Parliament's request by adopting this decision in agreement with the Commission, to adopt rules in order to respect the legitimate interest (including anonymity) of the parties,

— the European Anti-Fraud Office investigation, which was opened in 2012, was closed without recommendations in 2013, while the European Ombudsman case (0917/2011) is still open,

— the Agency implements an elaborate anti-harassment policy; is satisfied that all allegations of harassment have been carefully examined and that no cases of harassment were identified,

— the Agency currently applies the Commission's guidelines following a decision of the Executive Board (Decision 2012/04); notes that these guidelines will be replaced as soon as the Agency adopts the Regulatory Agencies' model guidelines on whistleblowing,

— declarations of interest and CVs of management team and most of full members of the Management Board are uploaded on the Agency's website;

Comments on the legality and regularity of transactions

2. Notes with concern that in 2012, the Agency procured cleaning services via cascading framework contracts to two suppliers and due to a clerical error during the evaluation of offers, the ranking of the contractors was incorrect; notes that as a result of this error, one specific contract for EUR 56 784 was awarded in 2012 and that the related payments are irregular; acknowledges that following the Court of Auditors' audit, the Agency has amended the ranking of the contractors accordingly;

Budget and financial management

3. Notes that budget monitoring efforts during the financial year 2012 resulted in a budget implementation rate of 100 %; notes that the payment appropriations execution rate was 78,5 %;

4. Notes that budget implementation for title III (operational expenditure) was low at 49 % of committed appropriations; acknowledges, however, that this did not arise from delays in the implementation of the Agency's annual work programme and that this low level reflects the multiannual nature of activities; notes that the Agency has adopted a budgetary planning module that is linked directly to its annual work programme and that payments were planned and executed according to operational needs and that the Court of Auditors considers such situations to be acceptable;

Commitments and carry-overs

5. Acknowledges that the Court of Auditors' annual audit has found no notable issues as regards the level of carryovers in 2012; commends the Agency for adhering to the principle of annuality and for the timely execution of its budget;

Transfers

6. Notes that according to the annual activity report, as well as the Court of Auditors' findings, the level and nature of transfers in 2012 have remained within the limits of the financial rules; commends the Agency for its good budgetary planning;

Procurement and recruitment procedures

7. Notes that for the year 2012, neither sampled transactions nor other audit findings have led to any comments on the Agency's procurement procedures in the Court of Auditors' annual audit report;

8. Notes that the Court of Auditors in its annual audit report for 2012 made no comments as regards the Agency's recruitment procedures;

Prevention and management of conflicts of interests and transparency

9. Acknowledges that the Agency will review its policy on the prevention and management of conflicts of interests on the basis of the Commission's Guidelines on the Prevention and Management of Conflict of Interest in EU Decentralised Agencies; calls on the Agency to inform the discharge authority on the assessment results once available;

Internal audit and controls

10. Acknowledges from the Agency that in 2012, the Commission's Internal Audit Service (IAS) carried out an audit on procurement within the Agency and made two very important and seven important recommendations; notes that the Agency proposed an action plan which was accepted by the IAS and that by the cut-off date of 31 December 2012, eight of those recommendations were closed; notes that the one remaining important recommendation was closed in 2013;

11. Notes with concern that the Agency did not have a formal *ex post* verification procedure in place during 2012; is satisfied that following a comprehensive risk analysis conducted by the Agency, a formal procedure was implemented at the beginning of 2013;

Performance

12. Requests that the Agency communicate the results and impact its work has on European citizens in an accessible way, mainly through its website;

13. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 3 April 2014 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted, P7_TA(2014)0299 (see page 359 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the European Union Agency for Fundamental Rights for the financial year 2012

(2014/616/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Fundamental Rights for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Union Agency for Fundamental Rights for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 168/2007 of 15 February 2007 establishing a European Union Agency for Fundamental Rights ([4]), and in particular Article 21 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Civil Liberties, Justice and Home Affairs (A7-0184/2014),

1. Approves the closure of the accounts of the European Union Agency for Fundamental Rights for the financial year 2012;

2. Instructs its President to forward this Decision to the Director of the European Union Agency for Fundamental Rights, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 245.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 53, 22.2.2007, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2012

(2014/617/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 2007/2004 of 26 October 2004 establishing a European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union ([4]), and in particular Article 30 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A7-0181/2014),

1. Grants the Executive Director of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union discharge in respect of the implementation of the Agency's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

([1]) OJ C 365, 13.12.2013, p. 251.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 349, 25.11.2004, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Executive Director of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]) ('the Financial Regulation'), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 2007/2004 of 26 October 2004 establishing a European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union ([4]), and in particular Article 30 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Civil Liberties, Justice and Home Affairs (A7-0181/2014),

A. whereas, according to its financial statements, the budget of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union ('the Agency') for the financial year 2012 was EUR 89 578 000, representing a decrease of 24,21 % compared to 2011,

([1]) OJ C 365, 13.12.2013, p. 251.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 349, 25.11.2004, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

B. whereas, according to its financial statements, the overall contribution of the Union to the Agency's budget for 2012 amounted to EUR 84 000 000, representing a decrease of 24,32 % compared to 2011,

C. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2012 are reliable, but could not obtain sufficient appropriate audit evidence on the legality and regularity of the underlying transactions,

Disclaimer of opinion on the legality and the regularity of the underlying transactions

1. Regrets that because of the materiality and pervasiveness of the matter described on the basis of a disclaimer of opinion, the Court of Auditors was not able to express an opinion on the legality and regularity of the transactions underlying the accounts;

Basis for a disclaimer of opinion on the legality and regularity of the underlying transactions

2. Regrets that in the absence of effective *ex ante* and *ex post* verifications, there is no reasonable assurance as to the legality and regularity of transactions; regrets that the Court of Auditors could not obtain sufficient appropriate audit evidence on the legality and regularity of the audited grant transactions related to the Agency's activities in 2012, which amount to EUR 56 000 000, representing 63 % of the operating expenditure;

3. Regrets that the Court of Auditors found that, notwithstanding the *ex post* audit strategy adopted in 2012 and three audits carried out, no 2012 expenditure has yet been verified;

4. Acknowledges from the Agency that its beneficiaries are the national Border Guard authorities of Member States and Schengen associated countries, who have to sign declarations that all information provided is full, reliable and true and certify that their requests for payment are substantiated by adequate supporting documents, when claiming reimbursement; notes that the Agency does not, therefore, consider that effective *ex ante* controls are absent, but that they are based on declarations made by public authorities and plausibility checks;

5. Notes that the Agency undertook measures to strengthen the *ex ante* control framework and has put in place a risk based *ex ante* control system since June 2013; calls on the Agency and the Court of Auditors to come up with a mutually acceptable solution, which takes into account the Court of Auditors' audit standards, as well as the Agency's particular situation;

Budget and financial management

6. Notes that budget monitoring efforts during the financial year 2012 resulted in a budget implementation rate of 98,86 % and that the payment appropriations execution rate was 75,23 %;

Commitments and carry-overs

7. Notes that the Court of Auditors' annual audit found that EUR 21 800 000 (25 % of committed appropriations) was carried over to 2013, whereas carry-overs related to title III amounted to EUR 19 600 000; recalls that the level of carry-overs is mostly related to the operational and multiannual nature of the Agency's activities;

8. Notes with concern that the level of carry-overs is excessive, as it was in 2011, and is at odds with the budgetary principle of annuality; acknowledges, however, that the carry-overs are an inevitable result of the Agency performing its duties;

Transfers

9. Notes that according to the annual activity report, as well as the Court of Auditors' audit findings, the Agency made 39 budgetary transfers, amounting to EUR 11 500 000, affecting 70 of the 79 budgetary lines; acknowledges that this is mostly due to the fact that the second budgetary amendment for 2012 addressing increased demands in autumn 2012 was only approved in October 2012; is of the opinion, therefore, that those transfers were necessary and well justified;

Procurement and recruitment procedures

10. Notes that for the year 2012, neither sampled transactions nor other audit findings have led to any comments on the Agency's procurement procedures in the Court of Auditors' annual audit report;

11. Notes with concern that the Court of Auditors identified in its annual audit report for 2012 shortcomings in the Agency's recruitment procedures which affect transparency and equal treatment of candidates, namely that questions for written tests and interviews were set after applications had been examined by the selection board and that the selection board did not document all its meetings and decisions;

Prevention and management of conflicts of interests and transparency

12. Acknowledges that the Agency has put in place several measures to manage and prevent situations of conflicts of interests and developed a detailed disciplinary procedure; calls on the Agency to indicate whether or not it has established a specific policy for the prevention and management of conflicts of interests based on the Commission's guidelines;

13. Observes that the CVs and Declarations of Interests of the members of the Management Board, as well as the Declarations of Interests of the Executive Director and senior management, are not publicly available; calls on the Agency to remedy the situation as a matter of urgency;

Internal controls

14. Regrets that according to the Court of Auditors' findings, the Agency's physical inventory was incomplete and did not cover all assets owned and that assets under construction and assets purchased near the end of the year were not taken into account; regrets, moreover, that there was no procedure for the disposal of fixed assets; acknowledges from the Agency that a complete physical inventory has been established, including tangible assets which were written-off;

Internal audit

15. Acknowledges from the Agency that in 2012 the Commission's Internal Audit Service (IAS) conducted a risk assessment, which resulted in a Strategic Audit Plan 2013-2015 listing future audit topics;

16. Notes that the IAS also carried out a follow-up of its earlier audit recommendations to the Agency, and found that two very important recommendations were closed; notes that according to the IAS, the action plan developed by the Agency in order to address the remaining outstanding recommendations will mitigate the risks if it is implemented in a timely manner;

Performance

17. Requests that the Agency communicate the results and impact its work has on European citizens in an accessible way, mainly through its website.

18. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 3 April 2014 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted, P7_TA(2014)0299 (see page 359 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2012

(2014/618/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 2007/2004 of 26 October 2004 establishing a European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union ([4]), and in particular Article 30 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of and Annex VI to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A7-0181/2014),

1. Approves the closure of the accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2012;

2. Instructs its President to forward this decision to the Executive Director of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 251.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 349, 25.11.2004, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the European GNSS Agency for the financial year 2012

(2014/619/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European GNSS Agency for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European GNSS Agency for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 912/2010 of the European Parliament and of the Council of 22 September 2010 setting up the European GNSS Agency ([4]), and in particular Article 14 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0223/2014),

1. Grants the Executive Director of the European GNSS Agency discharge in respect of the implementation of the Authority's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Executive Director of the European GNSS Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 261.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 276, 20.10.2010, p. 11.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European GNSS Agency for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European GNSS Agency for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European GNSS Agency for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 912/2010 of the European Parliament and of the Council of 22 September 2010 setting up the European GNSS Agency ([4]), and in particular Article 14 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0223/2014),

A. whereas according to its financial statements, the budget of the European GNSS Agency ('the Agency') for the financial year 2012 was EUR 20 848 718, representing a decrease of 46,12 % compared to 2011,

B. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2012 are reliable and that the underlying transactions are legal and regular,

Budget and financial management

1. Notes that budget monitoring efforts during the financial year 2012 resulted in a budget implementation rate of 100 % and that the payment appropriations execution rate was 99,99 %;

([1]) OJ C 365, 13.12.2013, p. 261.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 276, 20.10.2010, p. 11.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

Commitments and carry-overs

2. Acknowledges from the Court of Auditors' report that the overall level of committed appropriations was close to 100 % for all titles;

3. Notes that the carry-over of committed appropriations was relatively high for title II (administrative expenditure) at EUR 1 700 000 (38 %); acknowledges that this was partly due to events beyond the Authority's control, such as the relocation of its seat to Prague in September 2012 (EUR 400 000) and the setting-up of the Galileo Security Monitoring Centre (EUR 400 000) which necessitated the provision of certain goods and services in the last quarter of the year; notes, moreover, that several contracts relating to IT and legal services included in the 2013 work programme were signed in December 2012;

Transfers

4. Notes that an amount of EUR 700 000 was transferred from title I (staff expenditure) to title II in November 2012;

Procurement and recruitment procedures

5. Notes with concern that the Court of Auditors identified weaknesses in the recruitment procedures audited which affected transparency and equal treatment, namely the fact that no threshold scores were determined for admission to written tests and interviews or for inclusion in the list of suitable candidates and the fact that the vacancy notices made no provision for appeals by rejected candidates;

6. Notes that the Court, in its annual audit report for 2012, made no comments as regards the Agency's procurement procedures;

Prevention and management of conflicts of interests and transparency

7. Regrets that the Agency did not answer questionnaire on the management and prevention of conflicts of interests; urges the Agency to report to the discharge authority on the actions it has implemented to become in line with the Court of Auditors' Special Report No 15/2012 and Parliament's recommendations that all agencies develop and implement comprehensive independence policies and procedures, inter alia, by establishing a breach of trust mechanism and clear penalties, or by changing those already in place;

8. Observes that the CVs and declarations of interests of the members of the Administrative Board, as well as the declarations of interests of the Executive Director and senior management are not publicly available; calls on the Agency to remedy the situation as a matter of urgency;

Internal audit

9. Acknowledges from the Agency that in 2012, the Commission's Internal Audit Service (IAS) carried out a risk assessment and a follow-up engagement in accordance with the Strategic Audit Plan of the Agency; notes that there were no open critical or very important recommendations stemming from the previous IAS audit reports; notes, however, that in the course of the risk analysis, the IAS identified certain processes of high inherent risk which could not be considered as auditable within the audit plan as the controls were assessed as absent or insufficient; notes that the Agency's management submitted an action plan aimed at addressing those weaknesses adequately;

Performance

10. Requests that the Agency communicate the results and impact its work has on European citizens in an accessible way, mainly through its website;

11. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 3 April 2014 [1] on the performance, financial management and control of the agencies.

---

[1] Texts adopted, P7_TA(2014)0299 (see page 359 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the European GNSS Agency for the financial year 2012

(2014/620/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European GNSS Agency for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European GNSS Agency for the financial year 2012, together with the Agency's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 912/2010 of the European Parliament and of the Council of 22 September 2010 setting up the European GNSS Agency ([4]), and in particular Article 14 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0223/2014),

1. Approves the closure of the accounts of the European GNSS Agency for the financial year 2012;

2. Instructs its President to forward this Decision to the Executive Director of the European GNSS Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 261.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 276, 20.10.2010, p. 11.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the Artemis Joint Undertaking for the financial year 2012

(2014/621/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Artemis Joint Undertaking for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the Artemis for the financial year 2012, together with the Joint Undertaking's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05851/2014 – C7-0053/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 74/2008 of 20 December 2007 on the establishment of the 'Artemis Joint Undertaking' to implement a Joint Technology Initiative in Embedded Computing Systems ([4]), and in particular Article 11(4) thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0203/2014),

1. Grants the Executive Director of the Artemis Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Executive Director of the Artemis Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 369, 17.12.2013, p. 1.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 30, 4.2.2008, p. 52.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the Artemis Joint Undertaking for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Artemis for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the Artemis for the financial year 2012, together with the Joint Undertaking's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05851/2014 – C7-0053/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 74/2008 of 20 December 2007 on the establishment of the 'Artemis Joint Undertaking' to implement a Joint Technology Initiative in Embedded Computing Systems ([4]), and in particular Article 11(4) thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0203/2014),

A. whereas the Artemis Joint Undertaking ('the Joint Undertaking') was set up in December 2007 for a period of 10 years to define and implement a 'Research Agenda' for the development of key technologies for embedded computing systems across different application areas in order to strengthen European competitiveness and sustainability, and allow the emergence of new markets and societal applications,

B. whereas the Joint Undertaking started to work autonomously in October 2009,

([1]) OJ C 369, 17.12.2013, p. 1.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 30, 4.2.2008, p. 52.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

C. whereas the maximum contribution for the period of 10 years from the Union to the Joint Undertaking is EUR is EUR 420 000 000 to be paid from the budget of the Seventh Research Framework Programme,

Budgetary and Financial Management

1. Notes that the Court of Auditors stated that the 2012 annual accounts of the Joint Undertaking fairly present, in all material respects, its financial position as of 31 December 2012 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Rules;

2. Is concerned that for the second year in a row, the Joint Undertaking received a qualified opinion from the Court of Auditors on the legality and the regularity of the transactions underlying the annual accounts on the grounds that the Joint Undertaking was not in a position to assess whether the *ex post* audit strategy provides sufficient assurance with respect to the legality and regularity of the underlying transactions;

3. Notes that the Court of Auditors considers that the information available on the implementation of the Joint Undertaking's *ex post* audit strategy is not sufficient for the Court to conclude whether this key control tool is functioning effectively; reiterates its call for the Court of Auditors, through its independent audits, to provide the discharge authority with its own opinion on the legality and the regularity of the transactions underlying the annual accounts of the Joint Undertaking;

4. Recalls that the Joint Undertaking adopted an *ex post* audit strategy in 2010 and that its implementation started in 2011; notes that the audit of project cost claims has been delegated to the National Funding Authorities (NFAs) of the Member States, but that the administrative agreements signed with the NFAs do not include the practical arrangements for *ex post* audits;

5. Points out that, according to the audit report by the Court of Auditors, payments made in 2012 relating to certificates of acceptance of costs issued by the Member States' NFAs amounted to EUR 7,3 million, which represents 43 % of total operational payments; is concerned that, according to that Court of Auditors' report, the Joint Undertaking received audit reports from the NFAs covering approximately 45 % of the costs relating to completed projects, that the Joint Undertaking did not assess the quality of those audits, that, by the end of April 2013, the Joint Undertaking had not received information on the audit strategies of all NFAs, and that the Joint Undertaking was therefore not in a position to assess whether *ex post* audits provide sufficient assurance as to the legality and regularity of the underlying transactions;

6. Calls on the Joint Undertaking to submit a report to Parliament on the negative aspects recorded by the Court of Auditors; calls for that report to be submitted to Parliament together with an assessment by the Court of Auditors;

7. Reiterates that the Joint Undertaking should reinforce without delay the quality of its *ex ante* and *ex post* controls; requests that the discharge authority is informed of the results of the following *ex post* audit processes; notes, moreover, that the Joint Undertaking is engaged in an ongoing process to address these issues together with the Court of Auditors, and anticipates a positive outcome in future years;

8. Notes that the Joint Undertaking's initial budget included operational commitment appropriations amounting to EUR 55,1 million and that at the end of the year, the Governing Board decided to reduce the operational appropriations budget to EUR 39,5 million; regrets the fact, nevertheless, that the utilisation rate for operational payment appropriations only reached the level of 62 %; notes that this is at odds with the budgetary principle of equilibrium; reminds the Joint Undertaking of the need to implement concrete measures to attain budget equilibrium, consistent with the relevant operational procedures of the participating Member States;

9. Is concerned about the low implementation rate of the budget and, moreover, about the underlying activities of the Joint Undertaking; emphasises that the deposits in bank accounts at the end of 2012 totalled EUR 17 230 100, representing 57 % of the authorised payment appropriations (EUR 30 132 752);

10. Ascertains from the Court of Auditors' report that although the Council Regulation setting up the Joint Undertaking envisaged a maximum total budget of EUR 410 million to cover operational expenditure, the actual implementation rate and the anticipated value of calls for proposals together represent EUR 206 million, or only 50,2 % of the total budget; notes that this indicates a low budget implementation rate, mainly due to a complex financial process for the closure of the projects; takes note that the budget implementation rate is linked in full complementary to the national commitments of Member States;

Internal control systems

11. Takes note that the Court of Auditors considers that the Joint Undertaking intensified its efforts to establish and implement effective financial, accounting and management control procedures in 2012; points out that further work is needed, in particular regarding financial verification of cost claims and the internal control standards;

12. Takes due note that the Executive Director's 2012 declaration of assurance expresses a reservation concerning the *ex post* audit strategy but the information included in the reservation is not sufficient as regards its implementation; calls on the Joint Undertaking to obtain the assurance needed provided by the national authorities' certificates and the *ex post* audit strategy;

13. Regrets that the CVs of the members of the Management Board and the Executive Director are not publicly available; calls on the Joint Undertaking to remedy the situation as a matter of urgency; urges the Joint Undertaking, in the framework of the future ECSEL Joint Undertaking, to develop and adopt a comprehensive policy on the prevention and management of conflicts of interests;

14. Believes that a high level of transparency is a key element in order to mitigate the risks of conflicts of interests; calls, therefore, on the Joint Undertaking to make its policy and/or arrangements on the prevention and management of conflicts of interests and its implementing rules, as well as the list of the members of the management boards and CVs available on its website;

15. Invites the Court of Auditors to monitor the Joint Undertaking's policies as regards the management and prevention of conflicts of interests by drafting a Special Report on the matter by the next discharge procedure;

Electronic Components and Systems for European Leadership (ECSEL) Joint Undertaking

16. Recalls that the Artemis and ENIAC Joint Undertakings were set up in December 2007, under the Seventh Framework Programme for a period of 10 years for the development of key competences for nanoelectronics and for the development of key technologies for embedded computing systems, respectively; notes that Artemis started to work autonomously in October 2009 and ENIAC was granted its financial autonomy in July 2010;

17. Recalls the continued worries of the discharge authority concerning the low implementation rates of their budget and, moreover, the underlying activities of the Joint Undertakings associated with high cash balances; recalls that they sought to increase and leverage private and public investments in research and innovation in two complementary domains of high importance for the industrial fabric in Europe;

18. Notes that the Commission made a proposal (COM(2013) 501), in the context of the implementation of Horizon 2020, to combine Embedded computing systems (Artemis) and Nanoelectronics (ENIAC) into a single initiative and therefore, winding-up Artemis and ENIAC Joint Undertakings before their normal end of life up to 31 December 2017; notes that the new Joint Undertaking in the field of electronic components and systems called ECSEL ('Electronic Components and Systems for European Leadership') will take the form of a tripartite institutional Public-Private Partnership (PPP) with a dedicated legal entity involving the private sector, national authorities and European authorities;

19. Notes that this new legal entity under Article 187 TFEU will follow the model financial regulation for PPP bodies referred to in Article 209 of the Financial Regulation, charged with indirect management and it would take over all rights and obligations of the current Artemis and ENIAC Joint Undertakings; expects that complete and appropriate financial assessments of rights and obligations of each entity will be executed by the Court of Auditors; recalls, in this context, the joint statement by the European Parliament, the Council and the Commission on the separate discharge for Joint Undertakings under Article 209 of the Financial Regulation;

20. Is surprised that in such a reduced time frame and without a final conclusive assessment of those Joint Undertakings' achievements, the Commission has decided to substantially adapt the Union's implementing strategy for the development of key competences for nanoelectronics and for the development of key technologies for embedded computing systems; recalls Parliament's request for a cost-benefit analysis of a merger that highlights its possible advantages and disadvantages;

21. Notes that the interim evaluations recommended the implementation of the future JTI on a legal basis that is better attuned to the specificities of Public-Private Partnerships with a lighter administrative overhead and greater flexibility with the administrative burden reduced in order to attract the participation from high-level industry representatives;

22. Notes, furthermore, that in order to achieve its objectives, the ECSEL Joint Undertaking should provide financial support mainly in the form of grants to participants following open and competitive calls for proposals targeted at proven market failures;

23. Regrets that the Commission proposal excludes the examination of the accounts and the revenue and expenditure of the ECSEL Joint Undertaking by the Court of Auditors and indicates that the accounts of that Joint Undertaking will be examined annually by an independent audit body; invites the Commission to clarify what is the added value of such a proposal; stresses that the Court of Auditors has been the exclusive auditor for Joint Undertakings set up under Article 187 TFEU since 2002 and therefore building up extensive knowledge over those bodies that should not be wasted;

European Research Joint Undertakings horizontal aspects

24. Takes note that the audit approach taken by the Court of Auditors comprises analytical audit procedures, the assessment of key controls of the supervisory and control systems and the testing of transactions at the level of the Joint Undertaking but not at the level of the members or final beneficiaries of the Joint Undertaking;

25. Notes that audit testing at the level of the members or final beneficiaries is carried out either by the Joint Undertaking or by external audit firms contracted and monitored by the Joint Undertaking;

26. Welcomes the Court of Auditors' Special Report 2/2013: 'Has the Commission ensured efficient implementation of the Seventh Framework Programme for Research?' where the Court examined whether the Commission has ensured efficient implementation of the Seventh framework programme for research and technological development (FP7);

27. Takes note that the audit also covered the setting-up of the Joint Technology Initiatives (JTIs);

28. Agrees with the Court of Auditors' conclusion that the JTIs have been set up to support long-term industrial investment in particular research areas; notes, however, that it has taken on average two years to grant financial autonomy to a JTI with the Commission usually remaining responsible for one third of the expected operational lifetime of the JTIs;

29. Notes, moreover, that according to the Court of Auditors some JTIs have been particularly successful in getting small and medium-sized enterprises (SMEs) involved in their projects and nearly 21 % of funding provided by the JTIs has gone to SMEs;

30. Draws attention to the fact that the total indicative resources deemed necessary for the seven European Research Joint Undertakings that have so far been established by the Commission under Article 187 of the Treaty on the Functioning of the European Union — with the notable exception of the Galileo Joint Undertaking — for their period of existence amounts to EUR 21 793 000 000;

31. Notes that the Joint Undertakings' total 2012 forecasted budgeted income amounted to some EUR 2,5 billion or about 1,8 % of the 2012 Union general budget, while approximately EUR 618 million came from the general budget (cash contribution from the Commission) and approximately EUR 134 million came from the industrial partners and members of the Joint Undertakings;

32. Notes that the Joint Undertakings employ 409 permanent and temporary staff or less than 1 % of total Union officials authorised under the Union general budget (staff establishment plan);

33. Recalls that the total Union contribution deemed necessary for the Joint Undertakings for their period of existence amounts to EUR 11 489 000 000;

34. Invites the Court of Auditors to comprehensively analyse the JTIs and the other joint undertakings in a separate report in light of the substantial amounts involved and the risks- notably reputational — presented; recalls that the Parliament has previously requested that the Court of Auditors draw up a special report on the capacity of the joint undertakings, together with their private partners, to ensure added value and efficient execution of Union research, technological development and demonstration programmes; claims that such assessment has an urgent character in what considers ENIAC and Artemis Joint Undertakings.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the Artemis Joint Undertaking for the financial year 2012

(2014/622/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Artemis for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the Artemis for the financial year 2012, together with the Joint Undertaking's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05851/2014 – C7-0053/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 74/2008 of 20 December 2007 on the establishment of the 'Artemis Joint Undertaking' to implement a Joint Technology Initiative in Embedded Computing Systems ([4]), and in particular Article 11(4) thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0203/2014),

1. Approves the closure of the accounts of the Artemis Joint Undertaking for the financial year 2012;

2. Instructs its President to forward this Decision to the Executive Director of the Artemis Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 369, 17.12.2013, p. 1.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 30, 4.2.2008, p. 52.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the Clean Sky Joint Undertaking for the financial year 2012

(2014/623/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Clean Sky Joint Undertaking for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the Clean Sky Joint Undertaking for the financial year 2012, together with the Joint Undertaking's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05851/2014 – C7-0053/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 71/2008 of 20 December 2007 setting up the Clean Sky Joint Undertaking ([4]), and in particular Article 11(4) thereof,

— having regard to the Financial Rules of the Clean Sky Joint Undertaking adopted by Decision of its Governing Board on 7 November 2008,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0210/2014),

1. Grants the Executive Director of the Clean Sky Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Executive Director of the Clean Sky Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 369, 17.12.2013, p. 10.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 30, 4.2.2008, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of the Decision on discharge in respect of the implementation of the budget of the Clean Sky Joint Undertaking for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Clean Sky Joint Undertaking for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the Clean Sky Joint Undertaking for the financial year 2012, together with the Joint Undertaking's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05851/2014 – C7-0053/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 71/2008 of 20 December 2007 setting up the Clean Sky Joint Undertaking ([4]), and in particular Article 11(4) thereof,

— having regard to the Financial Rules of the Clean Sky Joint Undertaking adopted by Decision of its Governing Board on 7 November 2008,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0210/2014),

A. whereas the Clean Sky Joint Undertaking ('the Joint Undertaking') was set up in 2007 for a period of 10 years to accelerate the development, validation and demonstration of clean air transport technologies in the Union for earliest possible deployment,

B. whereas the Joint Undertaking started to work autonomously in 2009,

C. whereas the founding members of the Joint Undertaking are the European Union, represented by the Commission, and industrial partners as the leaders of the 'Integrated Technology Demonstrators' (ITDs) together with the associate members of the ITDs,

([1]) OJ C 369, 17.12.2013, p. 10.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 30, 4.2.2008, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

D. whereas the maximum contribution for the period of 10 years from the Union to the Joint Undertaking is EUR 800 000 000 to be paid from the budget of the Seventh Research Framework Programme,

Budgetary and Financial Management

1. Notes that the Court of Auditors stated that the 2012 annual accounts of the Joint Undertaking fairly present, in all material respects, its financial position as of 31 December 2012 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Rules;

2. Welcomes that the Joint Undertaking's annual accounts received a clean opinion from the Court of Auditors on the legality and the regularity of the transactions underlying those accounts after having received qualified opinion in 2011, calls on the Joint Undertaking to continue its efforts to ensure sound financial management;

3. Notes that the Joint Undertaking's final amended budget for the financial year 2012 included commitment appropriations of EUR 205,4 million and payment appropriations of EUR 167,9 million;

4. Observes from the Joint Undertaking's final annual accounts that while the utilisation rate for commitment appropriations was 84 % overall, the rate for payment appropriations was 75 %; notes, moreover, that within this, the operational implementation rate was 97 % for commitment appropriations and 84 % for payment appropriations; remains concerned, despite improvements over 2011, that these rates reflect the significant delays in the implementation of the activities as compared with the initial plan; requests that the Joint Undertaking continue to improve its workflows and processes to shorten the period between the publication of calls for proposals and the signing of grant agreements;

5. Is concerned with the recurring low implementation of the budget of the Joint Undertaking and regrets the EUR 25,7 million cash balance at the end of the year, representing 15 % of the available payment appropriations; notes that this is at odds with the budgetary principle of equilibrium; reminds the Joint Undertaking of the need to implement concrete measures to attain budget equilibrium;

Internal control systems

6. Welcomes the conclusion of the Court of Auditors that during 2012, the Joint Undertaking further improved its management, administrative, financial and accounting procedures; takes note that while there were some limitations as regards the completeness of the operational information managed, it implemented the 'GMT tool', a specific application for managing financial information relating to the implementation of grant agreements with its members;

7. Expresses concern that while the audit certificates accompanying the cost claims of two beneficiaries were found to include reservations about the contracts of the staff employed on the project and in one of them, the audit certificate also included reservations on the indirect cost rates applied, the Joint Undertaking released the payments; notes that the Joint Undertaking did follow-up these cases and no ineligible costs were finally paid; calls, therefore, on the Joint Undertaking to take into due account the exceptions included in the audit certificates before validating and paying the underlying cost claims;

8. Notes, despite positive conclusions in general, that the following weaknesses, which are specific to some extent, were noted in respect of the *ex ante* control of cost claims submitted by Clean Sky partners:

— the checklists used for the *ex ante* control on cost claims were not always complete,

— the verifying officers did not prepare technical acceptance reports on the partners' activities,

— in one case, the tasks of financial verification and authorisation were performed by the head of administration, which is contrary to the provisions of the financial procedures manual and the principle of segregation of duties,

— the Joint Undertaking's partners are generally late in submitting cost claims and at the time of the audit, at least 70 out of 292 cost claims had not been submitted to the Joint Undertaking on time, with 15 cases exceeding one year of delay;

9. Acknowledges that in 2012, the Commission's Internal Audit Service audited the annual planning process for the management of grants; welcomes the audit conclusion that the existing internal control system gave reasonable assurance as to the achievement of the business objectives set for this process, but notes that the auditor made two very important recommendations concerning delays in the implementation of the programme and the system for evaluating the utilisation of resources; calls on the Joint Undertaking to inform the discharge authority about the level of implementation of the programme and about the results achieved;

10. Notes with satisfaction that the Court of Auditors deems that significant progress has been made as regards the IT aspects of the Joint Undertaking's Business Continuity Plan and Disaster Recovery Plan; stresses, however, that the formalisation of these policies and procedures has not yet been completed and asks the Joint Undertaking to remedy the situation without delay;

11. Regrets that the CVs of the members of the Management Board and the Executive Director are not publicly available; calls on the Joint Undertaking to remedy the situation as a matter of urgency; urges the Joint Undertaking to develop and adopt a comprehensive policy on the prevention and management of conflicts of interest

12. Believes that a high level of transparency is a key element in order to mitigate the risks of conflicts of interests; calls, therefore, on the Joint Undertaking to make its policy and/or arrangements on the prevention and management of conflicts of interests and its implementing rules, as well as the list of the members of the management boardsand CVs available on its website;

13. Invites the Court of Auditors to monitor the Joint Undertaking's policies as regards the management and prevention of conflicts of interests by drafting a Special Report on the matter by the next discharge procedure;

European Research Joint Undertakings horizontal aspects

14. Takes note that the audit approach taken by the Court of Auditors comprises analytical audit procedures, the assessment of key controls of the supervisory and control systems and the testing of transactions at the level of the Joint Undertaking but not at the level of the members or final beneficiaries of the Joint Undertaking;

15. Notes that audit testing at the level of the members or final beneficiaries is carried out either by the Joint Undertaking or by external audit firms contracted and monitored by the Joint Undertaking;

16. Welcomes the Court of Auditors' Special Report 2/2013: 'Has the Commission ensured efficient implementation of the Seventh Framework Programme for Research?' where the Court examined whether the Commission has ensured efficient implementation of the Seventh framework programme for research and technological development (FP7);

17. Takes note that the audit also covered also the setting-up of the Joint Technology Initiatives (JTIs);

18. Agrees with the Court of Auditors' conclusion that the JTIs have been set up to support long-term industrial investment, in particular research areas; notes, however, that it has taken on average two years to grant financial autonomy to a JTI, with the Commission usually remaining responsible for one third of the expected operational lifetime of the JTIs;

19. Notes, moreover, that according to the Court of Auditors, some JTIs have been particularly successful in getting small and medium-sized enterprises (SMEs) involved in their projects and nearly 21 % of funding provided by the JTIs has gone to SMEs;

20. Draws attention to the fact that the total indicative resources deemed necessary for the seven European Research Joint Undertakings that have so far been established by the Commission under Article 187 of the Treaty on the Functioning of the European Union — with the notable exception of the Galileo Joint Undertaking — for their period of existence amounts to EUR 21 793 000 000;

21. Notes that the Joint Undertakings' total 2012 forecasted budgeted income amounted to some EUR 2,5 billion or about 1,8 % of the Union general budget for the financial year 2012, while approximately EUR 618 million came from the general budget (cash contribution from the European Commission) and approximately EUR 134 million came from the industrial partners and members of the Joint Undertakings;

22. Notes that the Joint Undertakings employ 409 permanent and temporary staff, or less than 1 % of total Union officials authorised under the Union general budget (staff establishment plan);

23. Recalls that the total Union contribution deemed necessary for the Joint Undertakings for their period of existence amounts to EUR 11 489 000 000;

24. Invites the Court of Auditors to comprehensively analyse the JTIs and the other joint undertakings in a separate report in light of the substantial amounts involved and the risks- notably reputational — presented; recalls that Parliament has previously requested that the Court of Auditors draw up a special report on the capacity of the joint undertakings, together with their private partners, to ensure added value and efficient execution of Union research, technological development and demonstration programmes; notes that the joint undertakings are deemed to ensure funding for long-term industrial investments and to foster private investments in research.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the Clean Sky Joint Undertaking for the financial year 2012

(2014/624/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Clean Sky Joint Undertaking for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the Clean Sky Joint Undertaking for the financial year 2012, together with the Joint Undertaking's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05851/2014 – C7-0053/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 71/2008 of 20 December 2007 setting up the Clean Sky Joint Undertaking ([4]), and in particular Article 11(4) thereof,

— having regard to the Financial Rules of the Clean Sky Joint Undertaking adopted by Decision of its Governing Board on 7 November 2008,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0210/2014),

1. Approves the closure of the accounts of the Clean Sky Joint Undertaking for the financial year 2012;

2. Instructs its President to forward this Decision to the Executive Director of the Clean Sky Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 369, 17.12.2013, p. 10.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 30, 4.2.2008, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the ENIAC Joint Undertaking for the financial year 2012

(2014/625/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the ENIAC Joint Undertaking for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the ENIAC Joint Undertaking for the financial year 2012, together with the Joint Undertaking's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05851/2014 – C7-0053/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 72/2008 of 20 December 2007 setting up the ENIAC Joint Undertaking ([4]), and in particular Article 11(4) thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0204/2014),

1. Grants the Executive Director of the ENIAC Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Executive Director of the ENIAC Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 369, 17.12.2013, p. 18.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 30, 4.2.2008, p. 21.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the ENIAC Joint Undertaking for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the ENIAC Joint Undertaking for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the ENIAC Joint Undertaking for the financial year 2012, together with the Joint Undertaking's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05851/2014 – C7-0053/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 72/2008 of 20 December 2007 setting up the ENIAC Joint Undertaking ([4]), and in particular Article 11(4) thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions;

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0204/2014),

A. whereas the ENIAC Joint Undertaking ('the Joint Undertaking') was set up on 20 December 2007 for a period of 10 years to define and implement a 'research agenda' for the development of key competences for nanoelectronics across different application areas,

B. whereas the Joint Undertaking was granted its financial autonomy in July 2010,

C. whereas the maximum contribution for the period of 10 years from the Union to the Joint Undertaking is EUR 450 000 000 to be paid from the budget of the Seventh Research Framework Programme,

Budgetary and financial management

1. Notes that the Court of Auditors stated that the 2012 annual accounts of the Joint Undertaking present fairly, in all material respects, its financial position as of 31 December 2012 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Rules;

([1]) OJ C 369, 17.12.2013, p. 18.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 30, 4.2.2008, p. 21.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

2. Is concerned that the Joint Undertaking received, for the second year in a row, a qualified opinion from the Court of Auditors on the legality and regularity of the transactions underlying the annual accounts on the grounds that the Joint Undertaking was not in a position to assess whether the *ex post* audit strategy, which relies heavily on the national funding authorities to audit project cost claims, provides sufficient assurance with respect to the legality and regularity of the underlying transactions;

3. Notes that the Court of Auditors considers that the information available on the implementation of the Joint Undertaking's *ex post* audit strategy is not sufficient for the Court of Auditors to conclude whether this key control tool is functioning effectively; reiterate its call for the Court of Auditors, through its independent audits, to provide the discharge authority with its own opinion on the legality and the regularity of the transactions underlying the annual accounts of the Joint Undertaking;

4. Recalls that the Joint Undertaking adopted an *ex post* audit strategy in 2010 and that its implementation started in 2011; notes that the audit of project cost claims has been delegated to the National Funding Authorities (NFAs) of the Member States; takes note that the Joint Undertaking *ex-post* audit strategy relies on the NFAs to audit project cost claims;

5. Calls on the ENIAC Joint Undertaking to submit a report to Parliament on the negative aspects recorded by the Court of Auditors; calls for that report to be submitted to Parliament together with an assessment by the Court of Auditors;

6. Notes, further, that the Joint Undertaking carried out in 2012 a limited review of cost claims that concluded that the error rate in the programme is below 2 %; notes the Court of Auditors' opinion that the exercise did not include any audits and did not provide assurance as to the regularity of the cost claims reviewed; insists that the Joint Undertaking should reinforce without delay the quality of its *ex ante* and *ex post* controls; requests that the discharge authority is informed of the results of the following *ex post* audit processes;

7. Takes note that the Joint Undertaking's 2012 final budget included commitment and payment appropriations amounting to EUR 128 million and 42 million respectively and that the utilisation rates were 100 % for commitment appropriations and 52 % for payment appropriations respectively; calls for a detailed progress report on those shortcomings, accompanied by specific proposals for a gradual improvement in utilisation rates;

8. Notes, furthermore, that out of the EUR 125,5 million commitment appropriations available for operational activities, EUR 17,6 million was implemented as a global commitment for the first 2012 call for proposals and EUR 107,9 million was implemented as a global commitment for the second 2012 call for proposals; observes that the average time between the launch of a call and the signing of agreements was 12 months; expects that this time frame is reduced for further calls;

9. Is concerned that the unused global commitment of EUR 2,8 million assigned to operational activities for 2010, which came with a final implementation date of 31 December 2011, had not been decommitted by the end of 2012; takes note that the Joint Undertaking identified and implemented corrective actions to prevent any future recurrence of this control weakness;

ENIAC Member States' contribution

10. Takes note that for the first seven calls for proposals, the financial contribution from ENIAC Member States amounted to 1,41 times the Union financial contribution against the Joint Undertaking's statutory principle that the financial contributions from ENIAC Member States are to amount in total to at least 1,8 times the Union financial contribution, while the Joint Undertaking's grants may reach a maximum of 16,7 % of the total eligible costs of the projects; notes, furthermore, that the ratio between the Union contribution and the ENIAC Member States contribution is a mechanical result of the application of the State Aid rules (Commission Regulation (EC) No 800/2008 [1]) limiting the percentage of state aid for particular types of actions and participants;

Calls for proposals

11. Notes that up to 2011, the Joint Undertaking issued calls for proposals resulted in grant agreements totalling EUR 170,2 million, which represents 39 % of the maximum Union contribution to the Joint Undertaking for research activities and that in 2012 and 2013, four calls for proposals were launched for a total of EUR 125,4 million and EUR 39,7 million respectively;

[1] Commission Regulation (EC) No 800/2008 of 6 August 2008 declaring certain categories of aid compatible with the common market in application of Articles 87 and 88 of the Treaty (General block exemption Regulation) (OJ L 214, 9.8.2008, p. 3).

Prevention and management of conflicts of interests and transparency

12. Regrets that the CVs of the members of the Management Board and the Executive Director are not publicly available; calls on the Joint Undertaking to remedy the situation as a matter of urgency; urges the Joint Undertaking, in the framework of the future ECSEL Joint Undertaking, to develop and adopt a comprehensive policy on the prevention and management of conflicts of interests;

13. Believes that a high level of transparency is a key element in order to mitigate the risks of conflicts of interests; calls, therefore, on the Joint Undertaking to make its policy and/or arrangements on the prevention and management of conflicts of interests and its implementing rules as well as the list of the members of the management boards and CVs, available on its website;

14. Invites the Court of Auditors to monitor the Joint Undertaking's policies as regards the management and prevention of conflicts of interests by drafting a Special Report on the matter by the next discharge procedure;

Internal control systems

15. Takes note that during 2012 the Joint Undertaking set up its internal audit capability, the disaster recovery plan was finalised and tested and the accounting officer validated the financial and accounting systems (ABAC and SAP);

Electronic Components and Systems for European Leadership (ECSEL) Joint Undertaking

16. Recalls that Artemis and ENIAC Joint Undertakings were set up in December 2007, under the Seventh Framework Programme, for a period of 10 years, respectively, for the development of key competences for nanoelectronics and for the development of key technologies for embedded computing systems respectively; notes that Artemis started to work autonomously in October 2009 and ENIAC was granted its financial autonomy in July 2010;

17. Recalls the continued worries of the discharge authority concerning the low implementation rates of their budget and, moreover, about the underlying activities of the Joint Undertakings associated with high cash balances; recalls that they sought to increase and leverage private and public investments in research and innovation in two complementary domains of high importance for the industrial fabric of the Union;

18. Notes that the Commission made a proposal, in the context of the implementation of Horizon 2020, to combine Embedded computing systems (Artemis) and Nanoelectronics (ENIAC) into a single initiative and therefore wind-up Artemis and ENIAC Joint Undertakings before their normal end of life up to 31 December 2017 (COM(2013) 501); notes that the new Joint Undertaking in the field of electronic components and systems called ECSEL ('Electronic Components and Systems for European Leadership') will take the form of a tripartite institutional Public-Private Partnership (PPP) with a dedicated legal entity involving the private sector, national authorities and European authorities;

19. Notes that this new legal entity under Article 187 TFEU will follow the model financial regulation for PPP bodies referred to in Article 209 of the Financial Regulation, charged with indirect management and it would take over all rights and obligations of the current Artemis and ENIAC Joint Undertakings; expects that complete and appropriate financial assessments of rights and obligations of each entity will be executed by the Court of Auditors; recalls, in this context, the joint statement by the European Parliament, the Council and the Commission on the separate discharge for Joint Undertakings under Article 209 of the Financial Regulation;

20. Is surprised that in such a reduced time frame and without a final conclusive assessment of those Joint Undertakings' achievements, the Commission has decided to substantially adapt the Union's implementing strategy for the development of key competences for nanoelectronics and for the development of key technologies for embedded computing systems; recalls Parliament's request for a cost-benefit analysis of a merger that highlights its possible advantages and disadvantages;

21. Notes that the interim evaluations recommended the implementation of the future JTI on a legal basis that is better attuned to the specificities of Public-Private Partnerships with a lighter administrative overhead and greater flexibility with the administrative burden reduced in order to attract the participation from high-level industry representatives;

22. Further notes that in order to achieve its objectives, the ECSEL Joint Undertaking should provide financial support mainly in the form of grants to participants following open and competitive calls for proposals targeted at proven market failures;

23. Regrets that the Commission proposal excludes the examination of the accounts and the revenue and expenditure of the ECSEL Joint Undertaking by the Court of Auditors and indicates that the accounts of that Joint Undertaking will be examined annually by an independent audit body; invites the Commission to clarify what is the added value of such a proposal; stresses that the Court of Auditors has been the exclusive auditor for Joint Undertakings set up under Article 187 TFEU since 2002 and therefore building up extensive knowledge over those bodies that should not be wasted;

European Research Joint Undertakings horizontal aspects

24. Takes note that the audit approach taken by the Court of Auditors comprises analytical audit procedures, assessment of key controls of the supervisory and control systems and testing of transactions at the level of the Joint Undertaking but not at the level of the members or final beneficiaries of the Joint Undertaking;

25. Notes that audit testing at the level of the members or final beneficiaries is carried out either by the Joint Undertaking or by external audit firms contracted and monitored by the Joint Undertaking;

26. Welcomes the Court of Auditors' Special Report 2/2013: 'Has the Commission ensured efficient implementation of the Seventh Framework Programme for Research?' where the Court of Auditors examined whether the Commission has ensured efficient implementation of the Seventh framework programme for research and technological development (FP7);

27. Takes note that the audit also covered the setting-up of the Joint Technology Initiatives (JTIs);

28. Agrees with the Court of Auditors' conclusion that the JTIs have been set up to support long-term industrial investment in particular research areas; notes, however, that it has taken on average two years to grant financial autonomy to a JTI with the Commission usually remaining responsible for one third of the expected operational lifetime of the JTIs;

29. Notes, moreover, that according to the Court of Auditors, some JTIs have been particularly successful in getting small and medium-sized enterprises (SMEs) involved in their projects and nearly 21 % of funding provided by the JTIs has gone to SMEs;

30. Draws attention to the fact that the total indicative resources deemed necessary for the seven European Research Joint Undertakings that have so far been established by the Commission under Article 187 of the Treaty on the Functioning of the European Union — with the notable exception of the Galileo Joint Undertaking — for their period of existence amounts to EUR 21 793 000 000;

31. Notes that the Joint Undertakings' total 2012 forecasted budgeted income amounted to some EUR 2,5 billion or about 1,8 % of the 2012 Union general budget while approximately EUR 618 million came from the EU general budget (cash contribution from the Commission) and approximately EUR 134 million came from the industrial partners and members of the Joint Undertakings;

32. Notes that the Joint Undertakings employ 409 permanent and temporary staff or less than 1 % of total Union officials authorised under the Union general budget (staff establishment plan);

33. Recalls that the total Union contribution deemed necessary for the Joint Undertakings for their period of existence amounts to EUR 11 489 000 000;

34. Invites the Court of Auditors to comprehensively analyse the JTIs and the other joint undertakings in a separate report in light of the substantial amounts involved and the risks- notably reputational — presented; recalls that Parliament has previously requested that the Court of Auditors draw up a special report on the capacity of the joint undertakings, together with their private partners, to ensure added value and efficient execution of Union research, technological development and demonstration programmes; claims that such assessment has an urgent character in what considers Artemis and ENIAC Joint Undertakings.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the ENIAC Joint Undertaking for the financial year 2012

(2014/626/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the ENIAC Joint Undertaking for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the ENIAC Joint Undertaking for the financial year 2012, together with the Joint Undertaking's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05851/2014 – C7-0053/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 72/2008 of 20 December 2007 setting up the ENIAC Joint Undertaking ([4]), and in particular Article 11(4) thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0204/2014),

1. Approves the closure of the accounts of the ENIAC Joint Undertaking for the financial year 2012;

2. Instructs its President to forward this Decision to the Executive Director of the ENIAC Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 369, 17.12.2013, p. 18.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 30, 4.2.2008, p. 21.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2012

(2014/627/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2012, together with the Joint Undertaking's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05851/2014 – C7-0053/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 521/2008 of 30 May 2008 setting up the Fuel Cells and Hydrogen Joint Undertaking for the implementation of the Joint Technology Initiative on Fuel Cells and Hydrogen ([4]), and in particular Article 11(4) thereof,

— having regard to Council Regulation (EU) No 1183/2011 of 14 November 2011 amending Regulation (EC) No 521/2008 setting up the Fuel Cells and Hydrogen Joint Undertaking ([5]),

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([6]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([7]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0202/2014),

1. Grants the Executive Director of the Fuel Cells and Hydrogen Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Executive Director of the Fuel Cells and Hydrogen Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 369, 17.12.2013, p. 57.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 153, 12.6.2008, p. 1.
([5]) OJ L 302, 19.11.2011, p. 3.
([6]) OJ L 357, 31.12.2002, p. 72.
([7]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2012, together with the Joint Undertaking's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05851/2014 – C7-0053/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 521/2008 of 30 May 2008 setting up the Fuel Cells and Hydrogen Joint Undertaking for the implementation of the Joint Technology Initiative on Fuel Cells and Hydrogen ([4]), and in particular Article 11(4) thereof,

— having regard to Council Regulation (EU) No 1183/2011 of 14 November 2011 amending Regulation (EC) No 521/2008 setting up the Fuel Cells and Hydrogen Joint Undertaking ([5]),

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([6]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([7]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0202/2014),

A. whereas the Fuel Cells and Hydrogen Joint Undertaking ('the Joint Undertaking') was set up in May 2008 as public-private partnership by Regulation (EC) No 521/2008 for a period until 31 December 2017 to focus on developing market applications and hence facilitating additional industrial efforts towards a rapid deployment of fuel cells and hydrogen technologies,

B. whereas Regulation (EC) No 521/2008 was amended by Regulation (EU) No 1138/2011,

([1]) OJ C 369, 17.12.2013, p. 57.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 153, 12.6.2008, p. 1.
([5]) OJ L 302, 19.11.2011, p. 3.
([6]) OJ L 357, 31.12.2002, p. 72.
([7]) OJ L 328, 7.12.2013, p. 42.

C. whereas the Members of the Joint Undertaking are the Union, represented by the Commission, the New Energy World Industry Grouping (NEW-IG) and the Research community (N.ERGHY),

D. whereas the maximum contribution for the entire period from the Union to the Joint Undertaking is EUR 470 000 000 to be paid from the budget of the Seventh Research Framework Programme, of which the proportion earmarked for running costs must not exceed EUR 20 000 000,

E. whereas New-IG should contribute 50 % of the running costs and N.ERGHY should contribute one twelfth of the running costs and both should contribute to operational costs through in-kind contributions at least equal to the financial contribution of the Union,

Budget and financial management

1. Notes that the Court of Auditors stated that the 2012 annual accounts of the Joint Undertaking present fairly, in all material respects, its financial position as of 31 December 2012 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Rules;

2. Welcomes the fact that the Joint Undertaking received a clean opinion from the Court of Auditors on the legality and the regularity of the transactions underlying those accounts after having received a qualified opinion in 2011 on these aspects; calls on the Joint Undertaking to continue its efforts to ensure sound financial management and continued respect for budgetary principles;

3. Notes, furthermore, that the Joint Undertaking's final budget for the financial year 2012 included commitment appropriations of EUR 83,3 million and payment appropriations of EUR 56,9 million; notes, moreover, that the utilisation rates for commitment and payment appropriations were 99,4 % and 83,1 % respectively;

4. Takes note that the provisional 2012 budget outturn account at year-end 2012 was EUR 8,2 million, with receipts of EUR 58,3 million, plus the 2011 budget surplus of EUR 7,5 million netted against payments of EUR 55,2 million and carry-overs of EUR 2,4 million;

5. Notes that the cumulative calls for proposals organised in 2008, 2009, 2010 and 2011 resulted in grant agreements totalling EUR 295 million, and in 2012 a fifth call for proposals was launched for EUR 78 million;

6. Points out that these amounts represent 67 % and 18 % respectively of the maximum Union contribution to the Joint Undertaking for research activities and that in January 2013, a sixth call was launched for the remaining amount (EUR 68,5 million); notes the progress in budget implementation;

Treasury management

7. Points out that at the end of December 2012, cash and cash equivalents amounted to EUR 12,3 million; notes that this is at odds with the budgetary principle of equilibrium; reminds the Joint Undertaking of the need to implement concrete measures in order to attain budget equilibrium and urges the Joint Undertaking to implement, together with the Commission, all the necessary measures to minimise the cash balances held on account to the levels that are required within the limits provided in the financing agreements with the Commission;

Internal control systems

8. Notes that the Joint Undertaking internal audit capability carried out an audit on *ex ante* controls for eligibility of declared costs and related payments and performed various consultancy services, including preparation and participation in the communication campaigns of the Joint Undertaking on financial control and audit matters;

9. Welcomes the fact that during 2012, the Joint Undertaking finalised the Business Continuity Plan and the disaster recovery plan;

10. Regrets that the CVs of the members of the Management Board and the Executive Director are not publicly available; calls on the Joint Undertaking to remedy the situation as a matter of urgency; urges the Joint Undertaking to develop and adopt a comprehensive policy on the prevention and management of conflicts of interests;

11. Believes that a high level of transparency is a key element in order to mitigate the risks of conflicts of interests; calls, therefore, on the Joint Undertaking to make its policy and/or arrangements on the prevention and management of conflicts of interests and its implementing rules, as well as the list of the members of the management boards and CVs available on its website;

12. Invites the Court of Auditors to monitor the Joint Undertaking's policies as regards the management and prevention of conflicts of interests by drafting a Special Report on the matter by the next discharge procedure;

Other management matters

13. Supports the improvements proposed by the Court of Auditors in the monitoring and reporting system covering the protection, dissemination and transfer of research results;

European Research Joint Undertakings horizontal aspects

14. Takes note that the audit approach taken by the Court of Auditors comprises analytical audit procedures, the assessment of key controls of the supervisory and control systems and the testing of transactions at the level of the Joint Undertaking but not at the level of the members or final beneficiaries of the Joint Undertaking;

15. Notes that audit testing at the level of the members or final beneficiaries is carried out either by the Joint Undertaking or by external audit firms contracted and monitored by the Joint Undertaking;

16. Welcomes the Court of Auditors' Special Report 2/2013: 'Has the Commission ensured efficient implementation of the Seventh Framework Programme for Research?' where the Court examined whether the Commission has ensured efficient implementation of the Seventh framework programme for research and technological development (FP7);

17. Takes note that the audit also covered the setting-up of the Joint Technology Initiatives (JTIs);

18. Agrees with the Court of Auditors' conclusion that the JTIs have been set up to support long-term industrial investment, in particular research areas; notes, however, that it has taken on average two years to grant financial autonomy to a JTI, with the Commission usually remaining responsible for one third of the expected operational lifetime of the JTIs;

19. Notes, moreover, that according to the Court of Auditors, some JTIs have been particularly successful in getting small and medium-sized enterprises (SMEs) involved in their projects and nearly 21 % of funding provided by the JTIs has gone to SMEs;

20. Draws attention to the fact that the total indicative resources deemed necessary for the seven European Research Joint Undertakings that have so far been established by the Commission under Article 187 of the Treaty on the Functioning of the European Union — with the notable exception of the Galileo Joint Undertaking — for their period of existence amounts to EUR 21 793 000 000;

21. Notes that the Joint Undertakings' total 2012 forecasted budgeted income amounted to some EUR 2,5 billion or about 1,8 % of the 2012 Union general budget, while approximately EUR 618 million came from the general budget (cash contribution from the Commission) and approximately EUR 134 million came from the industrial partners and members of the Joint Undertakings;

22. Notes that the Joint Undertakings employ 409 permanent and temporary staff, or less than 1 % of total Union officials authorised under the Union general budget (staff establishment plan);

23. Recalls that the total Union contribution deemed necessary for the Joint Undertakings for their period of existence amounts to EUR 11 489 000 000;

24. Invites the Court of Auditors to comprehensively analyse the JTIs and the other joint undertakings in a separate report in light of the substantial amounts involved and the risks- notably reputational — presented; recalls that Parliament has previously requested that the Court of Auditors draw up a special report on the capacity of the joint undertakings, together with their private partners, to ensure added value and efficient execution of Union research, technological development and demonstration programmes; notes that the joint undertakings are deemed to ensure funding for long-term industrial investments and to foster private investments in research.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2012

(2014/628/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2012, together with the Joint Undertaking's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05851/2014 – C7-0053/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 521/2008 of 30 May 2008 setting up the Fuel Cells and Hydrogen Joint Undertaking for the implementation of the Joint Technology Initiative on Fuel Cells and Hydrogen ([4]), and in particular Article 11(4) thereof,

— having regard to Council Regulation (EU) No 1183/2011 of 14 November 2011 amending Regulation (EC) No 521/2008 setting up the Fuel Cells and Hydrogen Joint Undertaking ([5]),

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([6]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([7]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0202/2014),

1. Approves the closure of the accounts of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2012;

2. Instructs its President to forward this Decision to the Executive Director of the Fuel Cells and Hydrogen Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 369, 17.12.2013, p. 57.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 153, 12.6.2008, p. 1.
([5]) OJ L 302, 19.11.2011, p. 3.
([6]) OJ L 357, 31.12.2002, p. 72.
([7]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines for the financial year 2012

(2014/629/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the Innovative Medicines Initiative Joint Undertaking for the financial year 2012, together with the Joint Undertaking's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05851/2014 – C7-0053/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 73/2008 of 20 December 2007 setting up the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines ([4]), and in particular Article 11(4) thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0200/2014),

1. Grants the Executive Director of the IMI Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Executive Director of the IMI Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 369, 17.12.2013, p. 25.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 30, 4.2.2008, p. 38.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the Innovative Medicines Initiative Joint Undertaking for the financial year 2012, together with the Joint Undertaking's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05851/2014 – C7-0053/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 73/2008 of 20 December 2007 setting up the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines ([4]), and in particular Article 11(4) thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0200/2014),

A. whereas the Innovative Medicines Initiative Joint Undertaking ('the Joint Undertaking') was set up in December 2007 for a period of 10 years to significantly improve the efficiency and effectiveness of the drug development process with the long-term aim that the pharmaceutical sector produces more effective and safer innovative medicines,

B. whereas the Joint Undertaking started to work autonomously on 16 November 2009,

C. whereas the maximum contribution for the period of 10 years from the Union to the Joint Undertaking is EUR 1 billion to be paid from the budget of the Seventh Research Framework Programme,

([1]) OJ C 369, 17.12.2013, p. 25.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 30, 4.2.2008, p. 38.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

Budgetary and financial management

1. Notes that in the Court of Auditors' opinion, the Joint Undertaking's annual accounts present fairly, in all material respects, its financial position as at 31 December 2012 and the results of its operations and cash flows for the year then ended, in accordance with the provisions of its financial rules and the accounting rules adopted by the Commission's accounting officer;

2. Appreciates that the Joint Undertaking completed as of June 2013 *ex post* audits covering EUR 4,4 million (37,3 % of accepted Joint Undertaking's contribution for the first call validated by the Joint Undertaking by June 2011); observes that these first audits focused on beneficiaries who were new or never audited under the Union research programmes and, therefore, a higher rate of error can be expected due to the complexity of the rules;

3. Is concerned that the error rate resulting from the *ex post* audits, performed by or on behalf of the Joint Undertaking was 5,82 %; recognises that most of these errors were relatively small in amounts to be adjusted (less than EUR 5 000 in favour of the Joint Undertaking; notes that steps have since been taken to recover or offset these amounts from subsequent claims and that the rate will continue to evolve on a multiannual basis as more projects, beneficiaries and claims are audited; points out that actions taken by the Joint Undertaking to prevent and correct these errors have a bearing on the residual error rate;

4. Takes note that the Court of Auditors issued a qualified opinion on the legality and the regularity of the transactions on that basis, underlying the annual accounts of the Joint Undertaking for the second consecutive year; notes that the Court of Auditors considers that the audit evidence obtained is sufficient and appropriate to provide a basis for its statement of assurance although the underlying payments audited were made prior to 2012;

5. Is concerned that a high level of payment and commitment appropriations for administrative expenditure in 2012 were still unused at year end (26,81 % of commitment appropriations and 39,8 % of payment appropriations); notes that the high level of unused appropriations of the administrative budget indicates that it was not based on realistic estimates defined through the Legislative Financial Statement;

Calls for proposals

6. Welcomes the fact that the time needed to sign agreements decreased in 2012 from 413 days for the final grant agreements under the fourth call to 161 days for the sixth call; emphasises the fact that in 2012, the Joint Undertaking committed EUR 351 million, or almost 37 % of its total available budget making good progress towards executing the total available Union contribution of EUR 960 million stipulated in Regulation (EC) No 73/2008 for research activities;

7. Notes that at the end of 2012, the Joint Undertaking cumulative total approved commitments for research costs was EUR 736 million and that the European Federation of Pharmaceutical Industries and Associations (EFPIA) had committed a further EUR 706 million;

Internal control systems

8. Emphasises the fact that the Court of Auditors' reports that the Joint Undertaking has continued developing adequate and comprehensive internal control systems but further work is needed in documenting and updating operational and administrative procedures (especially for *ex post* and accounting closure activities), which will mitigate the risks of error and inconsistent practices;

9. Recalls that the Commission's Internal Audit Service (IAS) is the Joint Undertaking internal auditor; points out that in 2012, the IAS carried out an assurance review of the (i) negotiation, (ii) grant agreement preparation and (iii) pre-financing processes of the Joint Undertaking; expects that the IAS directs its audits engagements to more high risk areas, especially to support the Joint Undertaking to overtake the material errors it detected through its first *ex post* audits in relation to interim payments and to ensure that a coherent control strategy is being implemented by the Joint Undertaking;

10. Welcomes that during 2012, the Joint Undertaking accounting officer reported on the validation of the accounting system on and most of the weaknesses identified were addressed by the end of the year;

11. Regrets that the CVs of the members of the Management Board and the Executive Director are not publicly available; calls on the Joint Undertaking to remedy the situation as a matter of urgency; acknowledges that the Joint Undertaking has Conditions that enforce a Code of Conduct on the independent experts that evaluate the research proposals; urges nevertheless the Joint Undertaking to develop and adopt a comprehensive policy on the prevention and management of conflicts of interests;

12. Believes that a high level of transparency is a key element in order to mitigate the risks of conflicts of interests; calls, therefore, on the Joint Undertaking to make its policy and/or arrangements on the prevention and management of conflicts of interests and its implementing rules as well as the list of the members of the management boards and CVs, available on its website;

13. Invites the Court of Auditors to monitor the Joint Undertaking's policies as regards the management and prevention of conflicts of interests by drafting a Special Report on the matter by the next discharge procedure;

Audit rights of the Court of Auditors

14. Is surprised to learn that the provisions of the Council Regulation setting up the Joint Undertaking do not recognise the right of the Court of Auditors to audit the in-kind contributions of EFPIA companies, although they are recorded in the Joint Undertaking's financial statements; emphasises that it is estimated that these contributions will represent approximately EUR 1 billion over the Joint Undertaking's lifetime; invites the Court of Auditors to clarify the implications of that provision in the Court of Auditors' annual opinion on the accounts of the Joint Undertaking;

European Research Joint Undertakings horizontal aspects

15. Takes note that the audit approach taken by the Court of Auditors comprises analytical audit procedures, the assessment of key controls of the supervisory and control systems and the testing of transactions at the level of the Joint Undertaking but not at the level of the members or final beneficiaries of the Joint Undertaking;

16. Notes that audit testing at the level of the members or final beneficiaries is carried out either by the Joint Undertaking or by external audit firms contracted and monitored by the Joint Undertaking;

17. Welcomes the Court of Auditors' Special Report 2/2013: 'Has the Commission ensured efficient implementation of the Seventh Framework Programme for Research?' where the Court examined whether the Commission has ensured efficient implementation of the the Seventh framework programme for research and technological development (FP7);

18. Takes note that the audit also covered the setting-up of the Joint Technology Initiatives (JTIs);

19. Agrees with the Court of Auditors' conclusion that the JTIs have been set up to support long-term industrial investment in particular research areas; notes, however, that it has taken on average two years to grant financial autonomy to a JTI, with the Commission usually remaining responsible for one third of the expected operational lifetime of the JTIs;

20. Notes moreover that accordingly with the Court of Auditors some JTIs have been particularly successful in getting small and medium-sized enterprises (SMEs) involved in their projects and nearly 21 % of funding provided by the JTIs has gone to SMEs;

21. Draws attention to the fact that the total indicative resources deemed necessary for the seven European Research Joint Undertakings that have so far been established by the Commission under Article 187 of the Treaty on the Functioning of the European Union — with the notable exception of the Galileo Joint Undertaking — for their period of existence amounts to EUR 21 793 000 000;

22. Notes that the Joint Undertakings' total 2012 forecasted budgeted income amounted to some EUR 2,5 billion or about 1,8 % of the 2012 Union general budget while approximately EUR 618 million came from the general budget (cash contribution from the Commission) and approximately EUR 134 million came from the industrial partners and members of the Joint Undertakings;

23. Notes that the Joint Undertakings employ 409 permanent and temporary staff or less than 1 % of total Union officials authorised under the Union general budget (staff establishment plan);

24. Recalls that the total Union contribution deemed necessary for the Joint Undertakings for their period of existence amounts to EUR 11 489 000 000;

25. Invites the Court of Auditors to comprehensively analyse the JTIs and the other joint undertakings in a separate report in light of the substantial amounts involved and the risks- notably reputational — presented; recalls that the Parliament has previously requested that the Court of Auditors draw up a special report on the capacity of the joint undertakings, together with their private partners, to ensure added value and efficient execution of Union research, technological development and demonstration programmes; notes that the joint undertakings are deemed to ensure funding for long-term industrial investments and to foster private investments in research.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines for the financial year 2012

(2014/630/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the Innovative Medicines Initiative Joint Undertaking for the financial year 2012, together with the Joint Undertaking's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05851/2014 – C7-0053/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 73/2008 of 20 December 2007 setting up the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines ([4]), and in particular Article 11(4) thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0200/2014),

1. Approves the closure of the accounts of the IMI Joint Undertaking for the financial year 2012;

2. Instructs its President to forward this Decision to the Executive Director of the IMI Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 369, 17.12.2013, p. 25.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 30, 4.2.2008, p. 38.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2012

(2014/631/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2012, together with the Joint Undertaking's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05851/2014 – C7-0053/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Decision 2007/198/Euratom of 27 March 2007 establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it ([4]), and in particular Article 5(3) thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0198/2014),

1. Grants the Director of the European Joint Undertaking for ITER and the Development of Fusion Energy discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Director of the European Joint Undertaking for ITER and the Development of Fusion Energy, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 369, 17.12.2013, p. 35.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 90, 30.3.2007, p. 58.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of the decision on discharge for implementation of the budget for European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2012, together with the Joint Undertaking's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05851/2014 – C7-0053/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Decision 2007/198/Euratom of 27 March 2007 establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it ([4]), and in particular Article 5(3) thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0198/2014),

A. whereas the European Joint Undertaking for ITER and the Development of Fusion Energy ('the Joint Undertaking') was set up in March 2007 for a period of 35 years,

B. whereas the members of the Joint Undertaking are Euratom, represented by the Commission, the Member States of Euratom and other countries which have concluded cooperation agreements with Euratom in the field of controlled nuclear fusion,

C. whereas the Joint Undertaking started to work autonomously on March 2008,

([1]) OJ C 369, 17.12.2013, p. 35.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 90, 30.3.2007, p. 58.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

D. whereas the Court of Auditors states that it has obtained reasonable assurances that the annual accounts of the Joint Undertaking for the financial year 2012 are reliable and that the underlying transactions are legal and regular,

E. whereas on 9 October 2008 the Court of Auditors delivered Opinion No 4/2008 on the Joint Undertaking's Financial Regulation,

F. whereas at the creation of the Joint Undertaking the indicative total resources deemed necessary for the period 2007 to 2014 were EUR 9 653 000 000,

Budgetary and financial management

1. Notes that after two amendments reducing the 2012 budget the utilisation rates for the available commitment and payment appropriations were 99,9 % and 94,5 %, respectively;

2. Notes, however, that the budget of the Joint Undertaking for the financial year 2012 was initially adopted for the collective amount of EUR 503 million in commitment appropriations and that therefore without those reductions the utilisation rate for the payment appropriations would be 71 %;

3. Notes that of the EUR 1 440 million in commitment appropriations available for operational activities, 55,4 % was implemented through direct individual commitments in 2012, while the remainder, were globally committed for large complex contracts requiring long negotiation times and with ensuing individual commitments in 2013;

4. Notes with concern the high cash balance, which amounted to EUR 51 833 097 at the end of the year, representing nearly 14 % of the final available payment appropriations in 2012;

Internal control systems

5. Ascertains from the Court of Auditors that the Joint Undertaking's internal control systems are not yet fully established and implemented although significant progress was made during 2012;

6. Takes note that the following actions still need to be implemented:

— a management system to regularly monitor the validity of project cost estimates and report on cost deviations,

— further efforts are necessary with regard to the systematic verification, prior to payment, of technical acceptance reports and the audit certificates on financial statements,

— a comprehensive overall control and monitoring system for grants and operational contracts,

— the action plans adopted by the Joint Undertaking in response to internal audits have not been fully implemented,

— the mitigating actions for the corporate risk management system have yet to be implemented;

7. Appreciates that the Joint Undertaking has set up a system for performing audits at the level of contractors with the aim of checking compliance with the quality assurance requirements; notes that the six audits performed on grant agreements, for *ex post* financial and compliance controls, detected errors of 1,3 % of the total value of the cost claims audited (EUR 8,3 million);

8. Regrets that the CVs of the members of the Management Board and the Executive Director are not publicly available; calls on the Joint Undertaking to remedy the situation as a matter of urgency; acknowledges that the Joint Undertaking has adopted a Decision in 2013 that sets rules regarding the prevention and management of conflicts of interests;

9. Believes that a high level of transparency is a key element in order to mitigate the risks of conflicts of interests; calls, therefore, on the Joint Undertaking to make its policy and/or arrangements on the prevention and management of conflicts of interests and its implementing rules as well as the list of the members of the management boards, and CVs, available on its website;

10. Invites the Court of Auditors to monitor the Joint Undertaking's policies as regards the management and prevention of conflicts of interests by drafting a Special Report on the matter by the next discharge procedure;

Operational procurement contracts and grants

11. Acknowledges that the Court of Auditors tested a sample of five operational procurement procedures; notes that for the grants, the average number of proposals received was only one per call but that this reflects the highly specialised nature of the calls and the outcome of the Union fusion programme in creating a European research area in fusion with minimal duplication of efforts and close collaboration among teams active in one field; observes that the latter manifests itself in pan-European consortia essentially behind all proposals in response to F4E calls; urges the Joint Undertaking to develop an Action Plan with concrete measures and deadlines to maximise competition and to follow the value-for-money principle in the preparation, publication, evaluation and contract and management phases of the call;

12. Regrets to be informed that the Joint Undertaking has not developed an internal procedure to systematically assess the risk of a payment being made while a non-conformity report is under review by the ITER organisation at the date of payment; calls on the Joint Undertaking to take the necessary measures to reinforce controls before payments are executed to provide assurance regarding compliance with the Joint Undertaking financial requirements and the conformity of the underlying costs;

Union contribution to ITER construction phase

13. Recalls that in 2010, the Council revised the final cost figure of the Joint Undertaking's contribution for the construction phase to EUR 6 600 000 000 (2008 value), thus doubling the initial estimate;

14. Takes note that in 2012, the internal auditor's report on pre-procurement activities for the ITER project pointing out that:

— neither of the two cost estimating exercises carried out by that date had broken down the cost estimates of the Union contribution to the ITER construction phase by contract,

— the Joint Undertaking was exposed to significant financial risks linked to the evolution of commodity prices,

— the Joint Undertaking did not yet have in place a tool for regularly monitoring the validity of the estimates and reporting on potential cost deviations;

15. Notes, furthermore, that in its progress report of September 2012 to the European Competitiveness Council, the Joint Undertaking stressed that there was a risk of cost deviations in the range of EUR 180-250 million, or 3 % of the latest estimated project cost of EUR 6,6 billion;

16. Takes note that in June 2013, the Joint Undertaking completed an exercise to update the cost estimate of the Union contribution to the construction phase of the project that estimates the current risk of increase at EUR 290 million, or 4,4 % of the budget approved by the Council; notes that a significant escalation in the scope of the components to be provided to the ITER project is at the origin of that estimated increase;

17. Notes with great concern that the Joint Undertaking considers the current ITER reference schedule to be unrealistic; urges the Joint Undertaking to work with its ITER partners to establish a new and reliable schedule and to do its utmost to ensure that the schedule is maintained while avoiding budget deviations;

European Research Joint Undertakings horizontal aspects

18. Takes note that the audit approach taken by the Court of Auditors comprises analytical audit procedures, the assessment of key controls of the supervisory and control systems and the testing of transactions at the level of the Joint Undertaking but not at the level of the members or final beneficiaries of the Joint Undertaking;

19. Notes that audit testing at the level of the members or final beneficiaries is carried out either by the Joint Undertaking or by external audit firms contracted and monitored by the Joint Undertaking;

20. Welcomes the Court of Auditors' Special Report 2/2013: 'Has the Commission ensured efficient implementation of the Seventh Framework Programme for Research?' where the Court of Auditors examined whether the Commission has ensured efficient implementation of the Seventh framework programme for research and technological development (FP7);

21. Takes note that the audit also covered the setting-up of the Joint Technology Initiatives (JTIs);

22. Agrees with the Court of Auditors' conclusion that the JTIs have been set up to support long-term industrial investment, in particular research areas; notes, however, that it has taken on average two years to grant financial autonomy to a JTI with the Commission usually remaining responsible for one third of the expected operational lifetime of the JTIs;

23. Notes, moreover, that according to the Court of Auditors, some JTIs have been particularly successful in getting small and medium-sized enterprises (SMEs) involved in their projects and nearly 21 % of funding provided by the JTIs has gone to SMEs;

24. Draws attention to the fact that the total indicative resources deemed necessary for the seven European Research Joint Undertakings that have so far been established by the Commission under Article 187 of the Treaty on the Functioning of the European Union — with the notable exception of the Galileo Joint Undertaking — for their period of existence amounts to EUR 21 793 000 000;

25. Notes that the Joint Undertakings' total 2012 forecasted budgeted income amounted to some EUR 2,5 billion or about 1,8 % of the 2012 Union general budget, while approximately EUR 618 million came from the general budget (cash contribution from the Commission) and approximately EUR 134 million came from the industrial partners and members of the Joint Undertakings;

26. Notes that the Joint Undertakings employ 409 permanent and temporary staff or less than 1 % of total Union officials authorised under the Union general budget (staff establishment plan);

27. Recalls that the total Union contribution deemed necessary for the Joint Undertakings for their period of existence amounts to EUR 11 489 000 000;

28. Invites the Court of Auditors to comprehensively analyse the JTIs and the other joint undertakings in a separate report in light of the substantial amounts involved and the risks- notably reputational — presented; recalls that Parliament has previously requested that the Court of Auditors draw up a special report on the capacity of the joint undertakings, together with their private partners, to ensure added value and efficient execution of Union research, technological development and demonstration programmes; notes that the joint undertakings are deemed to ensure funding for long-term industrial investments and to foster private investments in research.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2012

(2014/632/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2012, together with the Joint Undertaking's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05851/2014 – C7-0053/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Decision 2007/198/Euratom of 27 March 2007 establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it ([4]), and in particular Article 5(3) thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0198/2014),

1. Approves the closure of the accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2012;

2. Instructs its President to forward this Decision to the Director of the European Joint Undertaking for ITER and the Development of Fusion Energy, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 369, 17.12.2013, p. 35.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 90, 30.3.2007, p. 58.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the SESAR Joint Undertaking for the financial year 2012

(2014/633/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the SESAR Joint Undertaking for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the SESAR Joint Undertaking for the financial year 2012, together with the Joint Undertaking's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05851/2014 – C7-0053/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 219/2007 of 27 February 2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR) ([4]), and in particular Article 4b thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A7-0197/2014),

1. Grants the Executive Director of the SESAR Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Executive Director of the SESAR Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 369, 17.12.2013, p. 49.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 64, 2.3.2007, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget for the SESAR Joint Undertaking for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the SESAR Joint Undertaking for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the SESAR Joint Undertaking for the financial year 2012, together with the Joint Undertaking's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05851/2014 – C7-0053/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 219/2007 of 27 February 2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR) ([4]), and in particular Article 4b thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions;

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A7-0197/2014),

A. whereas the SESAR Joint Undertaking ('the Joint Undertaking') was set up in February 2007 to run the Single European Sky Air Traffic Management Research (SESAR) programme that aims to modernise air traffic management in Europe,

B. whereas the SESAR project is divided into a 'definition phase'(2004-2007) led by Eurocontrol, a first 'development phase'(2008-2016), funded by the 2008-2013 programming period managed by the Joint Undertaking and a 'deployment phase' (2014-2020) running in parallel to the 'development phase'; whereas the deployment phase is expected to be led by industry and stakeholders for the large-scale production and implementation of the new air traffic management infrastructure,

C. whereas the Joint Undertaking started to work autonomously in 2007 and the 'deployment phase' is bound to start,

D. whereas the Joint Undertaking was designed as a public-private partnership with the Union and Eurocontrol as founding members,

([1]) OJ C 369, 17.12.2013, p. 49.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 64, 2.3.2007, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

E. whereas the Joint Undertaking will own all the tangible and intangible assets which it creates or which are transferred to it for the development phase of the SESAR Programme in accordance with specific agreements with its members,

F. whereas the Court of Auditors stated that it has obtained reasonable assurance that the annual accounts of the Joint Undertaking for the financial year 2012 are reliable and that the underlying transactions are, in all material respects, legal and regular,

G. whereas in April 2010 the Court of Auditors delivered Opinion No 2/2010 on the SESAR Financial Rules,

H. whereas the budget for the 2008-2016 development phase of the SESAR project is EUR 2 100 000 000,

Budget and Financial Management

1. Notes that the Joint Undertaking's final budget for the financial year 2012 included commitment appropriations of EUR 156 600 000 and payment appropriations of EUR 124 200 000; notes, furthermore, that the utilisation rates for commitment and payment appropriations were 95 % and 86 % respectively;

2. Takes note that the 2012 budget outturn account at year-end 2012 was EUR 12,4 million including revenues of EUR 107,5 million plus the 2011 budget surplus of EUR 15,6 million against payments of EUR 107,3 million;

3. Points out that at year-end, cash and cash equivalents amounted to EUR 15,7 million; notes that this is at odds with the budgetary principle of equilibrium; reminds the Joint Undertaking of the need to implement concrete measures to attain budget equilibrium;

4. Takes note that as of 31 December 2012, EUR 233,8 million had been paid to the members of the Joint Undertaking and that it is expected that EUR 361,2 million will be paid by 31 December 2016, totalling the EUR 595 million co-financing contributions to be paid to members by the Joint Undertaking with the cash resources made available mostly by the Union; calls on the Joint Undertaking to inform the discharge authority of the progress of the '2008-2016 'development phase', as well as to continue its efforts to ensure sound financial management and continued respect for budgetary principles;

In-kind contributions

5. Notes that during 2012, the Executive Director validated net in-kind contributions of EUR 139,2 million while the net in-kind contributions over the life of SESAR are estimated to be EUR 1 300 million, as stipulated by the Multilateral Framework Agreement; calls on the Joint Undertaking to inform the discharge authority of the total accumulated amount of validated net in-kind contributions at the end of 2013;

Internal control systems

6. Notes that in 2013, the Accounting Officer confirmed the validation of the underlying business processes in line with the Financial Rules of the Joint Undertaking and that no significant changes were made to the internal control system during the 2012 financial year;

7. Supports the improvements proposed by the Court of Auditors in the following *ex ante* control areas:

   — Improvements of the documentation of the controls performed by the Joint Undertaking on the monitoring of project deliverables, project performance analysis, subcontractor monitoring and cost claim certificates;

   — Follow up of the recommendation of the technical joint audit performed by the SESAR and Clean Sky Joint Undertakings, which recommended enhancing the exchange of data and results between the two Joint Undertakings, as well as coordination at management and expert levels and to the establishment of criteria for allocating projects between them;

8. Recalls that the Joint Undertaking was set up in February 2007; welcomes the fact that in 2012, the Commission's Internal Audit Service and the Joint Undertaking's internal auditing function started to implement the Coordinated Internal Audit Service (IAS) Strategic Audit Plan for the Joint Undertaking for the period 2012-2014; notes that the IAS carried out a programme/project audit and an IT risk assessment while the SESAR IAC examined three calls for tenders and audited the implementation of four internal control standards; expects that the IAS follows the budget expenditure closely, namely the assessment of in-kind contributions and the payments made to the Joint Undertaking's 15 members on programme activities involving more than 100 private and public entities and subcontractors;

9. Regrets that the CVs of the members of the Management Board and the Executive Director are not publicly available; calls on the Joint Undertaking to remedy the situation as a matter of urgency; acknowledges that the Joint Undertaking has updated its Code of Conduct in 2012 that sets clear rules regarding the prevention and management of conflicts of interests;

10. Believes that a high level of transparency is a key element in order to mitigate the risks of conflicts of interests; calls, therefore, on the Joint Undertaking to make its policy and/or arrangements on the prevention and management of conflicts of interests and its implementing rules as well as the list of the members of the management boards and CVs available on its website;

11. Invites the Court of Auditors to monitor the Joint Undertaking's policies as regards the management and prevention of conflicts of interests by drafting a Special Report on the matter by the next discharge procedure;

Payment of membership contributions

12. Wishes to be informed, in all transparency, if the deadline for the payment of cash contributions to the Joint Undertaking from its members was respected in 2012; recalls that the payment of the cash contributions to the Joint Undertaking by its members represent 10 % of their global contributions to the project;

SESAR programme objectives

13. Reiterates its call on the Joint Undertaking to continue to inform the discharge authority about the stage of implementation of more than 310 research and development and management projects under the SESAR programme and to present the results achieved;

14. Underlines that the budget for the development phase of the SESAR project is EUR 2,1 billion, to be provided in equal parts by the EU, Eurocontrol and the participating public and private partners.

15. Points out to the risks correlated for the public partners with a project designed as a public-private partnership; emphasises that the deployment phase (2014-2020) is to be led by industry and stakeholders for the large-scale production and implementation of the new air traffic management infrastructure;

16. Reiterates that the Joint Undertaking should use all the financial resources made available to it to complete the development of the technology and operational improvements necessary for the deployment of SESAR on time; notes its previous recommendation that any potential conflicts of interest should not be dismissed but addressed properly;

17. Highlights the SESAR Joint Undertaking's vital role in coordinating and implementing research by the SESAR project, which is a pillar project of the Single European Sky; notes also that the SESAR project will soon enter its deployment phase, which should be monitored carefully by the Commission and Member States to ensure that it is completed on schedule;

18. Points out that the Joint Undertaking's success in the implementation of the SESAR programme is key to developing a modernised air traffic management system for Europe; reiterates that the Single European Sky depends on that success;

European Research Joint Undertakings horizontal aspects

19. Takes note that the audit approach taken by the Court of Auditors comprises analytical audit procedures, assessment of key controls of the supervisory and control systems and testing of transactions at the level of the Joint Undertaking but not at the level of the members or final beneficiaries of the Joint Undertaking;

20. Notes that audit testing at the level of the members or final beneficiaries is carried out either by the Joint Undertaking or by external audit firms contracted and monitored by the Joint Undertaking;

21. Welcomes the Court of Auditors' Special Report 2/2013: 'Has the Commission ensured efficient implementation of the Seventh Framework Programme for Research?' where the Court of Auditors examined whether the Commission has ensured efficient implementation of the Seventh framework programme for research and technological development (FP7);

22. Takes note that the audit also covered the setting-up of the Joint Technology Initiatives (JTIs);

23. Agrees with the Court of Auditors ' conclusion that the JTIs have been set up to support long-term industrial investment in particular research areas however, it has taken on average two years to grant financial autonomy to a JTI with the Commission usually remaining responsible for one third of the expected operational lifetime of the JTIs;

24. Notes, moreover, that according to the Court of Auditors, some JTIs have been particularly successful in getting small and medium-sized enterprises (SMEs) involved in their projects and nearly 21 % of funding provided by the JTIs has gone to SMEs;

25. Draws attention to the fact that the total indicative resources deemed necessary for the seven European Research Joint Undertakings that have so far been established by the Commission under Article 187 of the Treaty on the Functioning of the European Union — with the notable exception of the Galileo Joint Undertaking — for their period of existence amounts to EUR 21 793 000 000;

26. Notes that the Joint Undertakings' total 2012 forecasted budgeted income amounted to some EUR 2,5 billion or about 1,8 % of the 2012 Union general budget while approximately EUR 618 million came from the Union general budget (cash contribution from the Commission) and approximately EUR 134 million came from the industrial partners and members of the Joint Undertakings;

27. Notes that the Joint Undertakings employ 409 permanent and temporary staff or less than 1 % of total Union officials authorised under the Union general budget (staff establishment plan);

28. Recalls that the total Union contribution deemed necessary for the Joint Undertakings for their period of existence amounts to EUR 11 489 000 000;

29. Invites the Court of Auditors to comprehensively analyse the JTIs and the other joint undertakings in a separate report in light of the substantial amounts involved and the risks- notably reputational — presented; recalls that Parliament has previously requested that the Court of Auditors draw up a special report on the capacity of the joint undertakings, together with their private partners, to ensure added value and efficient execution of Union research, technological development and demonstration programmes; notes that the joint undertakings are deemed to ensure funding for long-term industrial investments and to foster private investments in research.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the SESAR Joint Undertaking for the financial year 2012

(2014/634/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the SESAR Joint Undertaking for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the SESAR Joint Undertaking for the financial year 2012, together with the Joint Undertaking's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05851/2014 – C7-0053/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 219/2007 of 27 February 2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR) ([4]), and in particular Article 4b thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A7-0197/2014),

1. Approves the closure of the accounts of the SESAR Joint Undertaking for the financial year 2012;

2. Instructs its President to forward this Decision to the Executive Director of the SESAR Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 369, 17.12.2013, p. 49.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 64, 2.3.2007, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the Body of European Regulators for Electronic Communications for the financial year 2012

(2014/635/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Body of European Regulators for Electronic Communications for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the Body of European Regulators for Electronic Communications for the financial year 2012, together with the Body's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 1211/2009 of the European Parliament and of the Council of 25 November 2009 establishing the Body of European Regulators for Electronic Communications (BEREC) and the Office ([4]), and in particular Article 13 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0206/2014),

1. Postpones its decision on granting the Administrative Manager of the Body of European Regulators for Electronic Communications discharge in respect of the implementation of the Body's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

([1]) OJ C 365, 13.12.2013, p. 9.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 337, 18.12.2009, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Administrative Manager of the Body of European Regulators for Electronic Communications, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the Body of European Regulators for Electronic Communications for the financial year 2012

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Body of European Regulators for Electronic Communications for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the Body of European Regulators for Electronic Communications for the financial year 2012, together with the Body's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 1211/2009 of the European Parliament and of the Council of 25 November 2009 establishing the Body of European Regulators for Electronic Communications (BEREC) and the Office ([4]), and in particular Article 13 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to its previous discharge decisions and resolutions,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0206/2014),

A. whereas, according to its financial statements, the final budget of the Body of European Regulators for Electronic Communications ('the Body') for the financial year 2012 was EUR 3 190 000, representing an increase of 170,60 % compared to 2011; whereas this increase is due to the Body's recently established nature; whereas the Body's entire budget derives from the Union budget,

([1]) OJ C 365, 13.12.2013, p. 9.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 337, 18.12.2009, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

B. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Body's annual accounts for the financial year 2012 are reliable and that the underlying transactions are legal and regular,

Comments on the reliability of accounts

1. Notes that the Body's accounting system has been validated in 2013;

Comments on the legality and regularity of transactions

2. Regrets that the committed appropriations carried over, amounting to EUR 61 500 (10 % of the total committed appropriations carried over), did not correspond to legal commitments and were thus irregular; calls on the Body to take steps in order to avoid such situations in the future and to report on the steps taken by 1 September 2014;

3. Notes that the experiences learned in both 2011 and 2012 were addressed in 2013 by specifying the financial procedures and by providing additional refresher training courses to all financial actors; notes that additional attention was paid throughout 2013 to the correct opening of financial and legal commitments;

Budget and financial management

4. Notes with concern that budget monitoring efforts during the financial year 2012 resulted in a budget implementation rate of 63,4 % and that the payment appropriations execution rate was 66,16 %; calls on the Body to substantially improve budget monitoring efforts and the aforementioned rates of budget implementation and execution; expects the Body to report on the steps taken to remedy the situation by 1 September 2014;

Commitments and carry-overs

5. Regrets that some EUR 101 000 (45 % of the committed appropriations carried over from 2011) were cancelled; expresses concern that appropriations of EUR 545 000 (17 % of the total 2012 appropriations) were not used and had to be cancelled; regrets that the level of carry-overs of committed appropriations to 2013 was high at EUR 611 000 (19 % of the total); believes that this indicates difficulties in the planning and/or implementation of the Body's activities, as the carry-overs for 2012 were mostly related to delayed recruitments and the absence of an effective policy to ensure the timely presentation and reimbursement of mission costs claimed by experts; calls on the Body to address the situation and to report to the discharge authority on the steps taken by 1 September 2014;

Transfers

6. Notes that according to the annual activity report as well as the Court of Auditor's audit findings, the level and nature of transfers in 2012 have remained within the limits of the financial rules;

Procurement and recruitment procedures

7. Notes with concern that there is considerable room for improvement regarding the preparation, execution and documentation of procurement procedures; notes in particular that award procedures did not give sufficient attention to the price-quality ratio and that general award criteria had not been broken down further into sub criteria to allow a clear and comparable evaluation of the offers;

8. Regrets that the recruitment procedures examined showed significant shortcomings affecting transparency, namely that questions for written tests and interviews were set after the applications had been examined by the selection board, no threshold scores were set for admission to written tests and interviews and for inclusion in the list of suitable candidates, and nominations and changes in the composition of the selection board were not approved by the appointing authority;

9. Notes with concern that while most of the Body's staff have an administrative or support function and do not travel, they have all been provided with a mobile phone with a monthly limit up to EUR 50; expresses concern that there are no controls to monitor private use;

10. Regrets that the Body does not have a treasury policy; notes that as a result, at the end of 2012, all cash held by the Body (EUR 1 600 000) was held in one bank, which has a BBB credit rating;

11. Calls on the Body to report on the actions taken to remedy the aforementioned outstanding issues concerning procurement and recruitment procedures by 1 September 2014;

Prevention and management of conflicts of interests and transparency

12. Regrets that the Body has provided limited information regarding conflicts of interests policy, referring only to conflicts of interests declarations being requested and making no mention of any code of conduct or policy in place; notes that there is nothing on the publication of the declarations, on awareness training in place or on bringing the Body into line with the Commission's Guidelines on the Prevention and Management of Conflict of Interests in EU Decentralised Agencies; calls on the Body to remedy this situation before 1 September 2014; calls on the Body to provide the discharge authority with details of the measures being taken in this domain, particularly because it is composed by representatives of the electronic communication regulators of the Member States and it has to advise those regulators, as well as the Union institutions, and this situation requires a strong and transparent conflict of interests policy in place;

13. Notes that personal conflicts of interests declarations are requested from the members of the Body's Management Committee and the Board of Regulators, as well as from their staff members; notes that declarations of conflicts of interests of the members of the recruitment selection committees have been updated on the basis of recommendations from the Court of Auditors; calls on the Body to inform the discharge authority of whether it plans to review its conflict of interests arrangements on the basis of the above mentioned Commission's Guidelines;

14. Observes that the CVs and declarations of interests of the members of the Management Committee, the Administrative Manager and senior management are not publicly available; calls on the Body to remedy the situation as a matter of urgency;

Internal audit

15. Deplores the fact that there are a number of outstanding issues as regards the internal controls, namely that:

— the Body has not yet implemented the Internal Control Standards (ICS) on Objectives and performance indicators (ICS 5), Process and procedures (ICS 8), Document management (ICS 11) and Information and Communication (ICS 12),

— there is no procedure regarding the registration and disposal of fixed assets, and no physical inventory has been performed,

— procedures concerning the establishment, approval and recording of exceptions and deviations from policies and procedures have not been implemented;

16. Calls on the Body to remedy that situation and to report on its progress by 1 September 2014;

Performance

17. Requests that the Body communicate the results and impact its work has on European citizens in an accessible way, mainly through its website;

18. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 3 April 2014 [1] on the performance, financial management and control of the agencies.

---

[1] Texts adopted, P7_TA(2014)0299 (see page 359 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on the closure of the accounts of the Body of European Regulators for Electronic Communications for the financial year 2012

(2014/636/EU)

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Body of European Regulators for Electronic Communications for the financial year 2012,

— having regard to the Court of Auditors' report on the annual accounts of the Body of European Regulators for Electronic Communications for the financial year 2012, together with the Body's replies ([1]),

— having regard to the Council's recommendation of 18 February 2014 (05849/2014 – C7-0054/2014),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 1211/2009 of the European Parliament and of the Council of 25 November 2009 establishing the Body of European Regulators for Electronic Communications (BEREC) and the Office ([4]), and in particular Article 13 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A7-0206/2014),

1. Postpones its decision on the closure of the accounts of the Body of European Regulators for Electronic Communications for the financial year 2012;

2. Instructs its President to forward this Decision to the Administrative Manager of the Body of European Regulators for Electronic Communications, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 365, 13.12.2013, p. 9.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 337, 18.12.2009, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 3 April 2014

on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2012: performance, financial management and control

THE EUROPEAN PARLIAMENT,

— having regard to the report of 26 September 2013 from the Commission to the European Parliament and the Council on the follow-up to the discharge for the 2011 financial year (COM(2013) 668) and the accompanying Commission Staff Working Documents (SWD(2013) 348 and SWD(2013) 349),

— having regard to the Joint Statement of the European Parliament, the Council of the EU and the European Commission on decentralised agencies of 19 July 2012,

— having regard to the Common Approach on EU decentralised agencies annexed to the Joint Statement of 19 July 2012,

— having regard to the Roadmap on the follow-up to the Common Approach on EU decentralised agencies, adopted by the Commission on 19 December 2012,

— having regard to the Commission progress report on the implementation of the Common Approach of 10 December 2013,

— having regard to the Commission guidelines on the prevention and management of conflicts of interest in EU decentralised agencies of 10 December 2013,

— having regard to the Commission Communication entitled 'European agencies – the way forward' (COM(2008) 135),

— having regard to its resolution of 17 April 2013 on the 2011 discharge: performance, financial management and control of EU Agencies ([1]),

— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([2]), and in particular Article 185 thereof,

— 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 1605/2002 ([3]) ('the Financial Regulation'), and in particular Article 208 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([4]), and in particular Article 96 thereof,

— having regard to the Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([5]) ('FFR'), and in particular Article 110 thereof,

— having regard to Special Report No 15/2012 of the Court of Auditors entitled 'Management of Conflict of Interest in selected EU Agencies',

— having regard to the specific annual reports ([6]) of the Court of Auditors on the final annual accounts of the decentralised agencies for the financial year 2012,

— having regard to its study entitled 'Opportunity and feasibility of establishing common support services for EU Agencies', issued on 7 April 2009,

([1]) OJ L 308, 16.11.2013, p. 374.
([2]) OJ L 248, 16.9.2002, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 357, 31.12.2002, p. 72.
([5]) OJ L 328, 7.12.2013, p. 42.
([6]) OJ C 365, 13.12.2013.

— having regard to its Declaration of 18 May 2010 on the Union's efforts in combating corruption ([1]), to its Resolution of 15 September 2011 on the EU's efforts to combat corruption ([2]), and to the Commission Communication on Fighting corruption in the EU (COM(2011) 308);

— having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinions of the Committee on Employment and Social Affairs and the Committee on Civil Liberties, Justice and Home Affairs (A7-0237/2014),

A. whereas this resolution contains, for each body within the meaning of Article 208 of Regulation (EU, Euratom) No 966/2012, horizontal observations accompanying the discharge decisions in accordance with Article 110 of the Delegated Regulation (EU) No 1271/2013 and Article 3 of Annex VI to Parliament's Rules of Procedure,

B. whereas there has been a substantial increase in the number of agencies over the last decade,

C. whereas, as part of the Union administration, the agencies must live up to the highest standards, especially when it comes to transparency,

Reflection on agencies: a common approach

1. Recalls the importance of the tasks performed by agencies and their direct impact on the daily life of citizens; recalls that the main purpose of establishing decentralised agencies was, in particular, to have them perform technical, scientific or supervisory tasks in such a way as to help Union institutions draw up and implement Union policies; points out that the role of the executive agencies is to help the Commission manage Union programmes on behalf of the Union itself;

2. Acknowledges that a large number of agencies have been created in the policy area of freedom, security and justice but stresses that the creation of each new agency was based on a real need; is convinced that all the agencies in this policy area fulfil a distinct and necessary role providing European added value;

3. Acknowledges the role of the agencies in supporting Union policies from their initial phase to their implementation; calls for the broader use of this expertise and capacity in the relevant stages of the European Semester policy process; emphasises the contribution of the agencies in working towards the targets of the Europe 2020 Strategy;

4. Believes that for efficient operation of the agencies and in order to make the most of their resources, they must seek synergies, exchange best practices and share services; welcomes the access to services provided by the Commission and believes that it can be further improved;

5. Recalls that in July 2012, Parliament, the Council and the Commission adopted a Common Approach on decentralised agencies ('the Common Approach'), a political agreement concerning the future management and reform of the agencies; welcomes the conclusion of this agreement; draws attention, in particular, to the chapter on agencies' seats; calls in this regard for prompt solutions of any on-going issues related to agency headquarters in order to ensure undisturbed operation;

6. Regrets that Member States have failed to conclude headquarters agreements with 10 agencies on their territory, including three in France and one each in Estonia, Ireland, Luxembourg, Poland, Spain and the United Kingdom; expresses concern that this may have serious implications for the staff of the agencies and calls on the Member States concerned to conclude such agreements before the start of the next budget discharge procedure;

7. Welcomes the new financial rules applicable to the agencies which are simplified and expects that this will allow the agencies' administrative staff costs to be reduced; reiterates its call on the Commission to encourage the agencies to use the simplification option as regards recruitment procedures where the standard procedure is designed for a larger scale organisation and presents an excessive burden for the agencies;

8. Welcomes the Court of Auditors' reports; acknowledges that its reports have become even more comprehensive in the course of latest discharge procedures; encourages the Court of Auditors to further develop performance audit elements, both in its annual audit reports as well as in the dedicated special reports of the Court of Auditors addressing the agencies; encourages the Court of Auditors to monitor and report on the follow-up from previous discharge decisions and resolutions;

([1]) OJ C 161 E, 31.5.2011, p. 62.
([2]) OJ C 51 E, 22.2.2013, p. 121.

9. Calls on the Court of Auditors to include in its next annual report a review of the follow-up by the agencies of Parliament's recommendations in this resolution;

Commission's Roadmap

10. Welcomes the Commission's 'Roadmap on the follow-up to the Common Approach on EU decentralised agencies' ('the Roadmap') and invites all involved parties to take on board the ideas expressed therein;

11. Supports the Commission's main objectives as set out in the Roadmap, in particular, achieving a more balanced governance, enhancing the agencies' efficiency and accountability and introducing greater coherence in the way they function; welcomes the actions proposed thereon, in particular regarding the streamlining of management boards, efforts to seek synergies between agencies and the possibility of merging some of them;

12. Acknowledges from the Commission's progress report that the Commission services and the decentralised agencies have managed to carry out a number of actions in particular, the Commission has developed standard provisions for the creation of new agencies, guidelines for headquarter agreements and guidelines for the prevention and management of conflicts of interest and, together with the agencies, it has developed a handbook in the field of communications; notes that a number of tasks are on-going, in particular, the development of a template for consolidated on-going annual reports and evaluation guidelines;

13. Calls on the Commission to continue its efforts and to report on its progress on an annual basis, inter alia, to report on the progress as regards completion of actions, the implementation of the completed actions and their outcomes and effectiveness and to provide a more detailed breakdown as regards when and how the decentralised agencies have contributed to those actions; requests that the Commission also include an analysis on how the change of reporting requirements contributes to the simplification and the reduction of the administrative burden;

14. Stresses that in line with the Roadmap the agencies have a responsibility to ensure that their websites mention that they are agencies of the Union; notes that several still need to comply fully (the Body of European Regulators for Electronic Communications, the European Insurance and Occupational Pensions Authority, the European Institute of Innovation and Technology, the European Securities and Markets Authority) and notes furthermore that agencies' websites must ensure visibility when funds from the Union budget are being used, as happens with obligations on other public authorities;

Democratic accountability

15. Draws attention to vastly different roles, functions and resources of various agencies which are subject to the uniform procedure of the agencies' discharge; observes that in certain cases, the demands of the core functions of the agencies do not easily or logically yield themselves to the traditional discharge procedure, while in other cases, ensuring uniform procedure has proven difficult due to very limited staffing and/or a tiny budget, and invites the Court of Auditors to take this into account in its future audit work;

16. Recalls that agencies are independent and that the Commission can give agencies guidance through the development of guidelines; is of the opinion, however, that it is up to the agencies to decide on the follow-up; believes that the only institution that can politically discuss the agencies is Parliament; is of the opinion, therefore, that the reporting system to the discharge authority is of utmost importance and should be strengthened;

17. Believes that based on the model provided by the Anti-Corruption report, the Commission should consider the possibility of including the activity and performance of Union institutions and agencies in the next annual report on corruption;

18. Considers that as regards the agencies' way of reporting to the discharge authority, their democratic accountability should be further streamlined, and believes that the relationship between Parliament and the agencies would benefit from a stronger and better structured system of reporting to Parliament; proposes the establishment of a working group on this matter to come forward with proposals for improving the reporting system, both on the agencies' and Parliament's side;

19. Is of the opinion that the trend to focus reporting more on effectiveness and results achieved is a positive one; requests to strengthen the reporting system further in this respect to enhance the democratic accountability of the agencies;

20. Requests that the agencies enhance their work and reporting on social accountability, which will lead to the increased visibility of the agencies' activities for the general public;

21. Reminds all the agencies of their obligation to submit to the discharge authority a report drawn up by their director summarising the number and nature of internal audits conducted by their internal auditor, the recommendations made and the follow-up given to those recommendations, as provided for in Article 72(5) of Regulation (EC, Euratom) No 2343/2002;

22. Requests that before 15 October 2014 all the agencies which are subject to 2012 discharge procedure submit to the discharge authority their follow-up reports as provided for in Article 110(2) of the FFR;

23. Acknowledges that in order to alleviate agencies' reporting burden, the Commission has anticipated that according to the new FFR, agencies will be allowed to provide the information currently requested in different contexts in a streamlined and consolidated way with the aim of ensuring better consistency and comparability between the documents produced by the various agencies; notes that Commission services are working with agencies to define guidelines for the a template for consolidated annual activity reports adapted to the requirements set by the new FFR and calls on the Commission to ensure that consolidated reporting results in simplification and reduction of the administrative burden;

24. Acknowledges that the Commission is taking the requested action towards better coordinating various audits, in particular, the Internal Audit Service presents the audit topics to the agencies management boards for endorsement, and the audit work in a single agency takes five working days per year, while the timing is agreed with the agencies at least four weeks in advance and coordinated with the Court of Auditors;

25. Stresses the importance of parliamentary scrutiny of draft annual work programmes of the agencies by the responsible parliamentary committees, before the final work programmes are adopted; recalls that this practice helps to ensure that the work programmes reflect the actual political priorities and facilitates the close monitoring and scrutinising of the implementation of work programmes; expects the agencies to cooperate closely with those committees and the Commission, in line with the Joint Statement of 19 July 2012 on decentralised agencies, when drafting their annual work programmes;

26. Takes the view that at least the agencies' annual activity reports should be published in all the official languages of the Union, not only in English, as they are at present, with French and German versions being made available as a first step if it is not possible to publish in all official languages of the Union immediately;

Role of coordinator of the network of agencies

27. Commends the good cooperation with the responsible parliamentary committee from the side of the Union Agencies Network ('the Network'), and welcomes the strengthening of the Network; notes with satisfaction the availability and openness of the directors of the agencies contacted in the framework of the annual discharge procedure;

28. Welcomes the fact that the Network has provided the Commission with valuable suggestions on how to improve its services to agencies in general, as well as more specific recommendations concerning the accrual-based accounting system (ABAC), the administration of the financial entitlements of agencies' staff by the Paymaster Office, and procurement;

Common issues as regards budgetary and financial management

29. Notes with concern that, as was the case in the years before, there are a number of problems identified by the Court of Auditors which affect several agencies, in particular as regards:

— weaknesses in budgetary planning,

— potential conflicts of interest,

— procurement and contract management,

— lack of transparency or rigour in recruitments,

— carry-overs which are not supported by commitments or are excessively high,

— weaknesses in verification of grant transactions;

30. Acknowledges from the Commission that it plans to carry out further work in order to develop a guide on internal planning and revenue forecasting, on the basis of best practices, to help the agencies reduce carry-over and cancellation rates, where this is the case, and is looking forward to the Commission's report on those aspects due in 2014;

31. Acknowledges also that the Commission has revised the FFR applicable to decentralised agencies, aligning the text to the new Financial Regulation, and solving recurrent problems encountered by agencies and by the Commission, and implementing the Joint Statement of the European Parliament, the Council of the EU and the European Commission on decentralised agencies and the Common Approach annexed to that joint statement; notes that the new FFR applies from 2014 and it streamlines financial rules as regards the treatment of budgetary surpluses, additional tasks entrusted to agencies, internal audit, reporting requirements, annual work programme, multi-annual work and staff policy plan, accounting and multi-annual instalments; notes with satisfaction that in the framework of revision of the Staff Regulations, the Commission has proposed several modifications with a view to simplification;

32. Stresses the importance of effectiveness and transparency in the discharge exercise and invites the Court of Auditors, the Council, the agencies and the Network to approach the discharge from that position; however, believes that emphasis on performance does not replace regularity and sound financial management;

33. Urges the agencies to examine their internal administrative processes with a view to reducing administrative costs, which are generally too high across the agencies;

Possibilities of closer cooperation and of merging certain agencies

34. Acknowledges that the Commission and agencies have carefully considered possible structural measures to rationalise the functioning of agencies in the context of constrained financial and human resources;

35. Points out that existing good practices of synergy effects among agencies should continue, such as memoranda of understanding and related annual action plans, joint research projects, peer review of draft research reports, exchange on survey methodology and prior consultation on working programmes, in order to avoid overlapping and repetition of activities and thus lead to more effective output;

36. Acknowledges that the results of a survey conducted by agencies about services shared between them show that they already cooperate and that awareness-raising could help develop those good practices further; welcomes the good example set by, for instance, the European Maritime Safety Agency (based in Lisbon) which shares its Internal Audit Capability with the European Fisheries Control Agency (based in Vigo), whereas European Railway Agency (based in Valenciennes) is preparing an agreement for sharing the services of the Accounting Officer with the European Securities and Markets Authority (based in Paris);

37. Recalls that the Commission's proposal for a European agency for law enforcement and training proposing to merge the European Police College (CEPOL) with Europol could have allowed for administrative costs savings (in particular staff posts) which could have been redeployed; acknowledges that the proposal was fully in line with the Common Approach in considering mergers of agencies to achieve synergies and efficiencies; notes, however, that the Commission proposal assured neither the Parliament nor the Council of a merger or relocation of CEPOL to the Hague; stresses that following this decision, the efficient functioning of the agency must be ensured;

38. Welcomes the Commission's intention to merge agencies where appropriate and its willingness to continue its assessment of the possibilities to merge some of the existing agencies, as well as to obtain further synergies from the sharing of services between the agencies themselves and from within the Commission and to carefully look into the matter of unnecessary spending due to distant and multiple sites of location and is looking forward to further proposals in that regard;

39. Welcomes the Commissions undertaking to assess the potential for synergies between agencies in the case of the European Centre for the Development of Vocational Training, the European Training Foundation, the European Foundation for the Improvement of Living and Working Conditions and the European Agency for Safety and Health at Work in line with the Roadmap;

40. Considers that closer coordination should be put in place between certain agencies, in particular as regards decisions impacting on the remit of another agency; proposes that the agencies concerned reach an agreement among themselves, with the involvement of the relevant stakeholders, in order to avoid competing legislation; calls on the agencies, in such cases, to inform the Parliament responsible committees at all times;

Management of budgetary resources

41. Reiterates that the principle of annuality is one of the basic accounting principles (unity and accuracy, annuality, equilibrium, unit of account, universality, specification, sound financial management and transparency) indispensable to ensuring the efficient implementation of the Union budget; notes that decentralised agencies do not always fully comply with the principle of annuality;

42. Takes note of the agencies' explanations as regards the difficulty in avoiding carry-overs in operational expenditure; believes, nevertheless, that in a number of cases, there is room for improvement, in particular by means of a better management of commitment appropriations, better internal planning and revenue forecasting and more stringent budgetary discipline;

43. Acknowledges that the Commission, in line with its Roadmap, will assess the services it provides to agencies on the basis of their feedback and, if necessary, improve, clarify, extend or adapt them;

44. Acknowledges that the Commission is discussing an amending Fees and Charges Regulation with a purpose to set up fees and charges in a way which would allow the European Aviation Safety Agency (EASA) to organise its work for the duration of a project, while avoiding surpluses or shortfalls in the medium/long term; notes that the Commission will re-assess how to reduce the carry-over of appropriation stemming from certification revenues by regular revision of the fees and charges level;

45. Takes note of the Commissions position that there is little evidence to justify the creation of a reserve fund for partially self-financed agencies and its proposal to keep the current practice; considers, nevertheless, that it is not a satisfactory solution for the situation;

46. Reminds the Commission that the Financial Regulation is not suited to agencies which generate surpluses; stresses that it is essential to consider, as part of the revision, ways of resolving this problem, e.g. by creating a limited reserve fund;

47. Urges the Management Boards of those agencies that are fully or partially co-financed by fees to ensure that fee-setting is transparent and that the services by those agencies are carried out as efficiently as possible in order to offer the best possible fee-rate;

48. Reiterates that the lack of flexibility within the budget has been recognised as a weakness by certain agencies, which suggests that savings could be made if there was enough flexibility within the budget from title to title; notes that the new FFR stipulates the same rules as those applicable to institutions by virtue of the general Financial Regulation, – the director of an agency will have the possibility to make transfer appropriations up to a maximum of 10 % of the appropriations for the year shown on the line from which the transfer is made from one title to another, and without limit from one chapter to another and from one article to another;

49. Notes that some agencies in the area of freedom, security and justice are operational ones and that the implementation of their budgets also depends on external factors;

50. Reiterates its request to all agencies and joint undertakings to systematically annex a standardised template regarding the publication of their final annual accounts which shall include the data presented in their reports on the implementation of the budget and in their reports on the budgetary and financial management; recommends that all agencies and joint undertakings provide this information in a comprehensive, friendly accessible and transparent manner (e.g., Excel files and/or CSV files), in order to ease the comparison between their budgetary executions, and thus enabling Parliament and the public to comprehensively compare their expenses;

51. Acknowledges that the new FFR includes a series of provisions which should simplify rules applicable to agencies, in particular consolidated annual activity reports, provision for a single programming document containing annual and multiannual components as well as the possibility, where cost-efficiency might be gained, of sharing or transferring horizontal services (in particular accounting);

Performance

52. Acknowledges from the Network that each agency has developed its own performance management system using the experience and best practice shared between agencies within the Network and that a specific sub-network has been created to reinforce the cooperation among agencies in this respect;

53. Welcomes the fact that the Commission is working to elaborate evaluation guidelines, and that a public consultation on the draft revised evaluation guidelines runs between 12 November 2013 and 25 February 2014, following which the Commission expects to adopt new guidelines by mid-2014; also notes that work is currently under way to develop guidelines on tailored performance indicators to assess the results achieved by directors of agencies, a first draft of which has already been discussed with the agencies, and is looking forward to receiving the finalised document as was foreseen at the beginning of 2014;

54. Points out that activity-based budgeting is still the fundamental principle when drafting the budget of the Union; is worried by the fact that the Court of Auditors, in its 2012 annual report, concludes that for many areas of the Union budget, the legislative framework is complex and that there is insufficient focus on performance; welcomes the steps taken by the agencies to focus more on performance reporting;

55. Requests that the Court of Auditors provide an evaluation on the performance and the results of the agencies in time for the review in 2016 of the multiannual financial framework with the purpose to assess where agencies can cooperate better or even merge, and to assess whether some agencies could be dissolved or continue in another institutional setting which is more cost-efficient;

Independence

56. Emphasises the importance of the agencies' independence; recalls that the agencies should be able to independently execute their mandate and regrets that currently this is not always the case; believes that the Commission's Directorates General should be seen as partners of the agencies;

57. Acknowledges that the agencies are contributing to initiatives aiming at improving their efficiency, cost-effectiveness and accountability; notes the role of the Commission representatives in agencies' boards in supporting that process, for instance, by follow-up on the implementation of the Roadmap in each individual agency, by reviewing progress regularly and in detail, and alerting central services in case of difficulties, as well as by helping to ensure consistency of agencies' activities with Union-wide policy objectives, including on the planning of budgetary and human resources;

Conflicts of interest and transparency

58. Reminds the agencies and the Commission of the Special Report No 15/2012 of the Court of Auditors, which stems from Parliament's request for the Court of Auditors to undertake a comprehensive analysis of the agencies' approach to the management of situations where there are potential conflicts of interest;

59. Invites the Court of Auditors to monitor the agencies' progress as regards management and prevention of conflicts of interest; reiterates its call on the Court of Auditors to further follow-up this issue extending the scope of its audit to other agencies, and to present its findings in a future special report on this matter;

60. Recalls that conflicts of interest are a cause of corruption, fraud, mismanagement of funds and human resources, favouritism and have a negative impact on the impartiality of the decisions and quality of work and undermines Union citizens' trust in the Union institutions, including the agencies;

61. Recalls that, according to the findings of the Court of Auditors in its Special Report No 15/2012, at the time of completion of its field work (October 2011), none of the four selected agencies had adequately managed conflict of interest situations; notes that while the European Medicines Agency (EMA) and the European Food Safety Authority (EFSA) had developed more advanced policies for managing conflicts of interest, the policies of the European Chemicals Agency (ECHA) were incomplete and the EASA did not have such policies in place;

62. Welcomes the fact that many of the agencies have put considerable effort into providing information about their policies and practice on conflicts of interest and recognises that many good practices are now already in place, and in particular welcomes, as an example of good practice to be considered by other agencies, the 'cooling off period' of non-assignment for a year implemented by EASA, so that anyone new to the organisation is not allocated work on files they had directly worked on in the previous five years;

63. Acknowledges that by mid-2012, EASA has adopted a comprehensive set of measures concerning the prevention and mitigation of conflict of interest, including, in particular, the adoption of the Code of Conduct for the staff of EASA;

64. Acknowledges that ECHA has provided information on the implementation of its conflict of interest management policy as part of the discharge 2011 follow-up report (pursuant to Article 96(2) of the ECHA Financial Regulation);

65. Acknowledges that EFSA since 2011 has made efforts to strengthen its framework for avoiding potential conflicts of interest with the adoption of its revised policy on independence and scientific decision-making processes notes with concern, however, that despite this revision, the procedure for assessing possible conflicts of interest at EFSA is burdensome and subject to criticism, therefore calls on EFSA to come up with a simplified procedure which would streamline the process, without, however, jeopardising the newly set standards for the detection and prevention of conflicts of interest;

66. Acknowledges that the conflict of interest policies and procedures for Management Board members, scientific committee members and experts and EMA staff have also been introduced and implemented;

67. Recalls the Court of Auditors' recommendation inviting all Union institutions and decentralised bodies to examine whether the recommendations of its Special Report No 15/2012 are relevant and applicable to them; calls on the agencies to report to the discharge authority on this matter before the end of 2014;

68. Reminds the agencies of the interinstitutional Joint Statement of 19 July 2012 on decentralised agencies, and in particular its provisions on management and prevention of conflicts of interest (paragraphs 11 and 18) and on the independence of their scientific experts (paragraph 20);

69. Acknowledges from the Commission that its overall legal framework on conflicts of interest is robust and in conformity with the Organisation for Economic Cooperation and Development guidelines in that regard, and, according to the Commission, no major new legal instrument is necessary, and the Commission has never committed to putting forward legislative proposals and does not intend to do so at the moment;

70. Notes with satisfaction that the Commission adopted on 10 December 2013 guidelines on the prevention and management of conflicts of interest specifically addressed to the agencies, in line with the Common Approach; those guidelines concern members of management boards (executive directors, experts, members of boards of appeal, staff members of the agencies, as well as beneficiaries of Union grants and contracts); notes that those guidelines aim to provide a reference for the policies to be adopted and implemented by each agency;

71. Notes with satisfaction that the Commission also took into account the main recommendations addressed to the agencies in this area by the Parliament (in the framework of the discharge), the Court of Auditors (in its Special Report No 15/2012), the Ombudsman (on the occasion of his visits to several agencies, as part of a programme launched in May 2011) and the Commission's Internal Audit Service (also the internal auditor of the agencies), as well as Commission's own rules on ethics;

72. Acknowledges that the Commission worked closely with the agencies during the preparation of those guidelines through the network of Heads of Union Agencies, which served as a useful contribution to the process;

73. Considers that following the publication of the Commission's guidelines, the agencies may need to redraft their policies for the prevention and management of conflicts of interest to bring them in line with the Commission's guidelines and the Court of Auditors' recommendations without hesitation; acknowledges that most agencies planned to review their respective policy on the prevention and management of conflicts of interest based on those guidelines, and calls on the agencies to report to the discharge authority on this matter as well as on the actions taken in the framework of the 2012 discharge follow-up before the end of 2014;

74. Notes that seconded national experts, external and interim staff are not specifically mentioned in the guidelines; requests that the agencies take these groups of staff into account when evaluating and redrafting their conflicts of interest policies;

75. Expects the Commission to perform a continued assessment of the effects of the implemented guidelines and adjust the guidelines accordingly as deemed appropriate by the results of that assessment, and reminds the Commission to bear in mind the need to maintain an adequate balance between risks/benefits as regards the management of conflicts of interest, on one hand, and the objective to obtain the best possible scientific advice, on the other;

76. Regrets that the declarations of interests and curriculum vitae of a majority of Agencies' management boards' members, management staff and external and in-house experts are not publicly available; reiterates its view that a high level of transparency is a key element to mitigate risks of conflicts of interest; calls, therefore, on the agencies that have not yet done so to make available on their websites, by the deadline of 1 December 2014, their policy and/or arrangements on the prevention and management of conflict of interest and their implementing rules as well as the list of their management boards' members, management staff and external and in-house experts, together with their respective declarations of interests and curriculum vitae;

Internal control system and combating fraud

77. Acknowledges that the modalities and roles of agencies' internal control functions and internal audit services were clarified in the new FFR, in particular with respect to the respective roles of the Internal Audit Service and that of Internal Audit Capabilities (IACs); notes that the new FFR anticipates the coordination of work and the exchange of information between IACs and the IAS and that it also replaces the obligation of one IAS audit per agency per year with a risk-based approach;

78. Welcomes the fact that guidelines for agencies' anti-fraud strategies were elaborated by the European Anti-Fraud Office (OLAF), taking into account the contributions received from the agencies, and OLAF was also to organise two workshops for the agencies in January 2014 to provide them with additional support;

Human resources and recruitment procedures

79. Acknowledges from the Commission that in the framework of revision of the Staff Regulations, the Commission has proposed the revised wording of Article 110 of the Staff Regulations, which aims for simplification and flexibility as regards the implementing rules adopted to give effect to the Staff Regulations and the Conditions of Employment of Other Servants;

80. Reminds the Commission of its concern that the procedures for recruiting staff to the agencies have posed a regular problem ever since the agencies were created, and expects the Commission guidelines to address the situation in the future;

81. Acknowledges that the agencies have developed their own guidelines to ensure that principles enshrined in their implementing rules on the employment of temporary agents and contract agents are guaranteed, and calls on the Commission to consult with the agencies when developing its guidelines for them;

82. Calls on the agencies and on the Commission to reach an agreement on the use of resources for handling disciplinary proceedings;

European Supervisory Authorities (ESAs)

83. Acknowledges from the Commission that the mechanism of the balancing contribution principle foreseen in the new FFR respects the key funding principles of agencies with mixed funding, and over the past its application has ensured fairness and equal treatment for all contributors to the budget of the ESAs; questions the reasons why the specific Memorandum of Understanding between the ESAs and the Commission aimed at ensuring the efficient establishment, implementation and monitoring of the budget of the ESAs has not yet been established;

84. Takes note in this context of the Commissions intention to augment transparency throughout the procedure, and to further clarify the extent to which it has modified the agencies' requests in the draft budget, and the corresponding reasons as from the 2014 draft budget;

85. Acknowledges that the Commission is currently working on the evaluation of the ESAs which was to be ready in January 2014, and is evaluating the possibility of coming up with a proposal ensuring that the budgets of the three ESAs are fully funded by the Union budget;

Gender equality

86. Reiterates the importance of putting in place policies ensuring that women and men are properly represented on the agencies' governing bodies; calls on the agencies' executive directors, to ensure gender equality among agency staff as a whole and among people in positions of responsibility, also calls on the management boards of the agencies and on the Commission to uphold the principles of gender equality and to take account of the strategy launched by the Commission in 2010 to achieve a better gender balance in positions of responsibility;

87. Acknowledges that the Commission is attentive to the gender aspects from the very first stages, as well as subsequently during the selection procedure; notes that that equally applies for those procedures in which an executive director is appointed by the Commission;

Complex IT systems

88. Acknowledges the Commission's clarification in relation to the use of the Commission's central financial IT-system (ABAC), that:

— over 40 external entities are making use of ABAC, including the European Economic and Social Committee, the Committee of the Regions, the traditional agencies, the joint undertakings and the executive agencies,

— the same level of service is rendered to the external entities as to the Commission's internal departments,

— a charge-back mechanism is in place with the aim of recovering the incremental costs for the provisioning of the IT-system and, importantly, the accompanying services rendered,

— no budgetary means have been made available to the Commission by the budgetary authority to cope with the workload stemming from supporting the external entities,

— ABAC does not provide highly tailored functionality which would only be relevant for vertical businesses (e.g. structural funds, FEAGA); likewise, the complexity and maintainability of the central system cannot be compromised by adding agency-specific requests,

— the Commission is open to discussing the take-over of accounting tasks from the external entities where such centralisation would induce economies-of-scale effects, reduce financial or business continuity risk and could free up internal resources to more operational tasks;

89. Notes with concern the Commission's reply that the use by the agencies of the human resource management system of the Commission (SYSPER 2) would be justifiable from an economic point of view only to the extent that agencies adopt the same rules and processes as the Commission, as otherwise, the technical adaptations and costs of maintenance would be disproportionate compared to the potential gains;

90. Regrets that the Commission has no solution to the difficulties encountered by the agencies with complex IT systems such as ABAC and SYSPER2, due to the fact that those systems are designed to satisfy the Commission's needs, rather than those of the agencies; welcomes the actions of the sub-networks dealing with the consequences of this problem and, in particular, the Heads of Administration sub-network (ABAC and SYSPER2), and invites the Commission to cooperate more closely with the agencies on this issue;

91. Takes the view that publishing Union data makes innovations possible, brings considerable benefits to the economy as a whole and makes for more efficient administration; calls for the agencies' data to be made permanently available in machine-readable form, free of charge, so that they are freely reusable;

92. Instructs its President to forward this resolution to the agencies subject to this discharge procedure, the Council, the Commission and the Court of Auditors.

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge for implementation of the general budget of the European Union for the financial year 2012, Section X — European External Action Service 117

2014/553/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section IV — Court of Justice** 123

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge for implementation of the general budget of the European Union for the financial year 2012, Section IV — Court of Justice 124

2014/554/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section V — Court of Auditors** 128

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge for implementation of the general budget of the European Union for the financial year 2012, Section V — Court of Auditors 129

2014/555/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section VI — European Economic and Social Committee** 132

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge for implementation of the general budget of the European Union for the financial year 2012, Section VI — European Economic and Social Committee 133

2014/556/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section VII — Committee of the Regions** 136

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge for implementation of the general budget of the European Union for the financial year 2012, Section VII — Committee of the Regions 137

2014/557/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section VIII — European Ombudsman** 139

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge for implementation of the general budget of the European Union for the financial year 2012, Section VIII — European Ombudsman 140

2014/558/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section IX — European Data Protection Supervisor** 142

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge for implementation of the general budget of the European Union for the financial year 2012, Section IX — European Data Protection Supervisor 143

2014/559/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget for the eighth, ninth and tenth European Development Funds for the financial year 2012** 145

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget for the eighth, ninth and tenth European Development Funds for the financial year 2012 147

2014/560/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the eighth, ninth and 10th European Development Funds for the financial year 2012** 158

2014/561/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the European Agency for the Cooperation of Energy Regulators for the financial year 2012** 160

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Agency for the Cooperation of Energy Regulators for the financial year 2012 161

2014/562/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the European Agency for the Cooperation of Energy Regulators for the financial year 2012** 164

2014/563/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the Translation Centre for the Bodies of the European Union for the financial year 2012** 165

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the Translation Centre for the Bodies of the European Union for the financial year 2012 166

2014/564/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the Translation Centre for the Bodies of the European Union for the financial year 2012** 168

2014/565/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the European Centre for the Development of Vocational Training for the financial year 2012** 169

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Centre for the Development of Vocational Training for the financial year 2012 170

2014/566/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the European Centre for the Development of Vocational Training for the financial year 2012** ... 173

2014/567/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the European Police College for the financial year 2012** 174

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Police College for the financial year 2012 176

2014/568/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the European Police College for the financial year 2012** 180

2014/569/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the European Aviation Safety Agency for the financial year 2012** 182

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Aviation Safety Agency for the financial year 2012 183

2014/570/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the European Aviation Safety Agency for the financial year 2012** 186

2014/571/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the European Asylum Support Office for the financial year 2012** 187

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Asylum Support Office for the financial year 2012 188

2014/572/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the European Asylum Support Office for the financial year 2012** 190

2014/573/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the European Banking Authority for the financial year 2012** 191

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Banking Authority for the financial year 2012 192

2014/574/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the European Banking Authority for the financial year 2012** 195

2014/575/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the European Centre for Disease Prevention and Control for the financial year 2012** 196

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on the discharge in respect of the implementation of the budget of the European Centre for Disease Prevention and Control for the financial year 2012 197

2014/576/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the European Centre for Disease Prevention and Control for the financial year 2012** 200

2014/577/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the European Chemicals Agency for the financial year 2012** 201

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Chemicals Agency for the financial year 2012 202

2014/578/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the European Chemicals Agency for the financial year 2012** 205

2014/579/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the European Environment Agency for the financial year 2012** 206

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Environment Agency for the financial year 2012 207

2014/580/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the European Environment Agency for the financial year 2012** 210

2014/581/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the European Fisheries Control Agency for the financial year 2012** 211

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Fisheries Control Agency for the financial year 2012 212

2014/582/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the European Fisheries Control Agency for the financial year 2012** 215

2014/583/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the European Food Safety Authority for the financial year 2012** 216

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Food Safety Authority for the financial year 2012 217

2014/584/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the European Food Safety Authority for the financial year 2012** 221

2014/585/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the European Institute for Gender Equality for the financial year 2012** 222

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Institute for Gender Equality for the financial year 2012 223

2014/586/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the European Institute for Gender Equality for the financial year 2012** 226

2014/587/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority for the financial year 2012** 227

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority for the financial year 2012 228

2014/588/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the European Insurance and Occupational Pensions Authority for the financial year 2012** 231

2014/589/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the European Institute of Innovation and Technology for the financial year 2012** 232

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Institute of Innovation and Technology for the financial year 2012 233

2014/590/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the European Institute of Innovation and Technology for the financial year 2012** 236

2014/591/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the European Medicines Agency for the financial year 2012** 237

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Medicines Agency for the financial year 2012 238

2014/592/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the European Medicines Agency for the financial year 2012** 241

2014/593/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2012** 242

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2012 243

2014/594/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2012** 246

2014/595/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the European Maritime Safety Agency for the financial year 2012** 247

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Maritime Safety Agency for the financial year 2012 248

2014/596/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the European Maritime Safety Agency for the financial year 2012** 251

2014/597/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the European Network and Information Security Agency for the financial year 2012** 252

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Network and Information Security Agency for the financial year 2012 253

2014/598/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the European Network and Information Security Agency for the financial year 2012** 256

2014/599/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the European Railway Agency for the financial year 2012** 257

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Railway Agency for the financial year 2012 258

2014/600/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the European Railway Agency for the financial year 2012** 261

2014/601/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the European Securities and Markets Authority for the financial year 2012** 262

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Securities and Markets Authority for the financial year 2012 263

2014/602/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the European Securities and Markets Authority for the financial year 2012** 266

2014/603/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2012** 267

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2012 268

2014/604/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the European Training Foundation for the financial year 2012** 271

2014/605/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the European Agency for Safety and Health at Work for the financial year 2012** 272

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Agency for Safety and Health at Work for the financial year 2012 273

2014/606/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the European Agency for Safety and Health at Work for the financial year 2012** 276

2014/607/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the Euratom Supply Agency for the financial year 2012** 277

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the Euratom Supply Agency for the financial year 2012 278

2014/608/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the Euratom Supply Agency for the financial year 2012** 280

2014/609/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2012** 281

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2012 282

2014/610/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2012** 285

2014/611/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of Eurojust for the financial year 2012** 286

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of Eurojust for the financial year 2012 287

2014/612/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of Eurojust for the financial year 2012** 290

2014/613/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the European Police Office for the financial year 2012** 291

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Police Office for the financial year 2012 292

2014/614/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the European Police Office for the financial year 2012** 295

2014/615/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the European Union Agency for Fundamental Rights for the financial year 2012** 296

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Union Agency for Fundamental Rights for the financial year 2012 297

2014/616/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the European Union Agency for Fundamental Rights for the financial year 2012** 300

2014/617/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2012** 301

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2012 303

2014/618/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2012** 306

2014/619/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the European GNSS Agency for the financial year 2012** 307

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European GNSS Agency for the financial year 2012 308

2014/620/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the European GNSS Agency for the financial year 2012** 310

2014/621/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the Artemis Joint Undertaking for the financial year 2012** 311

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the Artemis Joint Undertaking for the financial year 2012 312

2014/622/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the Artemis Joint Undertaking for the financial year 2012** 317

2014/623/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the Clean Sky Joint Undertaking for the financial year 2012** 318

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of the Decision on discharge in respect of the implementation of the budget of the Clean Sky Joint Undertaking for the financial year 2012 319

2014/624/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the Clean Sky Joint Undertaking for the financial year 2012** 323

2014/625/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the ENIAC Joint Undertaking for the financial year 2012** 324

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the ENIAC Joint Undertaking for the financial year 2012 325

2014/626/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the ENIAC Joint Undertaking for the financial year 2012** 329

2014/627/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2012** 330

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2012 331

2014/628/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2012** 334

2014/629/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines for the financial year 2012** 335

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines for the financial year 2012 336

2014/630/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines for the financial year 2012** 340

2014/631/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2012** 341

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of the decision on discharge for implementation of the budget for European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2012 342

2014/632/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2012** 346

2014/633/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the SESAR Joint Undertaking for the financial year 2012** 347

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget for the SESAR Joint Undertaking for the financial year 2012 348

2014/634/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the SESAR Joint Undertaking for the financial year 2012** 352

2014/635/EU:

★ **Decision of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the Body of European Regulators for Electronic Communications for the financial year 2012** 353

Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the Body of European Regulators for Electronic Communications for the financial year 2012 355

2014/636/EU:

★ **Decision of the European Parliament of 3 April 2014 on the closure of the accounts of the Body of European Regulators for Electronic Communications for the financial year 2012** ... 358

★ **Resolution of the European Parliament of 3 April 2014 on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2012: performance, financial management and control** 359

ISSN 1977-0677 (electronic edition)
ISSN 1725-2555 (paper edition)



Publications Office of the European Union
2985 Luxembourg
LUXEMBOURG

EN