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II

(Non-legislative acts)

DECISIONS

DECISION (EU) 2018/1309 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section I — European Parliament

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2016 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2016 (COM(2017) 365 — C8-0248/2017) ([2]),

— having regard to the report on budgetary and financial management for the financial year 2016, Section I — European Parliament ([3]),

— having regard to the Internal Auditor's annual report for the financial year 2016,

— having regard to the Court of Auditors' annual report on the implementation of the budget for the financial year 2016, 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 2016, 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,

— 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 Bureau decision of 16 June 2014 on the Internal Rules on the implementation of the European Parliament's budget ([7]), and in particular Article 22 thereof,

— having regard to Rule 94 and Rule 98(3) of, and Annex IV to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0105/2018),

A. whereas the President adopted Parliament's accounts for the financial year 2016 on 28 June 2017;

B. whereas the Secretary-General, as principal authorising officer by delegation, certified, on 10 July 2017, his reasonable assurance that the resources assigned for Parliament's budget have been used for their intended purpose, in accordance with the principles of sound financial management and that the control procedures established give the necessary guarantees concerning the legality and regularity of the underlying transactions;

([1]) OJ L 48, 24.2.2016.
([2]) OJ C 323, 28.9.2017, p. 1.
([3]) OJ C 266, 11.8.2017, p. 1.
([4]) OJ C 322, 28.9.2017, p. 1.
([5]) OJ C 322, 28.9.2017, p. 10.
([6]) OJ L 298, 26.10.2012, p. 1.
([7]) PE 422.541/Bur.

C. whereas Article 166(1) of Regulation (EU, Euratom) No 966/2012 requires each Union institution to take all appropriate steps to act on the observations accompanying the Parliament's discharge decision;

1. Grants its President discharge in respect of the implementation of the budget of the European Parliament for the financial year 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision and the resolution forming an integral part of it to the 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 — *The Secretary-General*

Antonio TAJANI — Klaus WELLE

RESOLUTION (EU) 2018/1310 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section I — European Parliament

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section I — European Parliament,

— having regard to Rule 94 and Rule 98(3) of, and Annex IV to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0105/2018),

A. whereas in his certification of the final accounts, the European Parliament's accounting officer stated his reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the Parliament;

B. whereas, in accordance with the usual procedure, 141 questions were sent to Parliament's administration and written replies were received and discussed publicly by the Committee on Budgetary Control, in the presence of the vice-president responsible for the budget, the Secretary-General and the internal auditor;

C. whereas there is permanent scope for improvement in terms of quality, efficiency and effectiveness in the management of public finances, and scrutiny is necessary to ensure that political leadership and Parliament's administration are held accountable to Union citizens;

Oversight over Parliament's budgetary and financial management

1. Notes that the formal oversight system of Parliament's budgetary and financial management consists of four main components:

   — the certification of the final accounts by Parliament's accounting officer;

   — the annual reports of the internal auditor and his opinion on the internal control system;

   — the assessment of administrative and other expenditure for all the Union institutions, including Parliament, by its external auditor, the Court of Auditors (the 'Court');

   — the discharge procedure prepared by the Committee on Budgetary Control resulting in a decision of Parliament on granting the President of Parliament discharge;

2. Welcomes the fact that the Court has increased the sample relating to the number of Parliament's transactions, and encourages the Court to continue on this path, as the reputational risk is relatively high, given that financial and budgetary errors might impact negatively on the standing of the institution;

3. Encourages the Court to consider issuing more special reports on specific areas of Parliament's operations, such as its communication policies and its management of the grants for European political parties and foundations with a special focus on performance based budgeting;

4. Welcomes the follow-up that is given by the administration to strengthen in-house expertise on accounts and auditing by setting up an additional service for Members involved in the discharge procedures relating to Union institutions thus providing help and support on how to understand and interpret the outcome of annual accounting and audit reports;

The Parliament's budgetary and financial management

5. Notes that Parliament's final appropriations for 2016 totalled EUR 1 838 613 983, or 19,39 % of heading 5 of the Multiannual Financial Framework ([1]) (MFF) set aside for the 2016 administrative expenditure of the Union institutions as a whole, representing a 2,4 % increase over the 2015 budget (EUR 1 794 929 112);

6. Notes that total revenue entered in the accounts as at 31 December 2016 was EUR 183 381 513 (compared to EUR 176 367 724 in 2015), including EUR 30 589 787 in assigned revenue (compared to EUR 27 988 590 in 2015);

7. Emphasises that four chapters accounted for 69,92 % of total commitments: 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), indicating a high level of rigidity for the major part of the Parliament's expenditure;

8. Observes the figures on the basis of which Parliament's accounts for the financial year 2016 were closed, namely:

(a) **Available appropriations (EUR)**

appropriations for 2016:	1 838 613 983
non-automatic carry-overs from financial year 2015:	—
automatic carry-overs from financial year 2015:	289 323 907
appropriations corresponding to assigned revenue for 2016:	30 589 787
carry-overs corresponding to assigned revenue from 2015:	103 055 269
Total:	2 261 582 946

(b) **Utilisation of appropriations in the financial year 2016 (EUR)**

commitments:	2 225 465 435
payments made:	1 900 199 164
appropriations carried forward automatically including those arising from assigned revenue:	324 909 094
appropriations carried forward non-automatically:	—
appropriations cancelled:	36 094 295

(c) **Budgetary receipts (EUR)**

received in 2016:	183 381 513
(d) **Total balance sheet at 31 December 2016 (EUR)**	1 574 480 381

([1]) 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).

9. Points out that 99,2 % of the appropriations entered in Parliament's budget, amounting to EUR 1 823 844 172, were committed, with a cancellation rate of 0,8 %; notes with satisfaction that, as in previous years, a very high level of budget implementation was achieved; notes that the payments totalled EUR 1 538 531 527, resulting in an implementation rate of 84,4 % and representing an increase of 0,7 % compared to the previous year;

10. Underlines the fact that the cancelled appropriations for the year 2016, amounting to EUR 14 769 811, were mainly related to remuneration and other entitlements, as well as, once more, to the expenditure related to buildings;

11. Notes that in the 2016 financial year, seven transfers were approved in accordance with Articles 27 and 46 of the Financial Regulation ([1]), which amounted to EUR 66 655 000 or 3,6 % of final appropriations; observes with concern that the majority of such transfers were, once more, related to the Parliament's buildings policy, and in particular to the Konrad Adenauer building project; considers that level of the 'mopping-up' transfer continues to be very high; is of the firm belief that effective budget management should be able to reduce such transfers to the bare minimum necessary; urges that Parliament's buildings policy be laid down with sufficient clarity, as part of the budgetary strategy;

The Court's opinions on the reliability of the 2016 accounts and on the legality and regularity of the transactions underlying those accounts

12. Recalls that the Court performs a specific assessment of administrative and other expenditure as a single policy group for all the European institutions; points out that administrative and related expenditure comprises expenditure on human resources (salaries, allowances and pensions), accounting for 60 % of total administrative expenditure, and expenditure on buildings, equipment, energy, communications and information technology;

13. Recalls that the audit involved an examination of a representative sample of 100 payment transactions, including a risk-based sample of 20 commitments which have been approved close to the end of the 2016 financial year and automatically carried over to 2017, in order to check the usage of the budget according to the principle of annuality;

14. Acknowledges from the Court that the overall audit evidence indicates that the spending on 'administration' is not affected by a material level of error; notes that, on the basis of the 12 quantified errors, the estimated level of error present in heading 5 of the MFF on administration is 0,2 % (down from 0,6 % in 2015);

Management of funds by the political groups

15. Recalls that the political groups are responsible to the Parliament for managing the funds allocated to them, within the powers conferred upon them by the Bureau; notes with concern that the Court found weaknesses in checks on the authorisation and settlement of expenditure related to the Europe of Nations and Freedom (ENF) group and that payments were being made without being covered by contracts resulting from a procurement procedure; highlights that the external auditor 'Ernest and Young' issued a qualified opinion; calls on the Bureau to take appropriate measures, including possible reimbursement, concerning the ENF group;

16. Notes the specific findings concerning Parliament contained in the annual report of the Court for 2016; notes that for one payment to a political group, the Court found weaknesses in checks on the authorisation and settlement of expenditure made in 2015 but cleared in 2016; notes, in addition, that the Court found that payments were made without being covered by contracts resulting from a procurement procedure; notes, finally, that the Court detected similar shortcomings in a transaction relating to another political group in 2015;

17. Notes the responses given by Parliament to the Court during the adversarial procedure; asks the Court to keep the responsible committee informed on the implementation of its recommendation to review the framework for monitoring the implementation of budget appropriations allocated to political groups and monitor more effectively how they apply the rules for authorising and settling expenditure, and how they carry out procurement procedures;

18. Encourages the Parliament's Secretariat to continue its additional efforts in assisting the political groups in improving their internal financial management and in providing them with better guidance; calls on the political groups to further improve the application of relevant rules for authorising and settling expenditure, as well as to improve and further harmonise how they carry out procurement procedures;

([1]) Regulation (EU, Euratom) No 966/2012.

The internal auditor's annual report

19. Notes that at the competent open committee meeting with the internal auditor held on 23 January 2018, the internal auditor presented his annual report and described how in 2016 he had performed audits on the following subjects:

— Review of the project for the new Financial Management System (FMS) — Phase 3;

— Follow-Up of Open Actions from Internal Audit Reports;

— Audiovisual Sector;

— Recruitment Process for Officials and Temporary Staff;

— External expertise on works' projects in the Directorate-General for Infrastructure and Logistics (DG INLO);

— Activity Reporting Process;

— Recruitment Process for Contract Staff;

— IT Infrastructure & Operations: Data Centre Inventory and Management of External Expertise;

20. Recalls that the annual activity report is a cornerstone of the Parliament's governance structure; emphasises that following the audit of the activity reporting process, which focused on the effectiveness of the annual activity reports as a tool for reporting on accountability and performance, the internal auditor made the following recommendations:

— an integrated framework for planning and reporting should be adopted; it should cover both the setting of strategic objectives and each directorate-general's annual operational objectives, establish key result indicators, and enhance reporting on performance in the annual activity reports;

— the Secretary-General should appoint a service with an expanded mandate for the coordination and monitoring of the activity reporting process;

— the assessment of the Internal Control Framework and the reporting thereon should be enhanced, by appointing an Internal Control Coordinator in each directorate-general, providing suitable guidance and tools to the directorates-general, and ensuring coherent reporting on internal controls in the annual activity reports;

— Parliament-specific guidelines for drawing up the Declaration of Assurance and assessing the need for making possible reservations should be adopted;

21. Notes that the 2016 follow-up process resulted in the closure of 22 of the 48 validated open actions, as well as that the risk profile of the overdue actions continued to be progressively reduced in 2016; notes in particular that at year-end, 10 of the 26 open actions were in the 'significant risk' category, and the remaining 16 in the 'moderate risk' category;

Follow-up to the discharge resolution for the financial year 2015

22. Acknowledges the written answers to the discharge resolution for the financial year 2015 provided to the Committee on Budgetary Control on 4 October 2017, as well as the presentation by the Secretary-General on the various questions and requests of Parliament's discharge resolution for the financial year 2015 and the exchange of views with Members that followed; stresses the importance of having more frequent discussions with the Secretary-General on issues concerning Parliament's budget and its implementation in the Committee on Budgetary Control;

23. Stresses once more, in the interests of greater transparency within the institution, and especially concerning its decision-making procedure, the need to facilitate and make more accessible the work of Parliament's internal decision-making bodies, especially the Bureau and, above all, the decision-making procedure; calls for Bureau agendas to be published on the Intranet in a timely manner and for the minutes of meetings to be published much more promptly; observes that it is not necessary to wait until they are translated into all languages before publishing them; congratulates the College of Quaestors on the progress made in this regard, especially as regards its new policy of disclosing its decisions;

24. Asks the Secretary-General to forward this resolution to the Bureau, highlighting all requests for action or decisions by the Bureau; calls on the Secretary-General to establish a plan of action and a timetable enabling the Bureau to follow up and/or respond to the recommendations contained in Parliament's discharge resolutions and include the results in the annual monitoring document; asks the Secretary-General to report in good time to the Budget and Budgetary Control Committees on all projects with a significant budgetary impact that have been submitted to the Bureau;

25. Regrets, however, that many of the recommendations in the discharge resolution ([1]) for the financial year 2015 have not been followed up and that no reason or justification has been given; expresses its deep concern that neither the Bureau, nor the Secretary-General has published a progress report or made sufficient progress on several requests for action or for a decision to be taken by them;

26. Reiterates its call on the Bureau to follow-up all discharge decisions as follows from Rule 25 and Annex IV of the Rules of Procedure and Articles 6 and 166 of the Financial Regulation;

27. Recalls that both Parliament's discharge resolution for the financial years 2014 ([2]) and 2015 asked for a technical solution that allows Members to use their individual page on the Parliament's website for the voluntary publication of meetings with interest representatives; urges the Parliament's Bureau and the Secretary-General to make this possible without further delay;

28. Calls on the Secretary-General to inform the Members of progress made with regards to the iPACS Project (whose aim is to strengthen and modernise the security of people, buildings and assets of the Parliament); notes that this project was adopted by Bureau decision on 9 March 2015; underlines the importance of ascertaining whether a project of such prime importance to the Parliament — and that has cost such a large sum of money — is on track;

29. Calls on the Secretary-General to institute measures to deal with significantly increasing hotel prices in Strasbourg, prices that have increased dramatically from one year to the next with an especially marked peak during the plenary session; recommends facilitating transport between Strasbourg and the German side of the border, where prices are significantly lower (possibly by means of a shuttle bus service between Kehl and the Parliament building);

30. Welcomes the initiatives of the Secretary-General regarding the review of the Crisis and Business Continuity Strategy in order to build up the resilience of the Parliament to better face any potential major incident (of any nature, but concerning for example IT, security or premises) impacting Parliament's activities, reflected in a Bureau Decision of 3 May 2016;

Parliament's 2016 discharge

31. Notes the exchange of views between the vice-president responsible for the budget, the Secretary-General and the Committee on Budgetary Control in the presence of the internal auditor, on 23 January 2018 in the context of the Parliament discharge for the financial year 2016;

32. Notes that, following the referendum held on 23 June 2016 in the United Kingdom the Bureau discussed the consequences in its meeting of 4 July 2016; notes that the position of the President is that, as long as the United Kingdom remains a full member of the Union, British Members and Parliament staff enjoy exactly the same rights and obligations as all other Members and staff of the house; notes that this arrangement needs to be flexible and remain in line with any possible outcomes of the Brexit negotiations; notes that the situation of British Members and Parliament staff might change during the yet to be defined transition period;

33. Acknowledges that the referendum result had a considerable impact on committee secretariats, research units and horizontal services of the political directorates-general; notes that the Parliament's services prepared analytical material based on fact-finding work to consider the impact of the United Kingdom's withdrawal on the policy areas and legislation in their respective fields; acknowledges moreover that future work on this issue is of a very complex legal nature, as well as that the expertise built up in committee secretariats and policy departments is ready to be mobilised during the subsequent phases of the withdrawal process based on the political decisions taken;

34. Welcomes the improved cooperation in the security field between the Parliament and the national authorities of its host countries, in particular the Belgian authorities;

([1]) OJ L 252, 29.9.2017, p. 3.
([2]) OJ L 246, 14.9.2016, p. 3.

35. Encourages the Secretary-General to negotiate with the Belgian railways to offer more direct trains between Brussels-Luxembourg railway station and Zaventem Airport at peak arrival and departure times for Members in order to save travelling time and lower Members' carbon footprint; asks the secretariat to promote train travel for Members;

36. Recalls that openness to the public is a hallmark of the Parliament; supports the reorganisation and improvement of entrances to all Parliament buildings at the three places of work on the basis of a new security concept which guarantees a safe working environment for parliamentary activities while retaining Parliament's openness; notes that these entrances, modernised in 2015, were equipped with new access control systems and have been incorporated into the new central integrated physical access control system; stresses that the entrance of the Louise Weiss building in Strasbourg (LOW) is one of the entrances most used by the Members, Union staff and visitors during the plenary sessions; stresses it is de facto the most visible entrance in Strasbourg; regrets that the 'temporary' security check at entrance of the LOW building has become de facto permanent; urges the Secretary-General to propose an alternative to facilitate entrance into the LOW building while keeping the level of security and the attractiveness of this entrance;

37. Notes that attention paid to performance-based budgeting still varies between the directorates-general, and is still at a preliminary stage in parts of the administration; calls upon the Secretary-General to ensure that clear, measurable targets are set and monitored throughout the administration;

38. Regrets that, according to the Court, the costs of the geographic dispersion of Parliament amount to EUR 114 million per year; notes the finding, in its resolution of 20 November 2013 on the location of the seats of the Union's institutions ([1]), that 78 % of all missions by Parliament staff coming under the Staff Regulations arise as a direct result of the fact that Parliament's services are geographically dispersed; recalls that the estimate of the environmental impact of that dispersal is between 11 000 to 19 000 tonnes of CO_2 emissions; notes with regret that in 2016 the total cost of reimbursements solely for Members' travel expenses for plenary sessions in Strasbourg amounted to as much as EUR 21 352 262; calls on the Council to find a solution toward a single seat for the European Parliament in order to not waste taxpayers' money;

39. Notes the publication of seven 'Cost of Non-Europe' reports, as well as five 'European Added Value Assessments' which were completed in 2016;

40. Notes the revision of allowance rates for accredited parliamentary assistants (APAs) with respect to their duty travel between Parliament's three places of work; notes that for officials and other servants of the Parliament, the hotel ceiling for Strasbourg missions is set at EUR 180 and daily allowance at EUR 102, making a daily total of EUR 282; whereas for APAs this amount is reduced to EUR 137, EUR 160 or EUR 183 per day for the same expenses, at the Member's discretion; recalls, however, that APAs are entitled to the same subsistence allowance as officials and other Parliament staff for missions to destinations other than Strasbourg; calls on the Bureau, for the third year running and for the purposes of equal treatment of workers, to take swift action to bring the daily subsistence allowance for APAs on mission in Strasbourg into line with that for officials and other staff; calls again for the Bureau to fully align allowances between officials, other servants and APAs;

41. Welcomes the willingness of the Secretary-General to find a solution and reiterates its call to find a workable solution for those APAs who, having worked without interruption for two parliamentary terms, will not be entitled to access the European pension rights scheme when they will reach the pension age at the end of the current Parliamentary term, owing to circumstances beyond their control and that of the Members employing them, since they will not have reached the ten years' service required due to early elections in 2014 and delays in the validation of their new contracts because of the heavy human-resources workload after the elections of 2009 and 2014; therefore requests that two legislative terms be considered 10 years of active service; calls on the Secretary-General to instruct the Directorate-General for Personnel (DG PERS) to seek possible solutions without delay and keep representatives of the APAs informed of, and involved in, the process; requests that the Commission submit a legislative proposal before 1 September 2018 to solve this issue;

42. Notes that some missions' reimbursements are subject to very long delays and suggests that solutions as to bring them within a reasonable timeframe should be explored;

([1]) OJ C 436, 24.11.2016, p. 2.

43. Considers it appropriate to keep the small increase in budget line 422 'Expenditure related to parliamentary assistance', taking into account the higher workload through Brexit, growing number of trilogues and increasing number of temporary and special committees, which has reached a historical record of 25 standing and temporary committees, and the coincidence of the end of legislature with the complex package of legislative MFF proposals;

44. Asks the Secretary-General to transmit to the Commission the Report on the evaluation of the new Statute of APAs drawn up following the resolution adopted on 28 April 2016 on the discharge for the financial year 2014 and referred to in Article 3 of Council Regulation (EC) No 160/2009 ([1]);

45. Encourages the Bureau, when assessing the new rules on visitors' groups introduced last year, to delete the possibility to appoint APAs as head of a group as it poses professional, legal, ethical and data protection concerns;

46. Observes that trainees employed by Members have a private-law contract with the Member, which does not entitle them to the same status in Parliament as that of other categories of Parliament staff, or to have scholarships from the Parliament itself (Schuman scholarships); regrets that there is no facility or legal framework within the Directorate-General for Finance (DG FINS) to arrange a scheme for direct advance payments to such trainees prior to missions — although such arrangements are in place for all other staff — given the fact that, for obvious reasons, they can barely afford to pay these expenses up front out of their own pockets; underlines that Members may find an agreement on advance payments with the trainee and the paying agent on a case-by-case basis; however notes that many Members do not use the services of a paying agent to remunerate the trainees they employ, asks the Parliament to evaluate as soon as possible whether such a direct payment scheme could be implemented;

47. Notes with concern that at this advanced stage in the parliamentary term, the CVs of more than half of the Members are still yet to appear in their profiles on the Parliament's official website; calls on the Secretary-General to take swift action to ensure that the CVs of all Members appear on the official website;

48. Recalls that the mandate of the Members of the Parliament is incompatible with a number of offices, including that of a mandate of a national parliament; asks that the necessary rules be drawn up for the next parliamentary term to exclude the possibility for Members to have an additional mandate in a regional parliament of a Member State with legislative powers that requires its members to make similar commitments in terms of working time to a national parliament;

49. Is of the opinion that in order to receive more independent and reliable opinion and studies there is a need to create rules on conflict of interest for experts hired by the Parliament's committees;

50. Recalls that the discharges for the financial years 2014 and 2015 had noted that the Parliament website is not particularly user-friendly and, in this light, calls on the Directorate-General for Communication (DG COMM) to improve its website and to institute a more efficient search engine as a matter of urgency; stresses that progress still needs to be made with regard to the attractiveness and appeal of the website and that an effort is still required in order to diversify the available social media platforms; calls for a new strategy to be implemented, one that reflects the full capacity of social media in its various manifestations;

51. Takes note of the updated mission statement for the information offices, from now on 'liaison offices' (adopted by the Bureau in November 2017); strongly underlines that their main function is to inform and communicate locally on behalf of the Parliament, in order to provide information about the Union and Union's policies through the activities of external stakeholders at a local, regional and national level; underlines the need to optimise the use of new communication technologies and models, and take advantage of the liaison offices' privileged geographical position close to citizens to further intensify activities at local level, such as organising debates with Members and civil society, with a view to listen to people and engage with them; points out that online debate and media attention triggered by these events should contribute to further increasing outreach to citizens; calls for an improvement in the strategy adopted with regard to the information offices of the Parliament and urges DG COMM to confront the problem of the imbalance between the amount of money spent on the building and staff costs as opposed to the key functions of these offices, which is direct communication with local stakeholders and citizens;

([1]) Council Regulation (EC) No 160/2009 of 23 February 2009 amending the Conditions of Employment of Other Servants of the European Communities (OJ L 55, 27.2.2009, p. 1).

Directorate-General for Communication

52. Recalls that the key performance indicator of DG COMM is the total outreach or exposure attained across the entire range of Parliament's communication platforms and channels; notes that, with regards to the Parliament's presence in the media and average coverage per month, there was a 12 % increase compared to 2015, and 7 % increase compared to the election year 2014; acknowledges the improvement in the Parliament's use of social media, as well as actions related to raising awareness among young people; points out, however, that the Parliament's communication activities should continue to improve, in particular by increasing outreach on social media, which is currently below the standards expected of a parliamentary institution; underlines that, particularly in light of the European elections in 2019, a comprehensive social media strategy needs to be developed and implemented; stresses that this strategy needs to reflect the amount of work the Parliament accomplishes while taking into account the multi-facetted interests, worries and ideas for the future of Europe that citizens express;

53. Notes that DG COMM launched a new multi-annual work programme for grants in the area of media and events organisation covering the period 2016-2019; acknowledges that for the award of a grant in the media category, 102 framework partnership agreements were established and 48 grant applications were successful, with a total value of EUR 3,99 million; notes that in the area of events organisation, 18 projects were selected for the award of a grant with a total value of EUR 0,8 million; calls on DG COMM to concentrate on a more active approach towards those who are not automatically interested in Parliament's activities or who may even be sceptical about its functioning;

54. Takes note of the major technical and editorial changes made to the Parliament's public website, particularly with regard to search engine optimisation of the website; congratulates DG COMM on this progress but adds that the rate of progress remains excessively slow; notes that the Responsive Web Design project and the live streaming and video-on-demand platform renewal project — which aim to redesign the website to make it adaptive to all kinds of devices — were launched in 2016 and successfully implemented to parts of the website; calls for a continuation of these projects and their implementation across all sections of the Parliament's website; notes that much still needs to be done in order to bring an effective website and communication tool into being; underlines that the renewal needs to be accomplished in a timely manner, as visibility of and accessibility to the Parliament should be in place well before, but at the very latest by, the up-coming European elections in 2019; stresses that a transparent and accessible website is key to the involvement of citizens;

55. Notes a significant increase in the volume of requests submitted to the Citizens' Enquiries service (AskEP) since 2014, mainly as a result of seemingly coordinated 'write-in' campaigns on topical issues; suggests that the Parliament's replies be advertised to Members who might be unaware of their existence;

56. Draws attention to the latest Eurobarometer survey commissioned by the Parliament, where a specific question on the image of the Parliament was posed; is pleased that, according to the survey the percentage of citizens who have a positive view of the Parliament is on the rise from 25 % (2016) to 33 % (2017); notes with satisfaction that the increase of Parliament's positive image directly corresponds to a decline in the 'negative opinion' by 7 percentage points from 28 % (2016) to 21 % (2017); points out that, despite clear signs of improvement, much still needs to be done;

57. Encourages the Bureau, when assessing the new rules on visitors' groups introduced last year, to delete the possibility to appoint APAs as head of a group;

58. Calls for a review of the system for calculating the reimbursement of travel expenses for groups of visitors sponsored by Members, with a view both to ensuring equal treatment of all Union citizens and to promoting the use of more environmentally friendly means of transport, given that the current system, based on calculating mileage, fails both to take account of the isolation and geographical barriers afflicting certain areas of the Union and to cover the cost of travelling to places where faster and more environmentally friendly means of transport are available;

59. Notes that, by 31 December 2016, a total of 5 375 officials and temporary staff were employed within the Secretariat (a decrease of 16 compared with 31 December 2015) and a total of 806 officials and temporary staff were employed within the political groups (an increase of 35 compared with 31 December 2015); notes that, together with contract agents, DG PERS was responsible for 9 617 staff (an increase of 264 compared with 31 December 2015);

60. Notes that at 1 January 2016, 57 posts were deleted from Parliament's establishment plan in accordance with the 2014 revision of the Staff Regulations and the MFF for 2014-2020;

Directorate-General for Personnel

61. Welcomes the fact that promoting equal opportunities remains a key component of Parliament's human resource management policy; notes that the action plan for the promotion of gender equality and diversity, approved by the Bureau in 2015, continued to be implemented during 2016 together with its specific objectives and all other related measures;

62. Welcomes the fact that a roadmap for 'Gender Equality in the European Parliament Secretariat' has been adopted; notes that the roadmap outlines concrete actions and a clear timeline for specific measures regarding management, professional training, awareness-raising on gender equality, work-life balance measures and a regular monitoring of gender balance through statistics;

63. Welcomes the fact that gender equality among heads of unit appointed by the Secretary-General increased from 21 % in 2006 to 36 % in 2016 and that the posts that women have obtained tend to show a satisfactory improvement in the quality of the posts attributed to women;

64. Regrets that the gender balance at the level of director-general fell from 33,3 %/66,7 % in 2015 to 16,7 %/83,3 % in 2016; notes that the gender balance at director level remained steady from 2015 to 2016 at 29,2 %/70,8 % and 29,8 %/70,2 % respectively; considers this move in contradiction with the road map for 'Gender Equality in the European Parliament Secretariat';

65. Recognises that, for certain activities, such as running the canteens and cleaning, outsourcing has been Parliament's preferred option and that, as a consequence, for certain directorates-general, the number of external staff on Parliament's premises may even exceed the number of officials;

66. Reiterates the opinion that external staff should not be used to compensate for the reduction of the number of posts agreed in the context of the 2014 revision of the Staff Regulations and the current MFF;

67. Notes that, at the end of 2016, there were 1 924 APAs working at the Parliament, compared to 1 791 a year before; calls for special consideration of the rights of APAs and local assistants, as their contracts are directly linked to the mandate of the Members they support, bearing in mind that APAs are members of staff holding Parliament employment contracts, while local assistants are subject to various national legislations;

68. Reiterates its concern at the alleged practice of Members obliging APAs to undertake missions, particularly to Strasbourg, without mission orders, without mission costs or simply without travel costs; is of opinion that such a practice leaves room for abuse, given that where APAs travel without a mission order they not only have to pay for the costs by their own means, they are also not covered by workplace insurance; calls on the Secretary-General to investigate this alleged practice and to report on this by the end of the year;

69. Reiterates its call on the Conference of Presidents and the Bureau to reconsider the possibility for APAs, at certain conditions to be set, to accompany Members in official Parliament Delegations and Missions, as already requested by several Members; calls on the Secretary-General to investigate the budgetary consequences, and the organisation and logistics of these missions;

70. Notes that Parliament is providing a budget to the Staff Committee, calls for a similar budget for the Accredited Parliamentary Assistants Committee, since they fulfil tasks provided by the Statute for Members of the European Parliament and its Implementing Measures which are useful to all institutions and Members;

71. Calls on the administration to involve the Accredited Parliamentary Assistants Committee in the decision making process of all rules that might concern Accredited Parliamentary Assistants Committee exclusively or commonly with all the other categories of staff represented by the Staff Committee;

72. Welcomes the interest in keeping staff with British citizenship who have become European civil servants, asks the Secretary-General to report on the potential risks for British staff and on how to ensure that British staff do not become victims of Brexit, and that their statutory, contractual and acquired rights be fully safeguarded;

73. Acknowledges that, in accordance with the Interinstitutional agreement on budgetary discipline, on cooperation in budgetary matters and on sound financial management [1], 57 posts were removed from the Parliament's establishment plan for 2016, in line with the requirement for a 5 % reduction in staff posts; notes that two further posts were removed with a view to them being transferred to the Commission in connection with interinstitutional IT projects; notes moreover that the Parliament was to reduce its establishment plan by a further 76 posts as of 1 January 2017 following the decision of the budgetary authority;

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

74. Is of the opinion that in reaction to the #metoo-campaign, the Parliament should achieve zero-tolerance towards violence in any form be it structural, sexual, physical or psychological; demands therefore:

— complete accountability of the perpetrators with full exhaustion of available penalties and sanctions;

— creation of a central complaints office for reporting harassment cases;

— access for all to an independent harassment committee in the Parliament that does not reproduce the internal structures of power by having Members on board;

— protection for victims and those reporting such violence which grants them full anonymity and discretion;

— psychological support for victims provided by a central office of the Parliament with doctors, social workers, and counsellors;

— mandatory training on sexual harassment and mobbing for Members and officials in positions of power;

— training and information for staff to help them recognise sexual harassment and to ensure that they know their rights;

75. Considers that the relatively low number of harassment complaints brought forward in 2016 both to the Advisory Committee on Harassment for staff and by APAs could imply a lack of appropriate channels; stresses that there are two kinds of harassment recognised by the Staff Regulations (psychological and sexual harassment); is of the opinion that the fight against any kind of harassment should be one of the utmost priorities of the Secretary-General; welcomes in this regard the proposal of the Secretary-General to introduce a network of independent confidential counsellors who can be contacted by APAs, trainees working for Members, group staff and all other staff and trainees; acknowledges that these counsellors will be selected for their expertise and inter-personal skills, and will undergo targeted training; encourages revision of the composition of the advisory committees dealing with harassment complaints to ensure equal representation of Members, APAs and staff, and gender balance; invites the Bureau to examine the possibility of appointing an external auditor in order to further improve the internal processes;

76. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistle-blowers use the right channels to disclose information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;

77. Reiterates the vulnerable position APAs and interns employed by Members hold in respect to internal whistle-blower protection rules; cautions the Secretary-General against potential financial consequences for the Parliament's continued failure to provide the requisite whistleblower protection for APAs who report wrongdoing by Members; urges the Secretary-General to address this situation immediately;

78. Calls for weeks to be set aside for external parliamentary activity, to be used for training courses, particularly for Members' assistants, including intensive language courses;

79. Points out once again that Parliament is practically the only institution that has not introduced flexitime in its working arrangements, something that almost all the institutions, particularly the Commission, did years ago, with the proven outcome of increased productivity and improved quality of life for staff; calls for flexitime to be incorporated into Parliament's working arrangements as soon as possible and for the Committee on Budgetary Control to be kept informed of progress made towards achieving this objective;

80. Reiterates — as adopted in the Parliament's discharge resolution for the financial year 2015 (paragraph 90) — that, in light of their income, scholarship students should be entitled to greater price reductions in Parliament's restaurants;

81. Notes with great concern the fall in demand from Members for individual language courses in French and, especially, Spanish and Italian, particularly since 2009; notes that only in English and German classes have numbers remained steady, and even improved; reminds the Secretary-General of the importance of multilingualism in the process of European integration and the role that the administration should play in promoting language learning among Union

citizens' elected representatives given that languages are also an essential tool for understanding and communication in the exercise of their parliamentary duties; calls on the administration to keep Members regularly informed by appropriate means, in addition to the existing brochure and the information available online, of all the opportunities offered to them by Parliament, with particular emphasis on classes with in-house language teachers in Brussels and Strasbourg, since this is the most flexible and compatible solution with their needs and working conditions and also offers the best value for money; further urges the Secretary-General to come up with the necessary means to promote multilingualism in this area, including by improving the availability of in-house language teachers and putting an end to the job insecurity that they face; notes the transfer of the Members' Professional Training Unit from DG FINS to DG PERS with a view to creating greater synergy with the staff training unit already within DG PERS; asks the Secretary-General to keep it informed of the specific results it intends to obtain from this development;

82. Calls on the Secretary-General to develop a voluntary and transparent mobility policy that takes interests and skills of staff into account in the framework of a genuine career development strategy;

Directorate-General for Infrastructure and Logistics

83. Notes that the updated proposal for the Parliament's medium-term building strategy, taking into account recent developments on the Luxembourg and Strasbourg premises, should be focused on the Brussels premises and in particular on the future of the Paul-Henri Spaak building; invites in addition the Bureau to evaluate the age of the infrastructure in the Salvador de Madariaga building in Strasbourg; notes in addition that crucial Brexit-related factors defining the future of the building policy, such as the potential consequences of Brexit on multilingualism, on the number of posts for officials in the establishment plan and on the number of Members, are still unknown; acknowledges that reliable planning can be done only after the Brexit process has come to its conclusion; invites the Bureau to develop risk mitigating strategies, taking into account the need to counteract any possible disruptions that may be caused by future developments in the Brexit negotiations; asks the Secretary-General to propose a detailed plan on where staff housed in the buildings will be handled in the case of the buildings' renovation or reconstruction;

84. Urges the responsible services to clarify how they plan to implement the statement by the Parliament, the Council and the Commission on the exemplary role of their buildings ([1]) in the context of the Energy Efficiency Directive, given the approaching 2020 deadline;

85. Acknowledges that the Bureau mandated the Secretary-General to work out detailed proposals on possible options for the refurbishment of the Paul-Henri Spaak building; notes in addition that these proposals should address all possible options, including no action, renovation or reconstruction, and that the proposals should be accompanied by detailed assessments on the feasibility of the projects and address any relevant legal matters; notes that the detailed proposals being prepared by DG INLO were to be presented to the Bureau at the beginning of 2018;

86. Notes that most of Parliament's buildings were not designed and constructed taking into account the Eurocodes requirements for structural integrity, as those norms did not exist at the time of their construction; notes that the only buildings compliant with Eurocodes standards for structural integrity are the Willy Brandt and the Wilfried Martens buildings; acknowledges that the risk generated by the potential vulnerability of the structures of the different buildings is mitigated partly by operational measures taken by DG INLO and the Directorate-General for Security and Safety (DG SAFE), and that further organisational changes are foreseen to address this issue;

87. Recalls that the Bureau adopted a proposal for bringing the Members' transport service in-house at its meeting of 11 April 2016; notes with satisfaction that the procedure for bringing the drivers' service in-house resulted in a qualitative and quantitative increase of the services provided to Members, as well as for an effective and efficient response to unforeseeable emergency situations or sudden increases in demand; regrets that the principle of gender balance was not respected in the recruitment process for the transport service at the Parliament; calls on the Secretary-General to come up with a proposal to improve the current situation; is, moreover, concerned by the diverging remuneration grades among drivers and asks the Bureau whether it plans to consider a harmonisation to counteract possible unfair remuneration schemes;

88. Welcomes the introduction of the test project for digital transmission of supporting documents between DG INLO's initiating service and the *ex ante* service for the expenditure commitments of the Strasbourg Maintenance Unit; notes with satisfaction that, on the basis of positive experiences, the project was extended to the Strasbourg Projects Unit; encourages DG INLO to continue with the implementation of the digital transmission of documents wherever possible, in order to reduce costs and increase the efficiency of related services;

([1]) OJ C 353 E, 3.12.2013, p. 177.

89. Notes that the revision of prices in Parliament's self-service canteen was required in order to move away from subsidised services and towards a concession type of contract, where the catering provider bears the full economic and commercial risk; welcomes the fact that trainees in the Parliament continue to be entitled to a discount of EUR 0,50 on the main dishes in all self-service restaurants in Brussels and Luxembourg and EUR 0,80 in Strasburg; asks DG INLO to monitor future price increases to ensure the services remain appropriately and fairly priced;

90. Takes note of the rules of 13 December 2013 on parking facilities in the European Parliament, and of the European Parliament's increased commitment to the environment; considers therefore that the policy on parking for employees' own bicycles at all the Parliament's places of work ought to offer more benefits than the aforesaid rules do at present; asks the Secretary-General to take steps along these lines and, particularly in the case of Strasbourg, allow bicycles owned by employees seconded there to be parked in Parliament's car park outside part-session periods, as well as during them, and for a suitable safe area to be set aside for bicycle parking;

91. Reiterates its deep regret regarding the decision to change the furniture in the offices of Members and their assistants in Brussels; notes that most of the furniture is perfectly serviceable and presentable, and that there is therefore absolutely no need to change it; considers that feedback from a number of Members — as opposed to a general survey — is not, on its own, sufficient justification for the change, and that arguments put forward by the administration on matters of taste, fashion or outdated style are equally inadequate; individual items of furniture should only be changed if there are clear signs of deterioration, major wear and tear or to avoid a health risk in the workplace of a specific or general nature (such as the possible development of more ergonomic office desks or chairs);

92. Reminds the Secretary-General of the outcome of the survey of the Staff Committee, regarding shared offices for staff, that resulted in 3 000 reactions and 80 % of the staff expressing that they are against shared offices; calls on the Secretary-General to prepare a plan for the consultation of staff and to follow up on the results of the survey;

Directorate-General for Interpretation and Conferences

93. Acknowledges that, in relation to the new output benchmarks for interpreters, an average of 11 hours per week was set as the lowest delivery and 17 hours as the highest average delivery; notes that the overall average number of hours per week staff interpreters spent delivering interpretation services in their booth increased from 11 hours and 54 minutes in 2014 to 13 hours and 25 minutes in 2016; notes that 2014 was an electoral year with less need for interpretation; underlines that the increase from 2014 to 2016 is due to the Parliament returning to its regular rhythm of committee, group, Strasbourg and turquoise weeks; recalls that, when the Staff Regulations were revised in 2013, the weekly working time for all staff of the European institutions increased from 37,5 to 40-42 hours which resulted in an increase in the weekly working time in the interpretation service as well; encourages future cooperation between the trade unions and the Secretary-General that should focus on fair working conditions, while ensuring the smooth running of parliamentary work at the same time; points out that on-going conferral between the Secretary-General and the Staff Committee is underway and urges all parties to come to an agreement; notes that the increase in the committed appropriations for 'other staff' was partly explained by the increased need for external interpretation in 2016 (EUR 2,2 million up over 2015); notes moreover, that for meetings of political groups and committee meetings, there is a lack of interpretation for all languages due to the assignments rules; observes, finally, that changes to the scheduling of committee meetings which have resulted in many being held at irregular hours is partly caused by limited flexibility in the efficient use of interpretation capacity;

94. Notes with satisfaction that the Bureau adopted a 'Strategy for the Modernisation of Conference Management' in the Parliament, submitted to it by the Secretary-General; acknowledges that the strategy foresees a single point of contact and support for conference organisers and should be supported by an integrated conference service using a customised IT platform; acknowledges furthermore that one-stop assistance while an event is in progress and one-stop management and support are to be progressively put in place for technical meeting room facilities;

Directorate-General for Finance

95. Recalls that the Bureau endorsed at its meeting of 26 October 2015 a new approach with the goal of enhancing client orientation and reducing the administrative burden for Members by introducing two new instruments, 'the MEP's Portal' and the 'e-Portal'; welcomes the implementation of 'the MEP's Portal', a single front desk integrating all services related to financial and social entitlement formalities, which became fully operational in July 2016; notes that the

electronic on-line version of 'the MEP's Portal', 'the e-Portal', has been accessible since January 2015 with concise information regarding the rules in force and the status of Members' rights; underlines that any administrative simplification should not only be achieved by shifting part of the work from the administrative staff to Members and their offices;

96. Calls for the simplification of recruitment procedures and reimbursements for missions and travel costs for local assistants; regrets that these processes are often complex and lengthy resulting in significant delays; calls on DG FINS to address this issue as a priority;

97. Notes that the current contract with the Parliament's travel service expires at the end of 2018 and that an open call for tender is under preparation with a view to selecting a new travel agency to assist the Parliament in the handling and organisation of work-related travel; requests that the new contract contain strengthened conditions, in particular with regard to ticket pricing and the availability at all times of the travel service's call centre, including at weekends; underlines the importance of a simple and user-friendly complaints mechanism to quickly highlight shortfalls, which allows for a speedy improvement of any problems; emphasises that greater attention needs to be paid to the specific requirements of Members and their need for tailor-made services;

98. Encourages the successor travel agency to strive to achieve the most competitive prices for the Parliament's work-related travels;

Voluntary Pension Fund

99. Notes that the voluntary pension fund was established in 1990 by the Bureau's Rules governing the additional (voluntary) pension scheme and Members were able to join it until the end of the sixth parliamentary term (13 July 2009); notes that the fund was set up to provide Members with a pension scheme because one had previously been lacking;

100. Recalls that the Court of Justice ruled in 2013 that the Bureau decision to increase the age of retirement for 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 was valid;

101. Notes that the voluntary pension fund has increased its estimated actuarial deficit from EUR 286 million at the end of 2015 to EUR 326,2 million at the end of 2016; further notes that at the end of 2016, the value of net assets to be taken into account and of the actuarial commitment amount to EUR 146,4 million and EUR 472,6 million respectively; observes that these projected future liabilities are spread over several decades but notes that the total amount paid in 2016 by the voluntary pension fund amounts to EUR 16,6 million;

102. Points out that for the next five years, of the number of Members who will reach the age of retirement and who will be entitled to pay-outs given that they have contributed to the fund, and assuming that no beneficiary is (re)elected in 2019 or otherwise takes up a vacant European mandate, the number of new pensioners will be 21 in 2018, 74 in 2019, 21 in 2020, 12 in 2021 and 17 in 2022;

103. Regrets that an assessment of the current situation of the voluntary pension fund is still unavailable; recalls paragraph 109 of the discharge resolution for the financial year 2015 and paragraph 112 of the discharge resolution for the financial year 2014 which call for an assessment of the current situation of the voluntary pension fund; calls on the Bureau to make an assessment as soon as possible and at the latest by 30 June 2018 of the current situation of the voluntary pension fund;

104. Reiterates the continuing problems regarding the voluntary pension fund and asks the Bureau and the Secretary-General to take action, in order to prevent its early insolvency while avoiding any impact on the budget of the Parliament;

105. Notes that Parliament is the guarantor for the payment of pension rights when and if this fund is unable to meet its obligations; welcomes the Secretary-General's announcement that he has submitted to the Bureau a plan of action;

106. Observes that, considering the fund's current level of financial assets, combined with its future yearly payment obligations and the evolution of the rate of return of its investments on the financial markets, the estimated date of insolvency of the voluntary pension fund is estimated to occur between 2024 and 2026;

General Expenditure Allowance

107. Welcomes the decision of the Bureau to create an *ad hoc* working group for defining and publishing the rules concerning the use of the general expenditure allowance; recalls the expectations articulated by Parliament in its resolutions of 5 April 2017 ([1]) and of 25 October 2017 ([2]) on the 2018 budget, which call for greater transparency

([1]) Texts adopted, P8_TA(2017)0114.
([2]) Texts adopted, P8_TA(2017)0408.

regarding the general expenditure allowance and a need to work on a definition of more precise rules regarding the accountability of the expenditure authorised under this allowance, without generating additional costs to Parliament; reiterates its call on the Bureau to make the following concrete changes concerning the general expenditure allowance swiftly:

— that the general expenditure allowance be handled in all cases in a separate bank account;

— that all receipts pertaining to the general expenditure allowance be kept by Members;

— that the unspent share of the general expenditure allowance be returned at the end of a Member's mandate;

108. Recalls the principle of the independence of a Member's mandate; underlines that it is the responsibility of elected Members to use the expenditures for parliamentary activities and that it is possible for Members — who wish to do so — to publish their spending record of the general expenditure allowance on their personal webpages;

109. Believes that any revision of the general expenditure allowance should take into account previously adopted plenary recommendations concerning transparency and financial accountability;

Directorate-General for Innovation and Technological Support

110. Recalls that a key strategic pillar for Parliament in a world of open communication is strengthening ICT security; acknowledges that, in the framework of the cybersecurity action plan, the 'cybersecurity culture' pillar focuses on awareness-raising and training activities to ensure that the Parliament's ICT users are informed of the risks and contribute to its first line of defence in this regard; takes note of the awareness-raising campaign concerning cybersecurity risks, which includes visual reminders throughout the Parliament's premises, articles published on the Parliament's internal newsletter concerning cybersecurity and information sessions for Members, assistants and staff; however, expresses its concern regarding the threats against cyber security; welcomes the appointment of the chief information security officer, the creation of an ICT Security Unit with a security management and a security operations team; calls on the Secretary-General to investigate the possibility of adopting a 100 % in-house expertise system, also in order to avoid a high turnover rate;

111. Considers that the first priority for the IT services should be to secure good access to the internet, and that there are currently too many crashes;

112. Takes note of the project 'ICT4MEPs' which should improve ICT services offered to Members and their staff while working in their constituencies; observes that the first phase of the project was implemented in October 2016, providing access management for local assistants; notes however, that the project still leaves room for improvement; calls on the relevant services to continue with the implementation project taking into account the needs of the users;

113. Welcomes the implementation of Wi-Fi access for the Parliament's visitors, which is another step towards a digitally more inclusive Parliament; points out, however, that ICT security should remain paramount and that the Parliament's internal network should be shielded from potential malicious external attacks; stresses the need for dramatic improvement in the nature of the service provided, particularly in Strasbourg, and looks forward to the necessary measures being taken in the near future;

114. Invites the Bureau, in cooperation with the Directorate-General for Innovation and Technological Support (DG ITEC), to come up with risk mitigating measures to ensure a smooth running of parliamentary work in the case of system damages or blackouts; underlines the importance of a priority list of services, according to which order services must be restored as quickly as possible so a skeleton service is still functioning in the case of a cyber attack; invites the Bureau to develop a contingency plan for long-time system blackouts; recommends that data centres diversify the sites on which their servers are located to improve security and continuity of the IT systems of the Parliament;

115. Reiterates the call in its discharge resolutions for the financial years 2014 and 2015 for the creation of an emergency rapid alert system which allows DG ITEC, in collaboration with DG SAFE, to send swift communications by SMS or email to Members and staff who agree to their contact details being included on a communication list for use in specific emergency situations;

Directorate-General for Security and Safety

116. Acknowledges the new optimised system for organising security tasks which the Secretary-General presented to the Bureau in January 2018; acknowledges moreover that this new system takes into account the specificity of the role and function of security agents; hopes that an open dialogue can be maintained in order to remain attentive to the requirements of this group of staff working in a very tense security context;

117. Welcomes the continuous efforts to work on safety and security in and around Parliament's premises; acknowledges that safety within Parliament must seek to achieve a delicate balance between taking a number of protective measures into account, and introducing an overly security conscious regime that slows down the activity of Parliament; nevertheless, insists that Parliament's security should be further reinforced, and reiterates its call on the Secretary-General to ensure that staff are correctly trained and able to perform their tasks professionally, including in emergency situations;

118. Calls on DG SAFE's security staff to carefully check the entire building for which they are responsible in the case of evacuations, to ensure that is has been evacuated and to provide assistance to persons who are hearing-impaired or who have any other form of disability, when people have to be evacuated;

Environmentally-friendly Parliament

119. Recalls that the Bureau launched the Environmental Management System project in Parliament on 19 April 2004; notes that a revised environmental policy was adopted by the Bureau in 2016 which retains and reaffirms the commitment of Parliament to continuous environmentally-focused improvements;

120. Commends the Parliament's commitment to green public procurement; notes that the 'EP Implementation Guide on Green Public Procurement', which is designed to help authorising officers at the Parliament to successfully launch green purchasing policy and procedures, was approved in June 2016; welcomes the installation of the inter-institutional Green Public Procurement Helpdesk; calls for an evaluation of the introduction of criteria for a mandatory consultation of the Green Public Procurement for public tenders above a certain financial threshold and for specific product categories; notes the construction of a plant wall in the Altiero Spinelli building and takes the view that its benefits in no way justify its cost; calls on the Environmental Management System to seek solutions that, in addition to the ecological dimension, take account of cost-benefit ratios;

121. Welcomes the installation of water fountains and the new system of reusable glass jars; notes that the water fountains are poorly advertised and not yet installed in office areas; regrets, despite tender specifications to reduce plastic waste, that an increased number of meals in disposable packaging were sold by Parliament's catering facilities; calls for transparency on plastic waste generated by catering facilities; notes that the brand of bottled drinking water distributed in Parliament meetings has changed three times in less than two years, which does not seem in line with earlier announced tender durations and is still plastic based; recognises that the Commission has scrapped plastic bottles for drinking water and calls on the Parliament to lay out a plan to follow it, especially given its exemplary role and in the light of a European Plastic Strategy policy initiative;

122. Notes that the Bureau endorsed a road-map, proposed by the Secretary-General, to move towards an electric car fleet; acknowledges that by the end of 2017, half of all cars and minibuses in the Parliament's car fleet should be electric vehicles or plug-in hybrid vehicles, as well as that from 2018, any car newly acquired for the Parliament's car fleet should be a plug-in hybrid or electric; notes that in 2020, all cars in the Parliament's car fleet should be electric vehicles or plug-in hybrid vehicles, while in 2021 this should also apply to all of the Parliament's minibuses; strongly underlines that a cost-benefit analysis should be conducted before every major renewal of the car fleet and that the Budgetary Control Committee should be familiarised with the cost-benefit analysis that proceeded the implementation of the road-map towards an electric car fleet; calls for increased efforts for the promotion of active mobility, including by offering more attractive, accessible and secured bike parking spaces;

123. Calls on the Bureau to not limit itself to electric cars as a more environmentally-friendly solution since there are concerns regarding their production (including the sufficient availability of the necessary resources) and the disposal of batteries at the end of their life-cycle; regrets that Members were not informed of an analysis regarding alternative fuels such as bio fuels, synthetic fuels or hydrogen fuel cells; underlines that diversification of an environmentally friendly car-fleet would lessen dependence on one supplier and could counteract possible future supply shortages;

124. Notes that the Parliament has to conform with applicable regional and local laws and calls on the Parliament services to detail how it has implemented the Brussels regional law, the *Code Bruxellois de l'air, du climat et de la maîtrise de l'énergie*, especially in the area of car parking spaces offered to employees;

125. Welcomes, in the context of the energy and climate policy of the Union for 2030 and beyond, additional measures to offset unavoidable emissions; calls on the Parliament to develop further CO_2 offsetting policies;

Annual report on contracts awarded

126. Recalls that the Financial Regulation and its Rules of Application ([1]) 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 Financial Regulation requires publication of the contracts awarded with a value of more than EUR 15 000, a value that corresponds to the threshold above which a competitive tendering becomes compulsory;

127. Notes that of a total of 219 contracts awarded in 2016, 77 were based on open or restricted procedures, with a value of EUR 436 million, and 141 on negotiated procedures, with a total value of EUR 64 million; notes that the total number of contracts awarded by negotiated procedures was 14 % lower in 2016 (141 against 151 in 2015) with a reduction in value of 29 % (EUR 64 million against EUR 90 million in 2015);

128. Notes the following breakdown of contracts by type awarded in 2016 and 2015:

Type of contract	2016		2015	
	Number	Percentage (%)	Number	Percentage (%)
Services	169	77	194	77
Supply	36	16	34	13
Works	13	6	18	7
Building	1	1	8	3
Total	**219**	**100**	**254**	**100**

Type of contract	2016		2015	
	Value (EUR)	Percentage (%)	Value (EUR)	Percentage (%)
Services	244 881 189	49	539 463 943	70
Supply	155 805 940	31	78 424 245	11
Works	97 640 851	19	92 889 168	12
Building	1 583 213	1	55 804 154	7
Total	**499 911 194**	**100**	**766 581 510**	**100**

(Annual report on the contracts awarded by the European Parliament, 2016, p. 6)

129. Notes the following breakdown of contracts awarded in 2016 and 2015 by type of procedure used:

Type of procedure	2016		2015	
	Number	Percentage (%)	Number	Percentage (%)
Open	70	32	93	37
Restricted	7	3	10	4
Negotiated	141	64	151	59
Competition	—	—	—	—
Exceptional	1	1	—	—
Total	**219**	**100**	**254**	**100**

([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).

Type of procedure	2016		2015	
	Value (EUR)	Percentage (%)	Value (EUR)	Percentage (%)
Open	406 408 732	81	636 333 284	83
Restricted	29 190 756	6	40 487 367	5
Negotiated	64 284 705	13	89 760 859	12
Competition	—	—	—	—
Exception	27 000	0	—	—
Total	**499 911 194**	**100**	**766 581 510**	**100**

(Annual report on the contracts awarded by the European Parliament, 2016, p. 8)

Political groups (budget item 4 0 0)

130. Notes that, in 2016, the appropriations entered under budget item 4 0 0, attributed to the political groups and non-attached Members, were used as follows:

Group	2016					2015				
	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
EPP	17 400	8 907	18 303	105,19	8 005	17 440	10 198	17 101	98,06	8 745
S&D	15 327	5 802	15 713	102,51	5 417	15 256	5 748	15 379	100,81	7 633
ECR	6 125	2 518	5 835	95,25	2 809	5 959	1 614	5 065	84,99	2 779
ALDE	5 759	2 366	6 448	111,98	1 676	5 692	2 517	5 865	103,03	2 839
GUE/NGL	4 340	1 729	4 662	107,43	1 407	4 305	1 256	3 832	89,02	2 156
Greens/ EFA	4 180	1 557	3 921	93,82	1 815	4 153	1 293	3 890	93,67	2 078
EFDD	3 820	1 873	2 945	77,10	1 910	3 843	1 643	3 629	94,45	1 919
ENF (**)	—	—	—	—	—	1 587	0	827	52,09	793

Group	2016					2015				
	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
Non-attached Members	772	216	616	79,90	257	1 627	533	1 001	61,51	214
Total (***)	**57 723**	**24 968**	**58 443**	101,25	**23 296**	**59 860**	**24 803**	**56 588**	94,53	**29 155**

(*) all amounts in thousands EUR.
(**) the final amounts of eligible expenses relating to the ENF group will be established at a later stage.
(***) the total does not include amounts related to the ENF group.

131. Notes with concern that, in the case of one political group, the independent external auditor issued a qualified audit opinion; is particularly concerned that the auditor identified non-compliance with the 'Rules on the use of appropriations from budget item 400' in the instances of costs for which adequate supporting documentation could not be obtained, as well as in the instance of procurement obligations not having been met for 10 service providers;

132. Expresses its concern at the reputational risk for Parliament that any such irregularities constitute and is convinced of the need for quick and effective action to prevent and address any similar irregularities in the future;

European political parties and European political foundations

133. Notes that, in 2016, the appropriations entered under budget item 4 0 2, attributed to the political parties were used as follows ([1]):

Party	Abbreviation	Own resources	EP grant	Total revenue ([1])	EP grant as % of eligible expenditure (max. 85 %)	Revenue surplus (transfer to reserves) or loss
European People's Party	EPP	1 734	6 918	10 650	85	304
Party of European Socialists	PES	1 408	7 154	9 512	85	12
Alliance of Liberals and Democrats for Europe Party	ALDE	611	2 337	3 162	85	88
European Green Party	EGP	502	1 795	2 587	85	78
Alliance of European Conservatives and Reformists	AECR	472	2 292	3 232	85	– 240
Party of the European Left	EL	335	1 594	2 119	85	25
European Democratic Party	PDE	107	518	625	85	4
EUDemocrats	EUD	54	238	341	85	11

([1]) All amounts in thousands of EUR.

Party	Abbreviation	Own resources	EP grant	Total revenue ([1])	EP grant as % of eligible expenditure (max. 85 %)	Revenue surplus (transfer to reserves) or loss
European Free Alliance	EFA	158	777	1 008	85	5
European Christian Political Movement	ECPM	109	493	665	85	0
European Alliance for Freedom	EAF	68	391	459	85	– 40
European Alliance of National Movements	AEMN	61	229	391	85	0
Movement for a Europe of Liberties and Democracy	MENL	189	785	1 020	85	0
Alliance for Peace and Freedom	APF	62	329	391	85	– 5
Total		5 870	25 850	36 160	85	242

([1]) Total revenue includes previous year's carry-over in accordance with Article 125(6) of the Financial Regulation.

134. Notes that, in 2016, the appropriations entered under budget item 4 0 3, attributed to the political foundations were used as follows ([1]):

Foundation	Abbreviation	Affiliated to party	Own resources	EP final grant	Total revenue	EP grant as % of eligible expenditure (max. 85 %)
Wilfried Martens Centre for European Studies	WMCES	EPP	965 665	4 878 174	5 843 839	85
Foundation for European Progressive Studies	FEPS	PES	1 041 910	4 430 253	5 472 163	84
European Liberal Forum	ELF	ALDE	248 996	1 126 430	1 375 426	85
Green European Foundation	GEF	EGP	204 866	1 090 124	1 294 990	85
Transform Europe	TE	EL	217 209	901 484	1 118 693	85
Institute of European Democrats	IED	PDE	50 690	272 033	322 724	85

([1]) All amounts in thousands of EUR.

Foundation	Abbreviation	Affiliated to party	Own resources	EP final grant	Total revenue	EP grant as % of eligible expenditure (max. 85 %)
Centre Maurits Coppieters	CMC	EFA	71 952	318 411	390 362	85
New Direction — Foundation for European Reform	ND	AECR	316 916	1 503 964	1 820 880	85
European Foundation for Freedom	EFF	EAF	41 923	226 828	268 751	85
Organisation For European Interstate Cooperation (*)	OEIC	EUD	21 702	126 727	148 429	99
Christian Political Foundation for Europe	SALLUX	ECPM	61 024	326 023	387 047	85
Identités & Traditions européennes	ITE	AEMN	37 896	184 685	222 581	85
Foundation for a Europe of Nations and Freedom	FENL	MENL	96 726	549 357	646 084	85
Europa Terra Nostra	ETN	APF	37 461	151 403	188 864	85
Total (**)			**3 414 937**	**16 085 895**	**19 500 832**	**85**

(*) the final grant for OEIC represents 99 % of the expenditure, because some of them were reclassified to non-eligible expenditure thereby lowering the total eligible expenditure.
(**) the table does not include the figures for the IDDE due to 2016 grant termination procedure. Grant decision ongoing.

135. Is concerned at the recently identified irregularities which have occurred in relation to the expenditure and own resources of a number of European political parties and foundations;

136. Expresses its concern at the reputational risk for Parliament any such irregularities constitute and is convinced of the need for quick and effective action to prevent and address any similar irregularities in the future; considers however that these irregularities are limited to a modest number of political parties and foundations; is of the opinion that these irregularities should not bring into question the financial management of the other political parties and foundations; takes the view that Parliament's internal control mechanisms need to be strengthened;

137. Calls on the Secretary-General to report, by 1 May 2018, to the committees responsible on all measures taken to combat the abuse of granted subsidies;

138. Requests that the newly established Authority for European Political Parties and European Political Foundations submit a progress report to Parliament after its first year of activity, namely 2017; calls on the Secretary-General to ensure that the authority will have at its disposal all necessary resources to fulfil its tasks;

139. Considers that, where people are employed by parties and foundations, the labour law and social legislation of the Member State where the work is carried out must be fully complied with; calls for internal audits to include analysis of this aspect.

DECISION (EU) 2018/1311 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section II — European Council and Council

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2016 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2016 (COM(2017) 365 — C8-0249/2017) ([2]),

— having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2016, together with the institutions' 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([5]), and in particular Articles 55, 99, 164, 165 and 166 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0116/2018),

1. Postpones its decision on granting the Secretary-General of the Council discharge in respect of the implementation of the budget of the European Council and of the Council for the financial year 2016;

2. Sets out its observations in the resolution below;

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

The President — *The Secretary-General*

Antonio TAJANI — Klaus WELLE

([1]) OJ L 48, 24.2.2016.
([2]) OJ C 323, 28.9.2017, p. 1.
([3]) OJ C 322, 28.9.2017, p. 1.
([4]) OJ C 322, 28.9.2017, p. 10.
([5]) OJ L 298, 26.10.2012, p. 1.

RESOLUTION (EU) 2018/1312 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section II — European Council and Council

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section II — European Council and Council,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0116/2018),

A. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;

1. Notes that in its 2016 annual report, the Court of Auditors observed that no significant weaknesses had been identified with respect to the audited topics related to human resources and procurement for the European Council and Council;

2. Notes that in 2016, the European Council and the Council had an overall budget of EUR 545 054 000 (compared to EUR 541 791 500 in 2015), with an implementation rate on average of 93,5 %; notes the increase of EUR 3,3 million (equivalent to 0,6 %) in the 2016 budget of the European Council and the Council;

3. 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;

4. Expresses its support for the successful paradigm shift towards performance-based budgeting in the Commission's budget planning introduced by Vice-President Kristalina Georgieva in September 2015 as part of the 'EU Budget Focused on Results' initiative; encourages the European Council and the Council to apply the method to their own budget-planning procedure;

5. Regrets that the European Ombudsman found in its strategic inquiry on the 'Transparency of the Council legislative process' (OI/2/2017/TE), concluded on 9 February 2018, that the current practice of the Council which inhibits the scrutiny of draft Union legislation constitutes maladministration; urges the Council to comply with the Ombudsman's recommendations and suggestions for improvement to facilitate the public's access to documents; underlines the importance of transparency for the Council to be accountable to Union citizens in its role as a Union legislator; asks to be informed of the Council's reply and the progress of the procedure;

6. Notes that travel expenses of delegations and interpretation still accounted for substantial under-spending in 2016 within DG Administration; takes note of a new policy being negotiated with the Member States to overcome this issue;

7. Calls on the Council to provide full details on the human resources and facilities at the disposal of the ATHENA mechanism to guarantee the maximum level of transparency with respect to that mechanism;

8. Maintains its concern with respect to the very high amount of appropriations being carried over from 2016 to 2017, particularly those for technical furniture, equipment and computer systems; reminds the Council that carry-overs are exceptions to the principle of annuality and should reflect actual needs;

9. Reiterates its call for the overview of human resources to be broken down by category, grade, gender, nationality and vocational training;

10. Notes the existence of a gender balance policy in the General Secretariat of the Council (GSC); welcomes the positive trend of women's representation in management posts, which had reached 31 % at the end of 2016; calls on the Council to continue with the gender balance policy toward a truly balanced presentation of both genders in management posts;

11. Welcomes the information regarding the occupational activities of former senior officials of the GSC who left the service ([1]) in 2016;

12. Notes that in 2016 the Secretary-General of the Council published his Decision 3/2016 adopting internal rules for reporting serious irregularities — Procedures for the implementation of Articles 22a, 22b and 22c of the Staff Regulations ('Whistleblowing'); recalls that the protection of whistleblowers is an issue taken seriously within the public administration of the Union, which must always be considered carefully;

13. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources in order to help whistleblowers use the right channels to disclose information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;

14. Observes that the objective of the Council's establishment plan to comply with the interinstitutional agreement to reduce staff by 5 % over the period of five years was achieved on 1 January 2017;

15. Notes with concern that the late delivery of the Europa building had a significant impact on the 2016 budget of the European Council and of the Council; asks to be informed of the overall financial impact of the delay; regrets that there is still a lack of information on the buildings policy and related expenditures, which should be public as a sign of transparency for the European citizens;

16. Reiterates its call for the building policy of the European Council and of the Council to be provided to the discharge authority; notes with satisfaction that the GSC obtained an EMAS certification in 2016 for its buildings;

17. Regrets that the Council has still not joined the Union transparency register despite being one of the most important institutions involved in the Union's decision-making process; therefore calls for a successful outcome of the interinstitutional negotiations between the Council presidency and representatives of the Parliament and the Commission that will lead the Council to finally join the transparency register;

18. Regrets the decision by the United Kingdom to withdraw from the Union; observes that at this point no predictions can be made about the financial, administrative, human and other consequences related to the withdrawal, asks the European Council and the Council to perform impact assessments and inform the Parliament of the results by the end of the year 2018;

State of play

19. Notes that failure to grant discharge has so far not led to consequences of any kind; stresses that the situation should be resolved as rapidly as possible in the interest of the citizens of the Union; recalls that the Parliament is the only institution directly elected by Union citizens and that its role in the discharge procedure is directly connected with the citizens' right to be informed of how public money is spent;

20. Notes that a proposal to negotiate an agreement with the Council on the budget discharge procedure was submitted by Parliament's Committee on Budgetary Control (CONT) to the Parliament's Conference of Presidents (CoP) on 11 September 2017;

21. Notes that on 19 October 2017 the CoP approved the request to mandate the CONT Chair and coordinators of the political groups to enter into negotiations on behalf of the Parliament with a view to achieving a mutually satisfactory agreement on the cooperation between the Parliament and the Council with respect to the discharge procedure in full respect of the different role of the two institutions in the discharge procedure;

22. Notes also that on 9 November 2017 a letter was sent to the Secretary-General of the Council, inviting submission of the Parliament's proposal to the responsible body of the Council in order to launch negotiations under the terms approved by the CoP;

23. Notes that in the meantime the Secretary-General of the Council was invited by CONT to attend the exchange of views with the secretaries-general of the other institutions, which took place on 4 December 2017, and that a written questionnaire was sent to the Secretary-General of the Council on 26 November 2017; deeply regrets that the Council reiterates its position of non-attendance to the exchange of views and that the questionnaire sent to the Council services with questions from the Members of Parliament remains unanswered;

([1]) Third and fourth paragraphs of Article 16 of the Staff Regulations of Officials of the European Union.

24. Recalls that the procedure of giving discharge separately to the individual Union institutions and bodies is a long-standing practice accepted by all the other institutions except the Council, and that this procedure has been developed to guarantee transparency and democratic accountability towards Union citizens;

25. Reiterates that the Council must take part fully and in good faith in the annual discharge procedure, just as the other institutions do, and regrets the difficulties encountered in the discharge procedures to date;

26. Underlines that, pursuant to the Treaties, Parliament is the only discharge authority of the Union, and that, in full acknowledgment of Council's role as an institution giving recommendations in the discharge procedure, a distinction must be maintained in respect of the different roles of Parliament and Council in order to comply with the institutional framework laid down in the Treaties and in the Financial Regulation;

27. Recalls that Parliament grants discharge to the other institutions after considering the documents provided, the replies given to the questions and after hearing the secretaries-general of the other institutions; regrets that Parliament repeatedly encounters difficulties in receiving answers from Council;

28. Considers that effective supervision of the Union's budget implementation requires cooperation between Parliament and Council and looks forward to starting negotiations with a view to reaching a mutually satisfactory agreement.

29. Notes that the nomination of the members of the Court of Justice of the European Union (CJEU) is the responsibility of the Member States under Articles 253 and 254 TFEU; highlights the importance of a timely nomination and appointment of judges for the performance of the CJEU; asks for a new rule setting a specific deadline for the (re) nomination of a judge well before the end of a judge's mandate and calls on the Council to weigh cost against benefits when appointing new judges to the CJEU; criticises the irregular nomination, without a call for applications, of two judges for the Civil Service Tribunal for a mandate which moreover lasted only from 14 April 2016 until 31 August 2016; notes with regret the costs associated with one of those judges taking up and ending his '4 month mandate', amounting to EUR 69 498,25 in addition to the salary received by the judge; condemns such a waste of Union taxpayers' money;

30. Notes furthermore that the General Court (Appeal Chamber, judgment of 23 January 2018 in Case T-639/16 P) ([1]) has considered a Second Chamber of the Civil Service Tribunal of the European Union constituted to include one of the '4 month mandate' judges to be irregular, which invalidated the decision referred to in the said judgment as well as all further decisions of the Second Chamber in that composition; asks the CJEU which decisions of the Second Chamber in that composition are affected by the General Court ruling; demands that the Council comment on this failure and clarify where responsibility lies for it.

([1]) ECLI:EU:T:2018:22.

DECISION (EU, EURATOM) 2018/1313 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section III — Commission

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2016 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2016 (COM(2017) 365 — C8-0247/2017) ([2]),

— having regard to the Commission's report on the follow-up to the discharge for the 2015 financial year (COM(2017) 379),

— having regard to the Commission's 2016 Annual Management and Performance Report for the EU Budget (COM(2017) 351),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2016 (COM(2017) 497), and to the accompanying Commission staff working document (SWD(2017) 306),

— having regard to the Court of Auditors' annual report on the implementation of the budget for the financial year 2016, 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2016 (05940/2018 — C8-0042/2018),

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

— having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,

— 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 ([5]) and in particular Articles 62, 164, 165 and 166 thereof,

— having regard to Rule 93 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A8-0137/2018),

A. whereas, under Article 17(1) of the Treaty on European Union, the Commission is to execute the budget and manage programmes and, pursuant to Article 317 of the Treaty on the Functioning of the European Union, is to implement the budget in cooperation with the Member States, on its own responsibility, having regard to the principles 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 2016;

2. Sets out its observations in the resolution forming an integral part of the decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section III — Commission and executive agencies, and in its resolution of 18 April 2018 on the Court of Auditors' special reports in the context of the Commission discharge for the financial year 2016 ([6]);

([1]) OJ L 48, 24.2.2016.
([2]) OJ C 323, 28.9.2017, p. 1.
([3]) OJ C 322, 28.9.2017, p. 1.
([4]) OJ C 322, 28.9.2017, p. 10.
([5]) OJ L 298, 26.10.2012, p. 1.
([6]) Texts adopted, P8_TA(2018)0122 (see page 71 of this Official Journal).

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Council, the Commission and the Court of Auditors, and to the national parliaments and the national and regional audit institutions of the Member States, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President — *The Secretary-General*

Antonio TAJANI — Klaus WELLE

RESOLUTION (EU, EURATOM) 2018/1314 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section III — Commission and executive agencies

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section III — Commission,

— having regard to its decisions on discharge in respect of the implementation of the budgets of the executive agencies for the financial year 2016,

— having regard to Rule 93 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A8-0137/2018),

A. Whereas Union spending is a significant instrument for achieving policy objectives and on average represents 1,9 % of Member States' general government expenditure;

B. Whereas when Parliament grants discharge to the Commission it checks whether or not funds have been used correctly and policy goals achieved;

C. Whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;

D. Whereas budgetary principles of unity, budgetary accuracy, annuality, equilibrium, universality, specification, sound financial management and transparency must be respected when the Union budget is implemented;

E. Whereas expenditure under the Union budget aims to improve the living conditions and quality of life of its citizens and therefore needs to close the gaps in its social policies;

F. Whereas the Union budget has to take into account the implementation of a social pillar;

G. Whereas cohesion policy is a source of public investment aiming to bring a clear added value and improve the quality of life of Union citizens,

Political priorities

1. Calls on the Commission and the Member States to align the Union's policy objectives and financial cycles, the legislative period of the Parliament and the mandate of the Commission;

2. Calls on the Commission to provide the Parliament with a mid-term evaluation of the current financial period and an evaluation of the past financial periods, to identify which programmes have not shown any clear added value and then carry out a spending review;

3. Recalls that the Commission should take into account in its proposals for a new Multiannual Financial Framework (MFF) that some policy areas, like cohesion or research, often rely on longer-term programming and need more time to achieve political objectives than other policy areas; considers that nevertheless, suitable flexibility should be given in emergency situations;

4. Insists that the Union budget, as a consequence of the 'budget focused on results initiative', be presented according to the Union's political objectives for the MFF; reminds, also in the light of the post-2020 MFF, that the Union budget should be a true European added value budget, aimed for common Union objectives promoting sustainable economic and social development of the whole Union, which cannot be achieved by individual Member States on their own and therefore should not be seen merely as a net balance or benefit of single Member States;

5. Expresses the need to establish an independent disclosure, advice and referral body in order to help whistleblowers use the right channels to disclose information on possible irregularities while protecting their confidentiality and offering needed support and advice;

6. Calls on the Commission to commit itself to fundamentally reviewing the young farmers' and greening schemes for the next MFF in light of the findings of the Court of Auditors (the 'Court');

7. Calls on the Commission to include in its performance reports assessments on the quality of the data used and a declaration on the quality of the performance information;

8. Calls on the Commission to provide the Parliament and the Court with more balanced reporting, by including in its performance reports more transparent information on challenges, pitfalls and failures;

9. Calls on the Commission to speed up the delivery of cohesion policy programmes and related payments with a view to reducing the length of the implementation period, initially, to year n+2;

10. Calls on the Commission to fulfil the original 20 % spending target in integrating climate action into the various Union spending programmes;

11. Insists that the Commission finally instruct all its directorates-general to publish their proposals for country specific recommendations in their respective annual activity reports (AARs), as called for by Parliament;

12. Calls on the Commission to improve the transparency of migration policy financing as recommended by the Court in its annual report for 2016 and to actively monitor public procurement procedures when they are held in emergency situations;

13. Also calls on the Commission to improve the transparency of research and rural development policies with the aim of identifying and correcting the causes of particularly high and persistent error rates, as indicated in the Court's annual reports;

14. Calls on the Commission to improve transparency for trust funds and for the external assistance management reports, regularly providing all data at its disposal;

15. Calls on the Commission to negotiate a reduction in the fees charged by the European Investment Bank for creating and administering financial instruments and to present information about the beneficiaries and the results achieved by means of these instruments regularly;

16. Calls on the Commission to speed up the preparation of the Union accounts, to ensure that reliable information from Member States on shared management spending is obtained in a more timely manner and to present the management's view on Union spending earlier and together with the accounts, with the view to adopting a discharge decision in year n+1, while ensuring high data quality and sound financial management;

The Court's Statement of assurance

17. Welcomes the fact that the Court has given a clean opinion on the reliability of the accounts for 2016, as it had done since 2007, and that the Court concluded that revenue was free from material error in 2016; notes with satisfaction that the commitments underlying the accounts for the year ended 31 December 2016 are legal and regular in all material respects;

18. Welcomes the positive trend of the most likely error rate issued by the Court compared to that of recent years since the payments are affected in 2016 by a most likely error rate of 3,1 %; recalls that the most likely error rate for payments was estimated in the financial years 2015 at 3,8 %, 2014 at 4,4 %, 2013 at 4,7 %, 2012 at 4,8 %, 2011 at 3,9 %, 2010 at 3,7 %, 2009 at 3,3 %; 2008 at 5,2 %, and 2007 at 6,9 %; as the Court's s estimated error rate is not final, considers it important that Commission's residual error rate be taken into account when assessing the efficiency of Union funding;

19. Stresses that, due to the different methodology required for its calculation, the estimated level of error for cohesion does not include a quantification of 2016 disbursements to financial instruments amounting to EUR 2,5 billion that the Court considers to be outside the eligibility period defined in Article 56(1) of Council Regulation (EC) No 1083/2006 ([1]); notes that if the Court had quantified this irregularity, the most likely error rate would have been considerably higher; deplores the Commission's unilateral decision to accept expenditures up to 31 March 2017; points out that the Commission should have prepared the necessary legislative proposal to put an end to this irregularity;

20. Regrets that the increased use of financial instruments to decrease the value of the Union budget involves higher risks for accountability and the coordination of Union policies and operations;

21. Points out that there is not enough information available for an appropriate evaluation of financial instruments, in particular with regard to their social and environmental impact; emphasises that financial instruments can supplement grants but should not replace them;

22. Notes with satisfaction that for the first time in 23 years, the Court has issued a qualified (rather than an adverse) opinion on the legality and regularity of the payments underlying the accounts, which means that in the Court's view, there has been an important improvement in the management of Union finances, as well as that material error was confined mainly to reimbursement-based expenditure, representing around half of the audited payments;

23. Regrets that for the 23rd year in a row, payments are materially affected by error because of the fact that the management and control systems are only partially effective at ensuring sound financial management and timely payment;

24. Notes with concern that if the corrective measures taken by the Member States and the Commission had not been applied to the payments audited by the Court, the overall estimated level of error would have been 4,3 % rather than 3,1 % (i.e. the same level as in 2015; see Court's annual report 2016, paragraph 1.34);

25. Notes that the type of management has a limited impact on the level of error as the Court finds the same estimated level of error under shared management with the Member States and for all other forms of operational expenditure managed directly by the Commission, namely 3,3 %;

26. Points out that the Court found the highest estimated levels of error in spending for rural development, environment, climate action and fisheries (4,9 %), for economic, social and territorial cohesion (4,8 %) and for competitiveness for growth and jobs (4,1 %), whilst administrative expenditure had the lowest estimated level of error (0,2 %);

27. Notes that according to the findings of the Court, the different risk patterns of reimbursement schemes and entitlement schemes have had a major influence on the levels of error in the different spending areas; where the Union reimburses eligible costs for eligible activities on the basis of cost declarations made by beneficiaries, the level of error is 4,8 % (5,2 % in 2015), whilst where payments are made on meeting conditions rather than reimbursing costs, the error rate is 1,3 % (1,9 % in 2015);

Annual Management and Performance Report (AMPR) ([2]): management achievements

28. Points out that beyond the appearance of convergent conclusions made by the Commission and the Court, the statement made by the Court in its annual report and the analysis put forward by the Commission in its 2016 AMPR are partially divergent;

29. Notes, in particular, that the Commission points out in its 2016 AMPR that the reservations issued by the directors general in their AARs have increased and amount to EUR 35,3 billion, which corresponds to 26 % of the payments (in 2015 it was EUR 29,8 billion and 21 % of payments);

30. Points out that according to the Commission, the actual financial impact in terms of amount at risk at reporting has also increased in 2016 to EUR 1,6 billion (in 2015 it was EUR 1,3 billion);

([1]) Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999 (OJ L 210, 31.7.2006, p. 25).

([2]) COM(2017) 351, Section 2.2.

31. Points out that the Commission notes in its 2016 AMPR a deterioration of the financial management indicators in terms of AARs reservations and explains it by the difficulties of putting in place new and more demanding schemes, notably greening ([1]), while the Court points out a clear amelioration in this very precise policy area;

32. Notes in particular that the Court states that the European Agricultural Guarantee Fund (EAGF) 'is at 1,7 % "free from material error", which is a real improvement by comparison with 2015, when it was 2,2 %, and estimates the level of error for entitlement-based expenditure at 1,3 %, while observing that the biggest part of first pillar of the CAP is included in this kind of expenditure;

33. Takes note of the Court's assertion that in expenditure the error is not "pervasive" (Court's annual report 2016, paragraph 1.8); calls on the Commission and the Court to align their methods using the international audit standards before issuing the next annual report or AAR;

34. Stresses that the Commission finds in its 2016 AMPR that spending is affected by a material level of error, given that the Commission's overall average error rate is estimated to be between 2,1 % and 2,6 % (having been in 2015 between 2,3 % and 3,1 %) of total relevant expenditure, and the related estimated overall amount at risk at payment is between EUR 2,9 and 3,6 billion (while in 2015 it was between EUR 3,3 and 4,5 billion);

35. Notes that this decrease is, according to the Commission, mainly due to cohesion's lower inherent risk of error for programmes of the current MFF; is surprised by this explanation given the very low level of budget implementation in this area; calls on the Commission to further explain the matter;

36. Points out that this low rate of implementation can be explained by the fact that in cohesion no expenditure was certified in the annual accounts submitted to the Commission in 2016, nor were any financial corrections imposed by the Commission following its audit activity ([2]);

37. Notes that the Commission estimates that it will in the future years identify and correct errors for between EUR 2,0 and 2,1 billion, or between 1,5 % and 1,6 %;

38. Shares the view of the Court that the Commission's methodology for estimating its amount at risk error has improved over the years but that "individual DGs" estimations of the level of irregular spending are not based on a consistent methodology'; calls on the Commission to use the same methodology to estimate its amount at risk error for all DGs and to inform the discharge authority of its progress;

39. Notes that despite improvements, the Commission has not eliminated the risk that the impact of corrective actions is overstated;

40. Points out in particular that for more than three quarters of 2016 expenditure, Commission directorates general base their estimates of amount at risk on data provided by national authorities, whilst it — regrettably — appears from the AARs of the concerned Commission directorates-general (in particular DG AGRI and DG REGIO) that while Member States' control reports reflect the error detected by the Member State, the reliability of some management and control systems remains a challenge; stresses the importance of Member States' data reliability;

41. Points out that, owing to the specificity of multi-annual programming and the fact that errors can be corrected more than 10 years after they have occurred, it is insufficient and artificial to base the estimated impact of future corrections upon recorded corrections over the last six years;

42. Points out that in the Financial Statement Discussion and Analysis (FSDA) the Commission reports total implemented financial corrections and recoveries amounting to EUR 3,4 billion (3,9 in 2015), that around EUR 0,6 billion (1,2 billion in 2015) of the corrections and recoveries were at source (applied before the Commission accepted expenditure) and that of the remaining EUR 2,8 billion, around EUR 0,6 billion represents withdrawals by Member States applied after accepting expenditure by replacing ineligible amounts with new cohesion projects;

([1]) 2016 AMPR, Section 2.2, DG AGRI, AAR annex 10, p. 140.
([2]) 2016 AMPR, annex 4, p. 20.

43. Strongly reiterates its call on the Commission and the Member States to put in place sound procedures to confirm the timing, the origin and the amount of corrective measures and to provide information reconciling, as far as possible, the year in which payments are 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;

Commission internal governance tools

44. Recalls the opinion expressed by the Court in its Special Report No 27/2016 that the distinction introduced by the Kinnock-Prodi reform between the 'political responsibility of Commissioners' and the operational responsibility of directors-general means that it has not always been made clear whether 'political responsibility' encompasses assuming responsibility for budget implementation for the directorates-general, or is distinct from it;

45. Points out that the College of Commissioners does not produce an annual statement on governance, in line with best practice and the common practice of Member States; calls on the Commission to produce an annual statement on governance in order to provide for a higher transparency and accountability of its College;

46. Asks the Commission to implement recommendation number 2 of the Court's Special Report No 27/2016 and, in addition, accompany its financial statements with an annual statement on governance and on internal control covering in particular:

(a) a description of the internal governance tools of the Commission,

(b) an assessment of the operational and strategic risk activities during the year and a mid- and long-term fiscal sustainability statement;

Political reservations

47. Endorses the reservations issued by the directors general of DG REGIO, EMPL, MARE, HOME, DEVCO and AGRI, in their AAR; is of the opinion that those reservations demonstrate that the control procedures put in place in the Commission and the Member States can give the necessary guarantees concerning the legality and regularity of all the underlying transactions in the corresponding policy areas if necessary correction procedures are implemented successfully;

Budgetary and financial management

48. Points out that the delays in the implementation of programmes in the first three years of the current MFF due to the late adoption of the 2014-2020 MFF and considerable novelties introduced for the 2014-2020 period which caused administrative difficulties despite efforts at simplification, led to the transfer of commitment appropriations from 2014, mainly to 2015 and 2016, and to low payments in 2016 (and implementation of the Union budget at 7 % in 2014-2016 period of the current MFF); however points out that 2017 was the first year when the implementation of European Structural and Investment Funds (ESI funds) programmes accelerated; expects that this trend will continue in 2018 and 2019; believes that sufficient levels of payment and appropriations for commitments should be provided in order for implementation to proceed smoothly;

49. Notes with concern the complicated web of arrangements within and around the Union budget as this hampers accountability, transparency, public scrutiny and democratic oversight of the Union budget and financial arrangements linked to it; regrets, in this regard, the lack of the unity of the Union budget, and fully shares the Court's concern as regards the complexity of the Union budget;

50. Fears that despite the extensive use of special instruments (the Emergency Aid reserve, the European Union Solidarity Fund, the European Globalisation Adjustment Fund and the Flexibility Instrument) and margins, the amounts left may not be sufficient to fund unexpected events that may still occur before 2020;

51. Notes with concern that a record level of outstanding commitments has been created, reaching by the end of 2016 an all-time high of EUR 238 billion, 72 % higher than in 2007 and equivalent to 2,9 years of payments compared to 2,2 years in 2007; considers that this has increased the amounts owed by the Union and thus the financial exposure of the Union budget;

52. Regrets that the overall financial exposure of the Union budget has grown, with significant long-term liabilities, guarantees and legal obligations implying that careful management needs to be applied in the future;

53. Recalls that the Union is making increasing use of financial instruments and regrets that the establishment of European Fund for Strategic Investments (EFSI) creates new governance arrangements with a level of public scrutiny that remains unsatisfactory, thus requiring more careful surveillance by Parliament; highlights that any legislative proposal should improve significantly the geographical coverage of the EFSI; recalls that the EFSI should remain an additional tool for boosting investments as cohesion policy should remain the investment policy of the Union; notes, however, the successful implementation and the high amount of private capita leveraged by the fund, and acknowledges the further enhancements agreed on its transparency during negotiations for the extension of the duration of EFSI, referred to as EFSI 2.0; calls on the Court to strengthen its overview of the planning and the spending phase of the ESI funds;

54. Recalls that the revision of the Financial Regulation represents a big step forward in this regard, as it proposes, thanks to input from the Parliament, a more efficient presentation of financial instruments and, for the first time, provides budgetary guarantees and financial assistance within that framework;

55. Points out that, in line with the principles of cohesion policy, Union funds form a significant share of some Member States' expenditure, and in particular that in nine Member States (Lithuania, Bulgaria, Latvia, Romania, Hungary, Poland, Croatia, Estonia, Slovakia,) outstanding commitments on ESI funds represent financial support of more than 15 % of general government spending; calls on the Commission to also prepare a positive advertising campaign with a view to informing citizens of these countries in more detail about the direct benefits of their membership;

56. Fears that Member States where ESI funds represent a significant percentage of general government expenditure may find it challenging to identify sufficiently high quality projects on which to spend the available Union funds or to provide co-financing; calls on the Commission and the Court to pay greater attention to the sustainability aspect of the proposed investment projects and to critically assess their adequacy;

57. Is concerned at the reasons why, three years after the start of the 2014-2020 period, Member States had designated only 77 % of the programme authorities responsible for implementing ESI funds; is satisfied, however, that at present this figure stands at 99 %; questions the need to modify procedures at the beginning of each programming period; calls on the Commission to analyse carefully why some regions still have a low fund absorption rate and to take specific actions aimed at resolving the structural problems;

58. Stresses that the volume of Union funds and timing of their receipt can have a considerable macroeconomic impact, such as on investment, growth and jobs;

59. Stresses that public investment is necessary in order to close the investment gap and to boost jobs and growth and to ensure social standards within the Union;

60. Notes that the Commission mobilised various resources to deal with the refugee and migration crisis, but regrets that it did not establish a reporting structure to enable it to report comprehensively on the use of the funds involved; deplores the fact that it is currently impossible to know how much is spent on each migrant or refugee;

61. Notes that — as to the financial instruments in cohesion policy — payments to final recipients were reported as EUR 15 192,18 million at closure (31 March 2017), out of which EUR 10 124,68 million were structural funds, reaching a disbursement rate to final recipients of almost 93 % of the operational programme amounts paid to financial engineering instruments, i.e. a 20 % increase compared to what was reported at the end of 2015;

62. Notes that disbursement rates to final recipients reported varied widely between financial engineering instruments, with variations not only between Member States ranging from 60 % to 99 % but also between areas of intervention;

63. Fears that a backlog of payments may develop towards the end of the current MFF and in the first few years of the next MFF; considers that financing the new MFF will require realistic budgetary appropriations to cover projected outstanding commitments;

Measures to be taken

64. Calls on the Commission:

(a) to take into account the growth in outstanding commitments in its forecast of payment appropriations for the next MFF, in order to help ensure an orderly balance between commitment and payment appropriations;

(b) to make proposals to the Parliament and the Council, ensuring a consistent approach to the issue of whether or not special instruments are counted within the ceilings for payment appropriations in the MFF;

(c) for management and reporting purposes, to establish a way of recording Union budgetary expenditure that will make it possible to report on all funding related to the refugee and migration crisis;

(d) to provide the Parliament in the context of discharge with a comprehensive report about the indirect managed and implemented Union budget resources by the European Investment Bank (EIB) Group (EIB and European Investment Fund (EIF)) apart from its external mandate starting with financial year 2017;

(e) in the context of the debate on the future of Europe, to consider how the Union budgetary system could be reformed to provide an adequate budget to guarantee funding for the planned policies, a better balance between predictability and responsiveness as well as how best to ensure overall funding arrangements are no more complex than necessary to meet Union policy objectives and guarantee accountability;

(f) to consider as well the possibility to enable authorities designated or accredited to fulfil management, certification and audit functions during the period 2014-2020, which have proven their capacity, to continue implementing such functions in the next programming period without interruption or delay;

(g) Requests once again that the Commission establish annually an updated long-term cash-flow forecast, spanning a seven to ten year time horizon covering budgetary ceilings, payments needs, capacity constraints and potential de-commitments in order to better match payment needs and available funds;

(h) to proactively assist Member States which encounter difficulties with timely and smooth absorption of available Union funding by using the available resources for technical assistance at the initiative of the Commission;

Getting results from the Union budget

65. Notes with concern that the Commission uses two sets of objectives and indicators to measure the performance of its services and of spending programmes with hardly any cross-references, which hampers comparability between different types of performance documents; regrets the virtual non-existence of usable and efficient impact and outcome indicators to measure, and to distribute information about, the performance of Union expenditure;

66. Points out that the AARs of the directors general report on the annual payments of directorates-general by type of activity or spending programme, whilst on performance they report on the achievement of general and specific objectives with no indication of the corresponding expenditure; disagrees with Commission's explanation that it is not possible to assess how much was spent on pursuing the set objectives; calls on the Commission to fully implement the performance-based budgeting principle of budget planning, implementation and reporting, which will allow *ex post* reporting on the funds spent in pursuit of objectives;

67. Recalls that, in 2016, the OECD carried out a performance budgeting survey in OECD countries and at the Commission; in this regard, welcomes the OECD's acknowledgement of the quality of the data and of the implementation of the Union's budget; recalls that the OECD considered the Commission's performance framework to be the most extensive, which may partly be explained by the number of legal requirements in the Union;

68. Notes that the OECD chart indicates that the use and consequences of the framework for decision-making do not reflect this higher level of specification (Court's annual report 2016, paragraph 3.21);

69. Notes that the programme statements for the Union's 2017 draft general budget contain 294 objectives and 709 indicators, which are particularly highly concentrated under MFF headings 1a, 3, 4, and that through the 'budget focused on results' initiative, the Commission is currently undertaking a review of its indicators to provide input for the next generation of spending programmes; stresses that the Commission should mainly use results indicators that have a value relevant to performance;

70. Stresses the need for a transparent and democratic process of establishing performance indicators involving all the Union institutions, partners and stakeholders concerned in order to make the indicators adequate for measuring the implementation of the Union budget, as well as to meet the expectations of Union citizens;

71. Calls on the Commission to consult academics with a view to defining the proper performance indicators needed for the 'budget focused on results' measurements and, on that basis, prioritise investment in public goods with the aim of addressing citizens' concerns;

72. Regrets that the AARs of the directors general of the Commission reviewed by the Court contained limited information on the performance shortfalls and challenges relating to the objectives of the directorates-general (Court's annual report 2016, paragraph 3.26);

73. Regrets that the AMPRs for 2015 and 2016 did not provide comprehensive coverage of performance and were overly positive, the only shortfalls to which they refer being implementation delays; regrets that the reports also:

(a) provided limited insight into the results of the Europe 2020 strategy, whereas this was requested by the Parliament in its 2014 discharge decision;

(b) did not always clearly explain the influence of external factors on results;

(c) were published too late to be reviewed by the Court in its annual report;

74. Endorses the view expressed by the Court (Court's annual report 2016, paragraph 3.38) that the evaluators should make recommendations for consideration by the Commission including action plans addressing weaknesses;

75. Deplores the fact that the Commission has not carried out a study on its use of evaluation results, or had one carried out, since 2005;

76. Points out that the Commission has no documented institutional system for the regular follow-up of evaluations;

77. Points out, in particular, that in practice the 2016 management plans of the directorates-general established no basis for monitoring the follow-up on evaluation;

78. Furthermore, regrets that as the Commission does not have an overview of the conclusions, recommendations or action plans resulting from its evaluations, or track their implementation at institutional or directorate-general level, it cannot inform stakeholders about the positive impact of evaluations;

79. Regrets that AARs do not include a declaration on the quality of the reported performance data, and that consequently in adopting the AMPR, the College of Commissioners takes overall political responsibility for the management of the Union budget but not for the information on performance and results;

80. Welcomes and takes a careful note of the Court's observations on performance frameworks and reporting by entities within and outside the Union, especially as regards performance data quality and declarations on the quality of performance data;

81. Notes that there is no central performance website with information from all Commission departments on every area of the Union budget;

82. Shares the opinion of the Court that the performance reporting framework applied by the Commission could benefit from adopting international good practices;

Measures to be taken

83. Asks the Commission to:

(a) streamline performance reporting by:

— further reducing the number of objectives and indicators it uses for its various performance reports and focusing on those which best measure the performance of the Union budget; in preparing the next MFF, the Commission should propose fewer and more appropriate outcome and impact indicators for the legal framework of the next generation of programmes; in this context, it should also consider the relevance of indicators for which information cannot be obtained until several years have elapsed;

— presenting financial information in a manner that makes it comparable with performance information so that the link between spending and performance is clear;

— explaining and improving the overall coherence between its two sets of objectives and indicators for programmes on the one hand and directorates-general on the other;

(b) better balance performance reporting by clearly presenting information on the main challenges still to be achieved;

(c) better demonstrate that evaluation results are well used by requiring in particular that evaluations always include conclusions or recommendations, which the Commission should subsequently follow up;

(d) take overall political responsibility in the AMPR for the information on performance and results and indicate, to the best of its knowledge, whether the performance information provided is of sufficient quality;

(e) make performance information more easily accessible by developing a dedicated web portal and search engine;

Presentation of the Union budget

84. Notes that the budget of the Union is presented in sections corresponding to activities led by the institutions (activity-based budgeting); considers that this presentation does not ensure a clear and rapid understanding of the objectives pursued; by contrast notes that the MFF is presented by headings corresponding to policy areas;

85. Notes that the operational programmes accompanying the draft budget make the link between each budget line and the political objectives pursued;

86. Asks the Commission to present the Union budget according to the political objectives of the MFF;

Revenue

87. Welcomes the fact that the Court's overall audit evidence indicates that revenue is not affected by a material level of error and that the examined systems for revenue-related systems are overall effective; but notes that for the traditional own resources, the key internal controls in certain Member States visited by the Court were nevertheless only partially effective;

88. Notes with concern that European Anti-Fraud Office (OLAF) concluded in early 2017 an investigation on a case of fraud in the United Kingdom which involves a possible loss of EUR 1,987 billion to the Union budget in terms of customs duties due on textiles and shoes imported from China through the United Kingdom in the period 2013-2016; points out that the investigation also revealed substantial VAT evasion in connection with imports through the United Kingdom through abuse of the suspension of VAT payments (customs procedure 42);

89. Notes with concern that as to the revenue for 2016, the director general of DG Budget has issued a reservation for the traditional own resources revenue, in view of the OLAF's fraud case related to United Kingdom customs duties;

90. Points out that for 2016 the revenue affected by the quantified reservation is approximately EUR 517 million against a total amount of EUR 20,1 billion of traditional own resources: i.e. 2,5 % of traditional own resources or 0,38 % of all resources; calls on the Commission to provide precise information on this fraud case, which may also indirectly affect the Value Added Tax basis of some Member States and thus Value Added Tax-related resources plus the Gross National Income-related balancing of the Commission ([1]);

91. Regrets the Commission's findings that by October 2017, the United Kingdom authorities had not introduced remedial measures to prevent continued traditional own resource losses; notes that from 12 October 2017 the United Kingdom authorities started to apply temporarily value thresholds at clearance to certain traders (so called Customs Operation Swift Arrow) with immediate result that the traditional own resources losses incurred in the United Kingdom decreased dramatically;

([1]) See 2016 AMPR, Section 2.2.

92. Regrets the discrepancies in the level of customs checks between the various Member States; highlights the importance of harmonising checks at all points of entry into the customs union and calls on the Member States to ensure a coordinated, uniform and efficient implementation of the border system that discourages diverging practices between Member States to reduce the number of existing loopholes in customs check systems; calls on the Commission, in this respect, to examine different customs check practices in the Union and their impact on the deviation of trade, focusing in particular on Union customs practices at external borders, and to develop reference analyses and information on customs operations and the procedures used in the Member States;

93. Calls on the Commission to develop an action plan to ensure the full and timely implementation of the VAT regulations in each and every Member State in order to secure this source of Union own resources;

94. Recalls that the new decision on the Union's own resources system ([1]), which entered into force on 1 October 2016, with retroactive effect from 1 January 2014, stipulated that when considering GNI for own resources purposes, the European system of national and regional accounts (ESA 2010) accounting framework should be used, and that this foresees that research and development spending be considered as an investment (instead of current expenditure under the preceding ESA 95 scheme); notes that in the case of other programmes with high added value for the Union such as the CEF, this same consideration should be applied;

95. Notes that Ireland's reported GNI increased very significantly in 2015 because of multinational companies relocating R&D assets to the country;

96. Points out that the Commission has to carry out additional work to ascertain the potential implications of multinational activities for national accounts, in terms both of methodology and of the verification process and that it could trigger adjustments for the Member States' GNI contributions;

97. Points out, as to the management of traditional own resources, that the Court and the Commission found inefficiencies in the management of the amounts receivable (known as the B accounts) in some Member States;

98. Stresses that the Court found that in Belgium, post-clearance controls were selected based on the characteristics of individual transactions instead of on the risk profiles of companies and that post-clearance audits were not generally carried out (Court's annual report 2016, paragraph 4.18);

99. Regrets that the Commission noted that six Member States — Belgium, Estonia, Italy, Portugal, Romania, and Slovenia — either did not carry out any post-clearance audits or did not provide any information on these audits;

Measures to be taken

100. Requests that the Commission:

(a) take all the necessary measures to ensure the recovery of Union own resources that have failed to be collected by the United Kingdom authorities as to the import of textiles and shoes from China and put an end to VAT evasion;

(b) consider launching a timely infringement proceedings as to the United Kingdom customs duties case fraud;

(c) analyse, in cooperation with Member States, all the potential implications of multinational activities on the estimation of GNI, and provide guidance to them on how to deal with these activities when compiling national accounts;

(d) confirm, during the GNI verification cycle, that R&D assets have been correctly captured in Member States' national accounts, paying particular attention to the valuation of R&D assets and to residency criteria in cases where multinational activities have relocated;

([1]) Council Decision 2014/335/EU, Euratom of 26 May 2014 on the system of own resources of the European Union (OJ L 168, 7.6.2014, p. 105).

(e) bring forward proposals for new own resources in order to ensure the stability of the Union budget;

Competitiveness for growth and jobs

The findings of the Court

101. Notes that the Court issued, for the first time, a qualified opinion on the legality and regularity of payments underlying the accounts; stresses that reimbursement schemes remain more error prone than entitlement schemes; points out, however, that the data recorded under the chapter 'Competitiveness for growth and jobs' did not fundamentally change compared to previous years;

102. Recalls that research and innovation accounts for 59 % of spending, via the Seventh Framework Programme for Research and Technological Development 2007-2013 (the 'Seventh Research Framework Programme') and Horizon 2020 — the Framework Programme for Research and Innovation 2014-2020 ('Horizon 2020');

103. Notes that the Court estimated the error rate to be 4,1 %; that ineligible direct personnel costs accounted for 44 %, ineligible other direct costs for 12 %, indirect costs for 16 % and that ineligible projects or beneficiaries accounted for 16 %; observes, however, that in 19 cases where quantifiable errors were made by beneficiaries, the Commission or independent auditors had sufficient information to prevent, or to detect and correct the error before accepting the expenditure;

104. Observes that if the Commission or independent auditors had made proper use of all the information at their disposal, the estimated level of error for this chapter would have been 1,2 % lower;

105. Appreciates that the Commission has invested considerable efforts in simplification leading to reduction of administrative complexity, by introducing a new definition of additional remuneration for researchers, streamlining the Horizon 2020 work programme for 2018-2020, providing targeted support for start-ups and innovators and making wider use of simplified cost options; notes, however, that the Court sees both opportunities and risks in further simplifying the legal framework;

106. Acknowledges that the Court looked into performance issues in research and innovation projects; is however of the opinion that the results, looking at outcome, costs and dissemination, should be considered preliminary;

The AAR of Directorate-General for Research and Innovation (DG R&I)

107. Notes that, in line with the EU 2020 strategy, according to the 'Strategic Plan for 2016-2020', DG R&I pursued four objectives:

(a) a new boost for jobs, growth and investment;

(b) a connected digital single market;

(c) a resilient energy union with a forward looking climate-change policy; and

(d) becoming stronger global actor;

108. Welcomes the fact that in pursuing these objectives, Commissioner Moedas has established three priorities, namely 'open innovation', 'open science' and 'open to the world';

109. Notes that in order to measure progress towards the fixed objectives, DG R&I used five key performance indicators (KPI):

(a) the share of funds allocated to small and medium sized enterprises (SME) in Horizon 2020 to address societal challenges and promote enabling and industrial technologies and the share of the Union financial contribution being allocated through the SME instrument;

(b) the share of newcomers among successful applicants in Horizon 2020;

(c) climate-related and sustainability-related expenditure in Horizon 2020;

(d) the share of third-country participation in Horizon 2020;

(e) the share of grants signed with a time-to-grant within 245 days;

110. Acknowledges that DG R&I, in its replies to written questions, published a list of countries concerned by DG R&I's country specific recommendations; urges DG R&I to publish the directorate's proposals for the country specific recommendation directly in its AAR, in line with Parliament's repeated requests;

111. Recalls that the evaluation of the Seventh Research Framework Programme was dealt with in the previous discharge resolution ([1]);

112. Welcomes the progress made in achieving the directorate's general KPIs for Horizon 2020:

(a) 23,9 % of Union financial contribution went to SMEs (the target for 2020 being 20 %);

(b) 55 % of successful applicants were newcomers (the target for 2020 being 70 %);

(c) 26 % of Union financial contributions were climate related (the target for 2020 being 25 %);

(d) 54,9 % of Union financial contributions were sustainability related (the target for 2020 being 60 %);

(e) third countries participate in 3,6 % of the Horizon 2020 projects (the target for 2020 being 4,73 %);

(f) in 91 % of the cases DG R&I respected the time-to-grant period of 245 days (the target for 2020 being 100 %);

113. Pinpoints that the territorial distribution of Horizon 2020 is conspicuously limited given that 72,5 % (12 121 million) of Horizon 2020 funding goes to Germany (EUR 3 464 million), to the United Kingdom (EUR 3 083 million), to France (EUR 2 097 million), to Spain (EUR 1 813 million) and to Italy (EUR 1 664 million);

114. Notes that 183 grant agreements for Horizon 2020 were signed with participants from third countries in 2016; points out that EUR 299,5 million have been committed to participants from Switzerland in grant agreements signed in 2016 while the contribution of Switzerland to Horizon 2020 amounted to EUR 180,9 million; refuses to grant a 'net recipient status' to one of the wealthiest countries in the world; calls on the Commission to put forward regulation to compensate such an imbalance;

115. Acknowledges the success of the common support centre and its contribution to delivering simplification and legal and technical advice; asks DG R&I which simplification measures it intends to propose for the period post-2020;

116. Takes note of the payment appropriations for DG R&I in 2016:

Payment appropriations for DG R&I including EFTA contribution

Management mode	Execution	
	In EUR million	Percentage points
Co-delegated or sub-delegated to other DGs	161,20	5,34
DG R&I directly	1 878,28	62,17

([1]) Paragraphs 120 and 121 of its resolution of 27 April 2017 with observations forming an integral part of the decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2015, Section III — Commission and executive agencies (OJ L 252, 29.9.2017, p. 28).

Management mode	Execution	
	In EUR million	Percentage points
DG R&I to Article 185 bodies	86,40	2,86
DG R&I to EIB	312,72	10,35
DG R&I to Joint Undertakings	582,37	19,28
Total	**3 020,97**	**100 %**

117. Highlights that 14,39 % of the budget equalling almost EUR 444 million was implemented via financial instruments;

118. Highlights also that 39,36 % (against 28,14 % in 2015) of the DG R&I's budget was entrusted to other entities outside the Commission, mostly to implement parts of the framework programmes under (indirect) grant management and financial instruments' control systems;

119. Was interested to learn that DG R&I has established a supervision strategy for financial instruments and would therefore like to know how DG R&I establishes whether financial and research-related objectives have been achieved;

120. Notes that DG R&I estimated the overall detected error rate at 4,42 %, with a residual error rate of 3,03 %;

121. Observes that the Commission estimated the overall amount at risk at closure to be between EUR 73,5 and EUR 104 million;

122. Welcomes DG R&I's examination of the cost-effectiveness of direct and indirect grant management;

123. Regrets that DG R&I again issued a horizontal reservation concerning the rate of the residual error within cost claims in the Seventh Research Framework Programme, implemented directly by it;

124. Recalls its view, expressed in paragraph 76 of its 2015 Commission discharge resolution, that the Commission should: 'develop, at long last, a more meaningful, risk based approach and use specific reservations when needed';

Measures to be taken

125. Calls on DG R&I to publish the directorate's proposals for country specific recommendations in its AAR;

126. Calls on DG R&I to follow up the recommendations of the Internal Audit Service (IAS) which found weaknesses in ensuring a consistent project monitoring approach across the Horizon 2020 implementing bodies;

127. Calls on DG R&I to report on the progress made by the Common Audit Service in increasing the maturity of its internal processes;

128. Calls on DG R&I to report to Parliament's competent committee on its supervision strategy for financial instruments and on how DG R&I establishes whether financial and research-related objectives were achieved;

129. Calls on DG R&I to explain to Parliament's competent committee which measures it has taken to avoid horizontal reservations concerning the rate of the residual error within cost claims;

130. Considers that in research and innovation projects as well as coordination and support actions, standards and standardisation support the impact of research results on different technology readiness levels as they enhance the marketability and transferability of innovative products and solutions; notes furthermore that standards and related activities support the dissemination of Horizon 2020 project results by spreading knowledge even after projects are finished by making it publicly available; calls on the Commission to enhance the involvement of standardisation in upcoming calls and to develop KPIs which take standardisation activities into account;

Economic, social and territorial cohesion

Introduction

131. Learnt from the 'Seventh Report on Economic, Social and Territorial Cohesion"(COM(2017) 583 that, on the one hand, convergence is a fragile process which can easily be halted and reversed by economic crises, but that, on the other hand, public investments may reduce the impact of the crises;

132. Is pleased that the employment rate in 2016 reached again the 2008 pre-crisis level of 71 %, but the situation varies markedly across the Union and this rate is well below the Europe 2020 target of 75 %; notes with concern that unemployment rates still remain too high, in particular among young people and long-term unemployed;

133. Welcomes that in reply to Parliament's questions, DG REGIO detailed its country specific recommendations;

134. Is aware that some provisions of the revised Financial Regulation concerning cohesion policy are supposed to enter into force retroactively;

135. Is concerned that such modifications may become a source of additional errors, as programmes and projects were selected on the basis of regulations which entered into force on 1 January 2014;

The findings of the Court

136. Notes that the Court issued, for the first time, a qualified opinion on the legality and regularity of payments underlying the accounts; stresses that reimbursement schemes remain more error prone than entitlement schemes; points out, however, that the data recorded, under the chapter "Economic, social and territorial cohesion" did not fundamentally change compared to previous year;

137. Recalls that in 2016 the available amount under the chapter "Economic, social and territorial cohesion" amounted to EUR 51,25 billion, representing 33 % of the Union budget;

138. Notes that the Court estimated the level of error in this policy area at 4,8 %; furthermore that the Court observed that the estimated level of error for cohesion did not include a quantification of 2016 disbursements to financial instruments, amounting to EUR 2,5 billion, that the Court considered to be outside the eligibility period defined in Article 56(1) of Council Regulation (EC) No 1083/2006 (Court's annual report 2016, paragraphs 6.20 to 6.21); observes that these disbursements would represent an estimated level of error of 2,0 % to overall Union expenditure (Court's annual report 2016, box 1.2, footnote 1);

139. Points out that the errors in cohesion contributed to 43 % of the overall estimated level of error of 3,1 %; notes that one of the reasons for the high error rate is the complexity of Union and Member States regulation;

140. Notes that the Court analysed a sample of 180 transactions coming from 54 interim payments for 2007-2013, and related to 92 European Regional Development Fund (ERDF) projects, 36 Cohesion Fund (CF) projects, 40 European Social Fund (ESF) projects, 11 ERDF financial instruments and one ESF financial instrument;

141. Calls on the Commission to duly take into account the remarks of the Court, which found inaccuracies in the analysis of the performance of at least four of the 12 ERDF and ESF financial instruments examined in the Court's annual report 2016; shares the concern of the Court, which highlights that these errors have the effect of overstating performance and, if not corrected, could artificially increase the declared amount of eligible expenditure at closure, especially in the case of guarantee funds;

142. Notes also that 42 % of the errors were caused by ineligible casts included in expenditure declarations, 30 % relate to serious failure to respect public procurement rules, and 28 % relate to ineligible projects, activities or beneficiaries;

143. Notes with regret that one of the main sources of expenditure-related errors under the chapter "Economic, social and territorial cohesion" continues to be breaches of the rules on public procurement; points out that serious breaches of the rules on public procurement include the direct award of additional contracts or additional works or services for which no justification is given, the illegal exclusion of bidders, conflicts of interest and discriminatory selection criteria; regards as essential a policy of complete transparency in respect of information concerning contractors and subcontractors, with a view to addressing errors and abuses of the rules;

144. Welcomes that the Court emphasised that projects using the simplified cost options are less error-prone than reimbursements of actual costs;

145. Is concerned that the sample comprised also three "major projects", which required the approval of the Commission, and for which Member State authorities had not submitted the necessary application by the 31 March 2017 closure deadline; notes that the Commission should therefore recover the expenditures;

146. Is dissatisfied that, as in previous years, the error rate could have been 3,7 points lower, that is to say 1,1 %, had Member States used the information available to them to prevent, or to detect and correct, the errors in first level checks before declaring the expenditure to the Commission;

147. Is worried that years after the start of the 2014-2020 period, Member States have designated only 77 % of the programme authorities responsible for cohesion policy funds; as of 1 March 2017 the Commission received final accounts with expenditure covering just 0,7 % of the budget allocated for the entire programming period; as of mid-2017, the delays in budget implementation were greater than they were at the same point in the 2007-2013 period; notes that consequently, the outstanding commitments at the end of the current financing period could be even higher than in the previous one;

148. Appreciates that the chapter on "Economic, social and territorial cohesion" also contains a section on performance of projects; regrets however that this section largely concentrates on quantitative information, i.e. the number of performance measurement systems in place;

Financial engineering instruments

149. Recalls that the summary of data on the progress made in financing and implementing financial engineering instruments in 2016 was only published on 20 September 2017, and that therefore the Court could not comment on the document;

150. Notes that the key figures for 2016 are the following:

(a) there are 25 Member States using financial engineering instruments, with 25 using them for enterprise support, 11 for urban development and 9 for energy efficiency and renewable energies;

(b) there are 1 058 financial engineering instruments across the Union, comprised of 77 holding funds and 981 specific funds;

(c) 89 % of these financial engineering instruments are providing support for enterprises, 7 % for urban development, 4 % for energy efficiency and renewable energies;

(d) payments into financial engineering instruments amount to EUR 16,4 billion, including EUR 11,3 billion in structural funds;

(e) payments to final recipients amount to EUR 15,2 billion, including EUR 10,1 billion in structural funds, i.e. 93 % of total payments to financial engineering instruments;

(f) based on the 81 % of financial engineering instruments that reported, management costs and fees totalled EUR 0,9 billion or 6,7 % of total payments to the financial engineering instruments concerned;

(g) EUR 8,5 billion of resources were returned;

(h) 314 000 final recipients were supported;

151. Points out that over the years and financing periods the use of financial engineering instruments has increased dramatically, rendering structural fund funding more complex and thereby creating risks for democratic accountability; notes that it is expected that EUR 20,1 billion of ERDF and CF will be delivered through financial instruments by the end of 2020;

152. Is concerned, in this context, that the national audit authorities did not sufficiently cover implementation of financial engineering instruments;

153. Determines that 63 % (675) of the financial engineering instruments were launched in Poland (247), France (152), Hungary (139) and Italy (137);

154. Regrets that 6,7 % of total payments to the financial engineering instruments concerned (EUR 900 million) went into management costs and fees; considers this amount to be inappropriately high;

155. Notes that a number of errors and discrepancies remain in the reporting of data; these include small but significant amounts of operational programme resources committed in the funding agreements but not paid to financial engineering instruments at closure, an increase in both committed amounts payments to a number of financial engineering instruments after 31 December 2015 and, in some cases, higher amounts paid to final recipients than to the financial engineering instruments ([1]);

The AAR of the Directorate-General for Regional and Urban Policy (DG REGIO)

156. Takes note that the ERDF-CF *ex post* evaluation indicates that although regional convergence over the 2007-2013 programming period was insufficient, without the cohesion policy there would have been divergence, because the financial crisis of 2007-2008 created a poor climate for investment and convergence;

157. Underlines that any conclusions with regard to performance remain limited, as this would require a more comprehensive review of performance data reported by 2007-2013 programmes, which was supposed only to be finalised by August 2017; calls on the Commission to inform the Committee on Budgetary Control on the outcome of the review;

158. Observes that the Commission reports, for the implementation of the 2014-2020 financing period, that more than 50 000 projects were selected corresponding to EUR 64,1 billion of total investment, that 45 000 cooperation projects of enterprises with research institutions have been created, that more than 380 000 SME have received support from cohesion funding, resulting in more than 1 000 000 jobs;

159. Observes that the Commission reports also, for the same financing period, that more than EUR 75 billion from the ERDF and from the CF support energy union objectives and climate change adaptations; in addition, more than 5 000 projects were selected on the ground to support the low-carbon economy;

160. Notes that the table below shows the total commitment and payment appropriations authorised in 2016:

2016 in EUR million	Commitment appropriations authorised	Payment appropriations authorised
Administrative expenditure of the "Regional and urban policy" policy area	16,75	24,52
European Regional Development Fund (ERDF) and other regional operations	27 163,16	22 911,83
Cohesion Fund (CF)	8 775,98	7 456,71
Instrument for Pre-Accession Assistance — Regional development and regional and territorial cooperation	54,14	522,95
Solidarity Fund	81,48	68,48
Total	**36 091,51**	**30 984,47**

161. Remarks however that these statistical data give little information on the sustainability and performance of these projects;

([1]) Summary of data on the progress made in financing and implementing financial engineering instruments reported by the managing authorities in accordance with Article 67(2)(j) of Council Regulation (EC) No 1083/2006, p. 11.

162. Recalls the great importance attributed to *ex ante* conditionalities for setting out sector-specific and horizontal conditions to ensure effective spending of ESI funds; once *ex ante* conditionalities are fulfilled and with the 10 % retention from payments foreseen by the revised regulation in place, implementation of projects should be easier and less error-prone; notes, however, the Court's Special Report No 15/2017 questioning to what extent this has effectively led to changes on the ground;

163. Regrets that only 87 % (181 of 209) of the certifying authorities had been designated by the end of 2016, and that no authority had been designated for 28 mainstream programmes (in Austria, an authority was designated for only 1 programme, in Belgium, for only 2, in Germany, for only 8, in Finland, for only 1, in France, for only 2, in Ireland, for only 2, in Italy, for only 6, in Romania, for only 4, in Slovakia, for only 1, in the United Kingdom, for only 1);

164. Notes with surprise that the main difficulties identified in the designation process related to the set-up of IT systems to feature the new elements of the 2014-2020 period in terms of reporting and the design of procedures to ensure a robust supervision of managing authorities over intermediate bodies;

165. Regrets furthermore that in general only 26,1 % of projects were selected, and only 3,7 % of the available structural funds absorbed at the end of 2016 and whereas the selection process accelerated in 2017; considers that the slow start may lead to a high number of outstanding commitments at the end of the current financing period; calls on the Commission to guarantee further efforts to strengthen the administrative capacity of national, regional and local authorities;

166. Emphasises that project selection was particularly slow in Spain, Cyprus, Romania, Austria, in the Czech Republic, in Croatia and Slovakia;

167. Notes that, consequently, for most of the operational programmes (247 out of 295) no amounts were certified in the accounts (there were "zero accounts") since no expenditure was declared until 31 July 2016;

168. Is satisfied that the Commission, on the basis of preliminary audit opinions on the received assurance packages, detected no material inconsistencies;

169. Is concerned however that 7 of 9 Commission audits into high risk operational programmes or areas revealed significant deficiencies (in Hungary, the transport, electronic administration and implementation operational programmes; in Italy, the *Reti e mobilità*, *istruzione* priority 3 and technical assistance operational programmes; in Romania, the competitiveness and environment operational programmes);

170. Notes that 278 of 322 management and control systems received an unqualified or a "qualified with moderate impact" opinion; whereas in 40 cases the Commission issued a qualified opinion with significant impact;

171. Notes that the Commission calculated the overall amount at risk at payment to amount to between EUR 644,7 and EUR 1 257,3 million, and that the Commission implemented financial corrections, as a result of its supervisory role, of EUR 481 million in 2016;

172. Notes that the Commission estimated the overall average error rate for 2016 payments for the 2007-2013 ERDF/CF programmes to be in the range of 2,2 % to 4,2 %, and the residual error rate at closure to be approximately 0,4 %; stresses that once again, "Cohesion" was the biggest contributor to the estimated level of error for 2016, followed by "Natural resources", "Competitiveness" and "Global Europe"; calls on the Commission to keep working with Member States to improve their management and control systems and to continue to use available legal supervisory tools to ensure that all material errors are corrected;

173. Notes that the Commission recorded 68 reservations for the past and 2 reservations for the current financing period;

Specific issues

Greece

174. Welcomes DG REGIO's efforts to make progress with the priority project list in Greece;

175. In this context, welcomes:

(a) the establishment of four highway concessions (Athens-Thessaloniki, Korinthos-Tripoli-Kalamata, Korinthos-Patras and Patras-Ioannina; covering between them more than 1 000 km of road), which are now operational and very much appreciated by users,

(b) the programme "energy savings in households" (combination of financial engineering instruments with grants), which improved energy efficiency in 46 000 households and created 6 000 jobs; demand was so high that a successor programme for 2014-2020 was immediately created,

(c) financial instruments, notably JEREMIE, allowing the creation or safeguarding of more than 20 000 jobs,

(d) the e-prescription for medicines project, which manages monthly more than 5,5 million electronic prescriptions and 2,4 million diagnostic referrals, with the involvement of 13 000 pharmacies and 50 000 doctors, and has led to considerable cost savings for the Greek public health budget;

176. Regrets on the other hand that:

(a) the metro projects in Athens (line 3 extension to Piraeus) and Thessaloniki (base line) have incurred serious delays which necessitated their phasing into the 2014-2020 programming period;

(b) some key projects in the railway, digital and energy sectors were cancelled or are delayed, and that as a consequence they have been phased or transferred in their entirety to the 2014-2020 programming period;

(c) a large part of the waste water and solid waste management infrastructures remain to be completed;

177. Welcomes the fact that the OLAF has completed its administrative investigation into the *Czech "stork nest" project*; takes note that the OLAF case file has been publicised by the Czech media; regrets that OLAF found serious irregularities;

178. Calls on DG REGIO to recover the Union co-financing involved, i.e. EUR 1,67 million, and to apply necessary sanctions;

179. Notes that the "Stork Nest" project was withdrawn from Union funding by the Czech Republic as of 25 January 2018 and that, respecting the principle of subsidiarity, the project is already under judicial review in the Czech Republic;

180. Is concerned at the Commission's observation that the share of awarded contracts that received only a single bid is in Hungary at 36 %; notes that the Union average is 17 %; calls on the Commission to promote competition in bidding processes;

181. Welcomes the positive assessment of the 10 years" Cooperation and Verifications Mechanism (CVM) for Bulgaria and Romania ([1]); is worried about the recent step backwards in the fight against high level corruption in Bulgaria and Romania; calls on the Commission to support and encourage the law enforcement and anti-corruption authorities in both Member States; highlights the impressive track record of the anti-corruption agency in Romania in terms of solving medium and high-level corruption cases; underlines that maintaining this effort is of upmost importance to consolidate the fight against corruption;

182. Condemns the recent crime against a Slovakian journalist, which may be related to his investigative work; urges the Commission to inform the Parliament about Union agriculture funds in Slovakia;

183. Notes that OLAF has also completed an administrative investigation into a loan granted to the Volkswagen Group by the EIB;

184. Takes note of a statement made by the EIB President, Werner Hoyer, stating that: "We still cannot exclude that one of our loans, the EUR 400 million loan "Volkswagen Antrieb RDI", was linked to emission control technologies developed at the time the defeat software was designed and used. We will now review OLAF's conclusions and consider all available and appropriate action. […]We are very disappointed at what is asserted by the OLAF investigation, namely that the EIB was misled, by Volkswagen about the use of the defeat device.";

([1]) Study "Assessment of the 10 years" Cooperation and Verification Mechanism for Bulgaria and Romania; commissioned by DG IPOL, Policy department D: Budgetary Affairs.

The AAR of Directorate-General Employment, Social Affairs and Inclusion (DG EMPL)

185. Notes that DG EMPL highlights as follows its contribution to the Union 2020 objectives:

(a) the Union employment rate for 20 to 64 year-olds reached 71,2 % in the third quarter of 2016; this rate is now above that seen in 2008 (70,3 %) for the first time and the target rate of the Europe 2020 strategy may be reached if the trend continues;

(b) total unemployment continues to decline and it is now below 10 % for both the Union and the euro area; however, youth unemployment and long-term unemployment remain major challenges for the Union, despite the respective observed decline from 19,5 % in December 2015 to 18,6 % in December 2016, and from 4,3 % in the third quarter of 2015 to 3,8 % in the third quarter of 2016;

(c) the economic recovery that started in 2013 has also been accompanied by a continuous, albeit insufficient, reduction in poverty, measured by the rate of people at risk of poverty dropping from 24,7 % in 2012 to 23,7 % in 2015, however, the recovery is still not reaching all parts of society and there were 118 million people at risk of poverty and social exclusion in 2016 (1,7 million people above the 2008 level), which is far from reaching the Europe 2020 poverty and social exclusion target;

(d) investments to improve the conditions for geographic and professional mobility while tackling risks of distortions and abuses have contributed to a progressive increase in the mobility rate within the Union, which reached 3,6 % of the population in 2015;

186. Regrets however, that the disparity in income distribution increased between 2013 and 2014 and, even though it has remained stable since then, in some cases it has continued to grow; is concerned that the richest 20 % of the population possessed disposable income that was around five times higher than that of the poorest 20 % in 2016, with large disparities across countries (and an increase in inequality in some);

187. Welcomes the *ex post* evaluation of the ESF 2007-2013 programming period, which was finalised on 12 December 2016; notes that it found that, at the end of 2014, at least 9,4 million European residents had found a job with support from the ESF, 8,7 million had gained a qualification or certificate and other positive results, such as increased skills levels, were reported by 13,7 million participants; notes that the ESF has also had a positive impact on Gross Domestic Product (GDP) of the 28 Member States (0,25 % increase) and productivity, according to macroeconomic simulations;

188. Observes that such quantitative data do show indeed a positive trend but say little about performance and sustainability of the measures;

189. Strongly criticises DG EMPL for not having published the directorate's proposals for country specific recommendations, although Parliament has repeatedly asked for it to do so;

190. Notes that the table below shows the total commitment and payment appropriations authorised in 2016:

2016 in EUR million	Commitment appropriations authorised	Payment appropriations authorised
The European Social Fund (ESF) and the Youth Employment Initiative (YEI)	12 438,2	8 132
The Fund for European Aid to the Most Deprived (FEAD)	534,7	278
The European Globalisation Adjustment Fund	27,6	27,6
The Instrument for Pre-Accession Assistance — Human Resources Development (IPA-HRD)	0	82,3

2016 in EUR million	Commitment appropriations authorised	Payment appropriations authorised
Direct Management (Programme for Employment and Social Innovation, Rights, Equality and Citizenship Programme, Erasmus +) and agencies	289	275
Total	**13 290**	**8 795**

191. Welcomes the fact that the DG EMPL has developed a methodology to assess yearly the performance of programmes, but has doubts about the information value of criteria such as "good", "acceptable" or "poor";

192. Is concerned that, by March 2017, only 87 % of certifying authorities had been designated;

193. Welcomes the fact that DG EMPL had received, by 15 February 2017, a full assurance package including the accounts, the annual control report and the audit opinions on the accounts, the management and control system and the legality and regularity of the underlying transactions, and the assurance declaration and annual summary for all programmes; notes that in general, DG EMPL had only minor observations and accepted the annual accounts;

194. Welcomes also the fact that by the end of 2016, DG EMPL had completed its multiannual audit plan, as a result of which 89 audit authorities of 92 had been audited covering 115 of the 118 operational programmes;

195. Notes that in 2016, DG EMPL implemented financial corrections amounting to EUR 255,8 million; that the total cumulative accepted or decided amount of financial corrections for the 2007-2013 programming period stands at the end of 2016 at EUR 1 454 million; and that for the same period Member States reported financial corrections worth EUR 2 253,8 million;

196. Regrets that DG EMPL maintained or issued the following reservations, concerning:

(a) management and control systems for one ESF operational programme in Italy for the programming period 2000-2006 (reputational reserve);

(b) management and control systems for 23 specific ESF operational programmes for the 2007-2013 programming period; and

(c) management and control systems for 3 ESF or YEI and 1 FEAD operational programmes for the programming period 2014-2020;

197. Notes that the estimated overall amount at risk for the 2016 relevant expenditure is EUR 279 million;

Specific Issues

Youth Employment Initiative (YEI)

198. Was informed of the first findings of a study into the implementation of the YEI, which reported that:

(a) by end of 2016, the number of young persons not in employment, education or training (NEET) that have participated in YEI-supported projects that boost their skills or allow them to have a working experience tripled compared to end of 2015 (1,3 against 0,5 million people);

(b) among them, 712 000 unemployed and inactive participants not in education or training have completed a YEI-funded intervention; more than half of them, (around 346 000 unemployed and inactive participants not in education or training) have achieved a positive outcome since they have moved into education/training, or gained a qualification, or are in employment (including self-employment), upon leaving the intervention;

(c) in Italy, a counter-factual evaluation showed that new innovative policies largely supported by the YEI increased the occupational chances of young people by 7,8 %, despite significant regional differences which show there are greater difficulties in the areas with the highest youth unemployment rates;

199. Notes furthermore, that:

(a) Italy and Spain have mobilised a significant number of NEETs through YEI actions despite the still high youth unemployment in the countries;

(b) Slovakia has shifted the focus away from public works schemes for young people towards more effective measures such as increased provision of professional training;

(c) in Italy, a counter-factual evaluation showed that new innovative policies largely supported by the YEI increased the occupational chances of young people by 7,8 %, despite significant regional differences;

(d) in Portugal, YEI co-financed entrepreneurship programmes proved more successful than higher education measures;

(e) Greece has identified the need to review its voucher system for youth employment and training;

(f) in Poland, 62 % of YEI participants received an offer of employment, training, or education, with an overall high level of participants' satisfaction;

200. Regrets nevertheless that barely 30 % of the available funds have been used, which reflect initial pre-financing and interim payments;

201. Welcomes that, by October 2017, all Member States to which the *ex ante* conditionality on *Roma* applied (Austria, Belgium, Bulgaria, the Czech Republic, France, Germany, Greece, Hungary, Lithuania, Poland, Portugal, Romania, Slovakia and Spain) had fulfilled it and therefore had a national Roma integration strategy;

202. Notes that for the 2014-2020 programming period, two ESF investment priorities address directly non-discrimination and Roma integration (see table below)

Investment priority (IP)	Member States who have selected the IP	Financial allocation (EUR million)
Combating all forms of discrimination and promoting equal opportunity	11 Member States (BE, CY, CZ, DE, ES, FR, GR, IE, PL, PT and SK).	447
Socioeconomic integration of marginalised communities such as Roma	12 Member States (AT, BE, BG, CZ, ES, FR, GR, HU, IT, PL, RO and SK).	1 600 The majority of funding (EUR 1,2 million EUR) is concentrated in the following countries: BG, CZ, HU and RO

203. Notes that, while having a maximum annual budget of EUR 150 million, the European Globalisation Adjustment Fund mobilised only EUR 28 million for commitments from the reserve in 2016, benefitting eight Member States;

Measures to be taken

204. Calls therefore on Member States and the Commission to pay more attention, under the post 2020 financial period, to:

(a) creating Union added-value with cohesion policy;

(b) building stronger coordination between cohesion, economic governance and the European semester considering, among others, positive incentives to strengthen achievement of cohesion policy objectives for overcoming disparities and inequalities as spelled out in the Treaties, within its three dimensions — economic, social and territorial;

(c) devising a system which allows concentration of cohesion funding on regions which need it most;

(d) providing strategic administrative support for those regions finding it difficult to absorb the funding;

(e) drafting a single set of rules for structural funds;

(f) making progress towards implementing the single audit principle;

(g) faster implementation of programmes and projects, with a view to respecting the seven year financial period (no n+3);

(h) enabling national audit authorities to audit financial instruments under the Union budget, reduce the number of financial instruments, and introduce more stringent rules for reporting by funds managers, including by the EIB Group and other international financial institutions regarding performance and results achieved, thereby enhancing transparency and accountability;

(i) taking into account lessons drawn from the current period and the need for more simplification in order to establish a balanced system ensuring achievement of results and sound financial management without an excessive administrative burden that would discourage potential beneficiaries and lead to more errors;

(j) the geographic and social balance to ensure that investments are made where they are most needed;

205. Insists that DG REGIO and DG EMPL publish their proposals for the country specific recommendations in their respective AAR, as repeatedly requested by the Parliament;

206. Calls on DG REGIO:

(a) to report back to Parliament's committee responsible about the different pending OLAF files when related legal proceedings have been completed;

(b) to report back to Parliament's committee responsible, in the 2016 Commission discharge follow-up, on progress made with all above-mentioned projects;

207. Calls on the EIB to review urgently the OLAF findings and draw the necessary conclusion; calls on the EIB to inform the Parliament of its conclusions and the measures taken;

208. Calls on the Commission to encourage the use of the simplified cost options introduced by the revision of the Financial Regulation;

209. Calls on DG EMPL to put in place the recommendation of the IAS with regard to the early implementation of the control strategy for the ESI funds and to inform the Parliament of its completion;

210. Calls on the Commission to provide for further simplification of the rules and a reduction of the administrative burden in order to help decrease the error rate even more;

Natural resources

Key performance indicators (KPI) and fair CAP

211. Points out that according to the AAR of DG AGRI (page 15 — KPI 1: agricultural factor income per full-time worker), the sector's value added and productivity dipped slightly again in 2016 and that, for the DG AGRI, it is difficult 'to pinpoint what exactly caused the overall decline in factor income since 2013';

212. Recalls that KPI 4 on the employment rate in rural development is not relevant, as the employment rate in rural development is not solely influenced by CAP measures;

213. Regrets that the Commission did not follow up the recommendations issued by the Parliament in its resolution accompanying the discharge for the financial year 2015 to redefine KPI 4 'in order to stress the specific impact of the CAP measures on the employment in those areas';

214. Points out that in 2016 51 % of the beneficiaries of direct payments were granted less than EUR 1 250 amounting to a total of 4 % of the total direct payments ([1]);

([1]) See DG AGRI AAR 2016, p. 17.

215. Recalls its remarks ([1]) on the unsustainable structure of CAP expenditure: 44,7 % of all Union farms had an annual income of less than EUR 4 000, and in 2016 on average the upper 10 % of the beneficiaries of CAP direct support received around 60 % of the payments ([2]); notes that the distribution of direct payment largely reflects the concentration of land, 20 % of farmers also owning 80 % of the land; (reply to written question 17 at the hearing of Parliament's Committee on Budgetary Control with Mr Hogan on 28 November 2017); is concerned at the high concentration of beneficiaries and stresses that a better balance of large and small beneficiaries needs to be found;

216. Notes that about 72 % of aid is paid to farms of between 5 and 250 hectares, which are generally family-owned;

217. Asks that DG AGRI define objectives accompanied with indicators to reduce the income inequalities between farms in the next MFF;

218. Reiterates its view that direct payments may not fully play their role as a safety net mechanism for stabilising farm income, particularly for smaller farms given the unbalanced distribution of payments;

219. Is of the opinion that larger farm incomes do not necessarily need the same degree of support for stabilising farm incomes as smaller farms in times of income volatility since they may benefit from economies of scale which are likely to make them more resilient, and thus recommends that the Commission should mandate a sliding scale to correct this imbalance, with subsidies decreasing as farm sizes increase;

220. Calls on the Commission to provide for a genuine simplification of the procedure, including in the documentation requested in order to have access to funding, without neglecting the principles of control and monitoring; calls for special attention to be paid to administrative support for small-scale producers, for whom the funding is a vital prerequisite for their business survival;

Error rate

221. Points out that the Court has estimated that the level of error for the natural resource chapter as a whole is 2,5 % (2,9 % in 2015 and 3,6 % in 2014); welcomes the positive evolution of the error rate whilst noting that the 2016 figure is above the materiality threshold;

222. Welcomes the fact that the assessment of the Court as to the EAGF finds that market and direct support payments are free from material error in 2016, the most likely error rate being estimated by the Court at 1,7 % (2,2 % in 2015);

223. Stresses that the Court noted fewer errors due to overstated or ineligible land claimed by the farmer which is due to the introduction of a new more flexible definition of permanent grassland, the achievement of action plans to improve the quality of data in Land Parcel Identification Systems (LPIS) and the new online geo-spatial system to submit applications;

224. Notes that the greening payments have been a source of errors impacting 17 % of the level of error estimated by the Court and that the errors were found mainly to be related to the ecological focus area requirements, although the error rate for EAGF was below materiality; welcomes in this regard the fall in the error rate for EAGF to 1,7 %;

225. Points out that the Court also found weaknesses in the protection of permanent grassland, the Czech Republic and Poland not having the historical data to check compliance with the obligation of having arable land covered with grass for five consecutive years whilst Germany, France, Italy, Portugal and the United Kingdom had not classified permanent grassland in a fully reliable way;

226. Underlines the positive trend in the error rates issued by the Court despite the evolution of the amounts at risks reported by DG AGRI in its AARs, namely from 1,38 % in 2015 to 1,996 % in 2016 (the market measures with an error rate of 2,85 % being not included) and 4 % for both financial years in rural development; understands that this is not reflecting statistically significant deviations;

([1]) See paragraph 207 of Parliament's resolution of 27 April 2017.
([2]) See the Indicative figures on the distribution of aid, by size-class of aid, received in the context of direct aid paid to the producers according to Council Regulation (EU) No 1307/2013 (financial year 2016).

227. Regrets that the payments in rural development, environment, climate action and fisheries are not free from material error in 2016, the most likely error rate being estimated at 4,9 % (5,3 % in 2015); notes that if all the information held by the national authorities had been used to correct errors the estimated level of error would have been 1,5 percentage points lower;

228. Notes that in rural development, three of the largest eligibility errors involved beneficiaries who did not disclose that they were controlled by, applying jointly with, or purchasing from linked companies in breach of Union or national rules (Court's annual report 2016, paragraph 7.26);

Management and control systems

229. Points out that in its AAR, the director general of DG AGRI issued a reservation in direct payments concerning 18 paying agencies comprising 12 Member States and that the amount managed by the paying agencies with a reservation and put under reinforced scrutiny is EUR 13 618,6 million, the actual amount at risk for the expenditure under reservation being EUR 541,2 million;

230. Stresses that weaknesses were detected in particular in the management and control system of Hungary (concerning late management declaration by the paying agency and deficiencies in greening payments), Bulgaria (concerning greening and the organic status of farmers), Poland (concerning greening payments) and Italy (concerning deficiencies in correctly establishing the eligibility of land and an active farmer);

231. Regrets the recent cases of fraud relating to paying agencies in Italy; calls on the Commission to actively monitor the situation and provide the relevant details to Parliament in the follow-up to the discharge procedure;

232. Asks the Commission to speed up the conformity clearance procedure opened on 8 January 2016 to get detailed and precise information on the risk of conflicts of interest concerning the State's Agricultural Intervention Fund in the Czech Republic; takes note that a failure to remedy a conflict of interest may ultimately result in withdrawal of the accreditation of the paying agency by the competent authority or in the imposition of financial corrections by the Commission; asks the Commission to inform the Parliament without delay if at the end of the conformity clearance procedure information related to possible cases of fraud, corruption or any illegal activity affecting the financial interests of the Union are transmitted by OLAF to DG AGRI;

Reliability of the data communicated by the Member States

233. Points out that since the management and control systems of some Member States are affected by deficiencies, DG AGRI adjusts the reported control statistics based mainly on the Commission's and the Court's audits carried out in the last three years as well as on the opinion of the Certification Body for the financial year in question;

234. Points out that despite the fact that since 2015 the certification bodies of the Member States have a duty to check the legality and regularity of the transactions:

(a) for market measures, DG AGRI has made adjustments to a total of 32 schemes (i.e. less than 20 % of the total number of schemes for which expenditure was declared in 2016);

(b) for direct payments, adjustments were made in 52 cases (out of 69) whilst the majority of these adjustments were of less than 1 %, 7 were of between 1 % and 2 % and 9 were of more than 2 %;

(c) for rural development, top ups have been applied for 39 paying agencies out of 72 with 21 adjustments of more than 1 % and 16 above 2 %;

Performance issues in rural development

235. Welcomes the fact that the Court has examined performance related issues for sampled rural development transactions over the last three years; notes with satisfaction that 95 % of projects completed at the time of the audit had been carried out as planned, but regrets that there was insufficient evidence that the costs were reasonable;

236. Stresses that almost all the projects audited by the Court used a system which reimbursed the cost incurred and notes that in the 2014-2020 programming period, Member States may, as an alternative, use a system of simplified cost options involving standard scales of unit costs, lump sums and flat -rate financing, which effectively limits the risk of excessive prices;

Greening

237. Notes that the Court reported in its annual report 2016 (paragraph 7.17) in relation to the greening payments made to 63 farms visited by it that:

(a) all those subject to the crop diversification requirement were compliant;

(b) most of the greening errors concerned non-compliance with Ecological Focus Area (EFA) requirements whilst;

(c) the parcels were correctly recorded in the LPIS as to the maintenance of existing permanent grassland;

(d) not all permanent grassland had been properly recorded as such;

238. Is however particularly concerned by the first conclusions drawn by the Commission in its staff working document on 'Review of greening after one year' SWD(2016) 218 second part page 14 that: 'Overall farmers would have to change crops on less than 1 % of the total arable land in the Union in order to comply with the crop diversification requirement, and since the vast majority of arable land in the Union is subject to the crop diversification obligation this limited impact appears to reflect current practices by farmers who already are compliant';

239. Stresses that the Court confirms in its annual report (paragraphs 7.43 to 7.54) the analysis made by the Commission pointing out that the crop diversification and the EFA scheme led to no changes for the majority of the farms that it visited (89 % for the crop diversification and 67 % for the EFA);

240. Is particularly concerned that according to the Court's Special Report No 21/2017 entitled 'Greening: a more complex income support scheme, not yet environmentally effective'; 'Greening is unlikely to provide significant benefits for the environment and climate (…) because greening requirements are generally undemanding and largely reflect normal farming practice';

241. Furthermore, points out that the Court states that due to extensive exemptions, most farmers (65 %) are able to benefit from the green payment without actually being subject to greening obligations; as a result, greening leads to a positive change in farming practices on only a very limited share of Union farmland;

242. Regrets that the greening schemes are more an instrument for supporting farmers' income than to enhance the CAP's environmental and climate performance; considers that for agricultural programmes to address environmental and climate needs, they should include performance targets and funding which reflect the costs incurred and the income lost as a result of activities going beyond the environmental baseline;

243. Deplores the fact that, as they are part of area-based payments, the greening schemes in the actual design of the programme could increase the imbalances in the distribution of CAP support; calls in this direction on the Commission to consider following the recommendations made by the Court in Special Report No 21/2017;

244. Notes that according to the Commission: 'the actual impact (of the greening schemes) on environmental outcomes depends on the choices made by Member States and farmers and that so far few Member States made use of the possibilities to limit the use of pesticides and fertilisers in the ecological focus areas';

245. Stresses that for public administration, the burden of greening essentially lies with the development of new management tools such as the EFA layer of the LPIS, which partly explains why DG AGRI has increased the number of reservations and action plans imposed on Member States;

246. Takes note the fact that greening adds significant complexity to the CAP due to overlaps with the CAP's other environmental instruments (cross-compliance and the Pillar II environmental measures); in this regard takes note of the Court's Special Report No 21/2017 on greening, which states that 'the Commission and Member States mitigate the related risk of deadweight and double funding';

Young farmer scheme

247. Points out that with huge disparities in the development of the farming sector across the Union, a major problem is the demographic challenge, requiring policies to address the shortage of young farmers in order to ensure the long-term sustainability of agriculture in the Union;

248. Stresses that young farmers face specific difficulties in accessing finance and low turnover in the first years of business, combined with slow generational renewal and difficulty in accessing agricultural land;

249. Points out that the falling number of young people in the sector makes generational renewal more difficult and can mean the loss of valuable skills and knowledge as older, experienced people, retire; as a consequence, insists that support is needed for both retiring farmers and young successors taking over a farm;

250. Is particularly concerned by the fact that in its Special Report No 10/2017 on support for young farmers, the Court notes that for direct payments, the aid to young farmers:

(a) is not based on a sound needs assessment;

(b) does not reflect the general objective of encouraging generational renewal;

(c) is not even always provided to young farmers in need; and

(d) is sometimes provided to holdings where young farmers play only a minor role;

251. Regrets that, as to the support to young farmers via rural development schemes, the Court concluded that the measures are generally based on a vague needs assessment and that there is no real coordination between Pillar I payments with Pillar 2 support to young farmers;

Measures to be taken

252. Calls on:

(a) the Commission to carefully analyse the causes of the overall decline in factor income since 2013 and to define a new key performance objective for the next MFF, accompanied with outcome and impact indicators, aiming at mitigating the income inequalities between famers;

(b) the Member States to make further efforts to include more reliable and up-to date information in their LPIS database;

(c) the Commission to review the approach taken by paying agencies to classifying and updating land categories in their LPIS and to perform the required cross-checks in order to reduce the risk of error in greening payments;

(d) the Commission to take appropriate measures to require that Member States' action plans in rural development include remedial actions addressing frequently found cases of error;

(e) the Commission to provide guidance and disseminate best practices among national authorities, and among the beneficiaries and their associations, to ensure that their checks identify links between applicants and other stakeholders involved in supported projects of rural development;

(f) the Commission to continue to be vigilant as to the checks performed and the data communicated by the Member States' authorities, and to take these findings into account when allocating its audit burden based on risk-evaluations;

(g) the Member States as well as the beneficiaries and their associations to fully exploit the possibilities offered by the system of simplified cost options in rural development;

(h) the Commission to prepare and develop, for the next CAP reform, a complete intervention logic for Union environmental and climate-related action regarding agriculture, including specific targets and based on an up-to-date scientific understanding of the phenomena concerned;

253. Calls on the Commission to be guided by the following principles in the building of a new proposal concerning greening:

(a) Farmers should benefit from CAP payments if they meet a single set of basic environmental norms including Good agricultural and environmental conditions (GAECs) and greening requirements which go beyond the requirements of environmental legislation; welcomes in this regard the logic of the Commission's 'budget focused on results' approach; considers that a future delivery system should be more results-driven;

(b) Specific, local environmental and climate-related needs can be appropriately addressed through more effective targeted programmed action regarding agriculture;

(c) When Member States are given options to choose from in their implementation of the CAP, they should be required to demonstrate, prior to implementation, that the options they select are effective and efficient in terms of achieving policy objectives, and in particular those of food safety, food quality and their impact on health, greening, land and countryside management and the fight against depopulation in the Union;

254. Calls on the Commission:

(a) to perform a comprehensive evaluation of all the existing CAP policies and tools which can be combined to help young farmers and to identify the obstacles to providing access to existing farms or establishing new farms for young farmers which can be addressed in the future revision of the CAP;

(b) to make sure that, as a component of agricultural reform, further improvements are made to the rural-development framework as set forth, inter alia, in the Cork 2.0 Declaration, with a view to ensuring that the support programmes for young farmers are a success;

(c) to insert in the legislation for the post-2020 CAP (or require Member States to indicate, in line with the shared management provisions) a clear intervention logic for the policy instruments addressing generational renewal in agriculture; the intervention logic should include:

— a sound assessment of young farmers' needs;

— an assessment of which needs could be addressed by Union policy instruments and which needs can be or are already better addressed by Member States' policies as well as an analysis of which forms of support (e.g. direct payments, lump sum, financial instruments) are best suited to match the identified needs;

— awareness-raising measures, targeted at authorities, beneficiaries and their associations, concerning possible types of assistance for earlier transfer of a farm to a successor with accompanying advisory services or measures like a satisfactory retirement scheme based on national or regional income or revenues in the agricultural, food and forestry sector;

— a definition of SMART objectives, making explicit and quantifiable the expected results of the policy instruments in terms of the expected generational renewal rate and contribution to the viability of the supported holdings; in particular, it should be clear if the policy instruments should aim at supporting as many young farmers as possible or target a specific type of young farmers;

(d) to ensure that through its proposed legislation for the post-2020 CAP, the Commission and the Member States (in line with the shared management provisions) improve the monitoring and evaluation system;

Global Europe

Error rates

255. Points out that, according to the findings of the Court, spending on 'Global Europe' is affected by a material level of error with an estimated level of error of 2,1 %, (2,8 % in 2015, and 2,7 % in 2014); welcomes the positive trend in the error rate in this policy area;

256. Regrets that when excluding the multi-donor and budget support transactions the error rate for the specific transactions directly managed by the Commission has been quantified at 2,8 % (3,8 % in 2015; 3,7 % in 2014);

257. Points out that the Commission and its implementing partners committed more errors in transactions relating to grants as well as contribution agreements with international organisations than they did with other forms of support; points out, in particular, that the budget support transactions examined by the Court were free from errors of legality and regularity;

258. Notes that if all the information held by the Commission — and auditors appointed by the Commission — had been used to correct errors, the estimated error rate for the Global Europe chapter would have been 0,9 % point lower, i.e. 1,4 %, and therefore below the materiality threshold;

259. Points out that:

(a) 37 % of the estimated level of error is attributable to expenditure for which essential supporting documentation was not provided;

(b) 28 % of the estimated level of error is accounted for by two cases for which the Commission accepted expenditure that had not actually been incurred; regrets that this situation was already detected last year and points out that the transaction testing of the Court revealed some control weaknesses in the Commission's systems;

(c) 26 % of the estimated level of error concerns ineligible expenditure: i.e. expenditure related to activities not covered by a contract or incurred outside the eligibility period, non-compliance with the rule of origin, ineligible taxes and indirect costs wrongly charged as direct costs;

Declaration of assurance

260. Is deeply concerned by the fact that according to the Court, DG NEAR auditors have detected weaknesses in the indirect management of the second instrument of pre-accession assistance (IPA II), more specifically, at the audit authorities of three IPA II beneficiary countries — Albania, Turkey and Serbia; and this despite the fact that the Albanian and Serbian audit authorities have made changes aiming to solve the problems detected; in the case of Turkey, there are some significant areas of the audit authority's systems which might still limit the assurance it can provide to the Commission (Court's annual report 2016, paragraph 9.24);

261. Is concerned by the fact that the Court estimated that the DG NEAR corrective capacity has been overstated and consequently the total amount at risk at payment as well;

Performance

262. Notes that DG DEVCO has defined in its AAR KPI relating to human development, climate change, gender and error rate but regrets that none of those indicators are able to measure the performance of the development cooperation policy as they only indicate the part of aid allocated to each of the objectives instead of measuring the actual impact, as well as the progress achieved to pursue the objectives;

263. Is concerned by the fact that the IAS of the Commission stated that 'in terms of reporting, the type of information on DG DEVCO's performance provided by the different Strategic Planning and Programming-related reports (AAR, Sub-delegated Authorising Officers report, EAMR) is limited and does not give an actual assessment of whether objectives have been achieved or not';

External assistance management reports

264. Regrets once again that the external assistance management reports (EAMR) issued by the heads of Union delegations are not annexed to the AARs of DG DEVCO and NEAR as it is foreseen by Article 67(3) of the Financial Regulation; regrets that they are systematically considered as confidential whilst in accordance with Article 67(3) of the Financial Regulation, they 'shall be made available to the European Parliament and the Council having due regard, where appropriate, to their confidentiality';

265. Takes note of the fact that in Commissioner Oettinger's response to the rapporteur's letter he indicated that the Commission is exploring a new format for reports enabling transmission to Parliament without the need for confidentiality procedures but in a way that is not detrimental to Union diplomatic policy;

266. Welcomes the fact that DG DEVCO made public the list of the delegations involved in the EAMR and provided an analysis of DG DEVCO KPIs summary in its AAR; insists, however, that the Financial Regulation should be fully respected;

Trust funds

267. Recalls that the possibility for the Commission to create and manage Union trust funds is meant:

(a) to enhance the international role of the Union, as well as strengthen the visibility and efficiency of its external action and development assistance;

(b) to provide for an accelerated decision-making process in the selection of the measures to be implemented, which is crucial in emergency and post-emergency actions;

(c) to ensure the leverage of additional resources devoted to external action; and

(d) via the pooling of resources, to increase coordination between different Union donors in selected areas of intervention;

268. In the light of the recent experiences, expresses some concerns as to achievement of the main objectives pursued by the setting up of the trust funds and notes, in particular, that:

(a) the leverage effect of this new tool is not necessarily guaranteed, the contribution of other donors being in certain cases very limited;

(b) the visibility of the external action of the Union has not improved, despite the existence of different arrangements with the stakeholders, and that a better coordination of the action of all the stakeholders is not necessarily ensured;

(c) the a priori preference for Member State agencies in some of the trust funds' constitutive agreements leads to a conflict of interests rather than an incentive for Member States to provide more financial resources;

269. Recalls in particular that the trust fund for Africa is worth over EUR 3,2 billion, with over EUR 2,9 billion coming from the European Development Fund (EDF) and EUR 228,667 million from other donors; considers unacceptable that the involvement of the EDF in trust funds further limits the possibility for the Parliament to scrutinise Union spending;

270. Points out that pooling resources from the EDF, the Union budget and other donors should not have as consequence that money flagged for the ACP countries does not reach its normal beneficiaries;

271. Highlights that the increasing use of other financial mechanisms such as trust funds to deliver Union policies alongside the Union budget risks undermining the level of accountability and transparency as reporting, audit and public scrutiny arrangements are not aligned (Court's annual report 2016, paragraph 2.31); therefore stresses the importance of the Commission's commitment to keep the budgetary authority periodically informed of the funding of the trust funds and their scheduled and ongoing operations, including contributions made by Member States;

Funds to Palestinian authority

272. Insists that teaching and training programmes that are financed from Union funds such as PEGASE should reflect common values such as peace, freedom, tolerance and non-discrimination within education, as was decided upon by Union education ministers in Paris on 17 March 2015;

Measures to be taken:

273. Calls on DG NEAR (Court's annual report 2016, paragraph 9.37):

(a) to work together with the audit authorities in IPA II beneficiary countries to improve their competence;

(b) to develop risks indices to improve the assessment based on internal control templates that the directorate general had rightly introduced so as to better measure the impact of errors;

(c) to disclose properly the scope of the residual error rate study and the estimated lower and upper error limits in its next AAR;

(d) to improve the calculation of the 2017 corrective capacity by addressing shortcomings identified by the Court;

274. Calls on DG DEVCO and DG NEAR to consider defining in cooperation with DG HOME a key performance indicator related to the elimination of the underlying and root causes of irregular migration;

275. Calls on the Commission to take the necessary measures to redress the deficiencies detected by its own IAS regarding DG DEVCO performance reporting and to transform the EAMR into a reliable and fully public document properly substantiating the declaration of assurance made by the heads of delegation and by the director general of DG DEVCO; asks DG DEVCO to define KPIs in such a way that make it possible to measure the performance of the development cooperation policy; and to do so without compromising Union diplomatic policy via its delegations;

276. Regards it as essential that suspension of pre-accession funding should be possible not only in cases of proven misuse of funds, but also in cases where pre-accession countries violate in any way the rights laid down in the Universal Declaration of Human Rights;

277. Stresses that trust funds should be established only when their use is justified and the required action is not possible through other, existing financing channels; calls, in this regard, on the Commission, when establishing trust funds, to set up guiding principles for carrying out concise and structured assessment of the comparative advantages of trust funds relative to other aid vehicles and also to carry out analyses of what specific gaps the trust funds are supposed to fill; calls furthermore on the Commission to consider putting an end to trust funds that are unable to attract a significant contribution from other donors or that do not provide an added value as compared to 'traditional' Union external instruments;

278. Deeply regrets the acknowledged cases of violence, sexual abuse and totally improper behaviour on the part of workers providing humanitarian aid to civilians in conflict and post-conflict situations; notes that the Commission has stated its commitment to review and, where necessary, suspend funding to those partners that do not comply with the high ethical standards required; urges the Commission, in order to eradicate this scourge and avoid any repetition, to strengthen prevention mechanisms in staff selection procedures, and moreover to provide initial and continuous training in this regard; and calls for a policy to protect whistleblowers in these cases;

279. Calls on the Commission to draft its strategy papers more carefully, so as to provide a more wide-ranging and accurate assessment of funding requirements and of the best instruments to use;

280. Asks the Commission to ensure that Union funding is disbursed in accordance with the Unesco standards of peace and tolerance;

281. Considers it essential for the administrative capacity of the countries which receive funding to be actively supported by the Commission through appropriate technical assistance;

Migration and Security

282. Notes that in Chapter 8 of its annual report regarding 'security and citizenship' ([1]) the Court did not calculate an error rate on the basis of the 15 transactions that it examined, as this sample was not intended to be representative of spending under this MFF heading;

283. Notes with concern the Court finding according to which 'two years into the seven year programming period progress in making shared-management Asylum, Migration and Integration Fund (AMIF ([2])) and Internal Security Fund (ISF) payments are slow' (Court's annual report 2016, box 8.2);

284. Points out that the Court found several system weaknesses relating to SOLID, AMIF and the ISF at Commission and Member States level;

285. In particular regrets that:

(a) the Court stressed the high number of draft AMIF or ISF programmes prepared by the Member States and reviewed by the Commission prior to their approval, which may delay implementation;

(b) according to the Court, the Commission's assessment of Member States' systems for AMIF and ISF was often based on insufficiently detailed information, particularly in the area of audit strategies;

([1]) MFF heading 3 covers a range of policies; the most significant area of expenditure is migration and security; but funding is also provided for Food and feed, and cultural and creative activities and as well as programmes covering justice, rights, equality and citizenship, and consumers and health.

([2]) AMIF replaces the Solidarity and Management of Migration Flows programme (SOLID).

(c) that there were delays in the reporting of *ex post* conformity audits for SOLID programmes and insufficiently documented quality control procedures for outsourced audit work;

286. Regrets that the Court also found the following deficiencies at the level of the Member States: insufficiently documented on-the-spot- checks, absence of a dedicated IT tool for the management and control of funds and some weaknesses in the audit performed by Member States audit authorities;

287. Deplores the fact that the Court has noted in its annual report that 'the overall amount of funds mobilised for the refugee and migration crisis was not reported by the Commission in 2016 and is difficult to estimate'(Court's annual report 2016, paragraph 2.28);

288. Regrets that the Court concluded as to the hotspots (Court's Special Report No 6/2017) that:

(a) despite considerable support from the Union, at the end of 2016, the reception facilities in Greece and Italy were still not adequate;

(b) there was also a shortage of adequate facilities to accommodate and process unaccompanied minors in line with international standards;

(c) the hotspot approach further requires that migrants be channelled into appropriate follow-up procedures, i.e. either a national asylum application or return to the country of origin and the implementation of these follow-up procedures is often slow and subject to various bottlenecks, which can have repercussions on the functioning of the hotspots;

289. Deplores the fact that according to Human Rights Watch, women have reported frequent sexual harassment in hotspots in Greece;

290. Shares the Court's assessment regarding a lack of transparency about the split of funding between public resources and migrants' resources in the issue of emergency assistance to transport non-Union migrants from Greek islands to the Greek mainland, referred to by the Court in its annual report (Court's annual report 2016, box 8.4); recalls that Union legislation does not allow beneficiaries of Union grants to obtain profits from the implementation of a project; considers that this case raises some reputational issues for the Commission and questions its handling from an ethical point of view;

Measures to be taken

291. Calls on:

(a) DG HOME to consider defining, in cooperation with DG DEVCO and DG NEAR, a key performance indicator related to the elimination of the underlying and root causes of irregular migration;

(b) the Commission to regroup the budget lines financing migration policy under a single heading with a view to enhancing transparency;

(c) the Commission to define specific strategies with Union support teams to ensure the safety of women and accompanied minors at hotspots;

(d) the Commission and the Member States to take the necessary measures to provide adequate reception facilities in Greece and Italy;

(e) the Commission and the Member States to remedy the system weaknesses detected by the Court in the management of AMIF/ISF funds;

(f) the Commission to provide an estimated cost paid per migrant or applicant for asylum country by country;

(g) the Commission to provide for a monitoring system with a view to ensuring that the human rights of refugees and asylum seekers are respected;

(h) the Commission to step up the checks carried out on funds for refugees, which are frequently allocated by the Member States in emergency situations without complying with the rules in force at the time;

Code of conduct of the Commissioners and procedures for the appointment of senior officials

292. Appreciates that its calls on the Commission to review the code of conduct for Commissioners by the end of 2017, including by defining what constitutes a conflict of interest as well as introducing criteria for assessing the compatibility of post-office employment and extending the cooling off period to three years for the President of the Commission, have received the required response; notes that the new code entered into force on 1 February 2018;

293. Recalls the promise of President of the Commission Juncker to the European Ombudsman that the former President of the Commission Barroso would only be received as an interest representative; recalls the opinion of the Ad Hoc Ethical Committee on the new employment of Mr Barroso, as an adviser to Goldman Sachs, that this would be reconcilable only with a commitment of Mr Barroso not to lobby on behalf of Goldman Sachs;

294. Points out the inconsistency created by multiple individual members of the Commission describing their meeting with Mr Barroso as meetings with Goldman Sachs International, according to their meeting registry; concludes that either meetings with Mr Barroso were not lobby meetings, in which case the promise to the European Ombudsman was not kept and the Commission meeting registry is not reflective of an actual transparency register or the meetings with Mr Barroso were treated as meetings with an interest representative, in which case one of the conditions set by the Ad Hoc Ethical Committee was violated;

295. Recalls that the absence of a conflict of interest must also be a prerequisite for the holding of Commissioner hearings and that therefore the declaration of financial interest forms must be completed and made available before the Commissioner is heard by the competent Parliament committee and must be updated at least once a year and each time the information changes;

296. Is of the opinion that the Commission should make the Commissioner's special advisers more accountable and their professional ties and background transparent and open to public scrutiny in order to prevent their potential conflicts of interest as they have unfettered access to the Commission; believes that these steps will help to limit the possibility of lobbying at the highest level through the back door;

297. Calls, in this connection, for Commissioners to declare all their interests (as shareholders, company board members, advisers and consultants, members of associated foundations, etc.) in all the companies in which they have been involved, including close family interests, as well as the changes that took place at the time when their candidacy was made known;

298. Points out that the extension of the cooling off period to three years should concern all members of the Commission as requested by Parliament on several occasions; insists that the opinions of the ethical committee should be made public when there are issued;

299. Fears that the appointment processes of the independent ethical committee does not guarantee its independence and stresses that independent experts should not have themselves held the position of Commissioner, nor should they have held a position as a senior Commission official; asks the Commission to adopt new rules on the independent ethical committee in line with this remark;

300. Requests the Commission to provide and publish an annual report by the independent ethical committee; reaffirms that the independent ethical committee can make any recommendation on the improvement of the code of conduct or of its implementation;

301. Is deeply concerned by the lack of transparency, absence of any competition among the eligible staff and a possible misuse of the Union's Staff Regulations in the recent appointment of the Commission President's Head of Office as the new Secretary-General of the Commission; notes that the Commission's answers to Parliament's Committee for Budgetary Control did not adequately explain the justification for the appointment of the Secretary-General using Article 7 of the Staff Regulations to make the transfer without opening the post as vacant and inviting eligible staff to apply; expects the President of the Commission to present his plan to improve the damage done to Commission's public image due to the recent appointment of Secretary-General to the Parliament;

302. With a view to the recent appointment of the Commission's Secretary-General and in the interests of ensuring an independent European public administration, calls on the Commission to present before the end of 2018 a proposal for a procedure for the appointment of senior officials, which ensures that the best candidates are selected in a framework of maximum transparency and equal opportunity, and is sufficiently broad for it to be applicable to all the other Union institutions including the Parliament and the Council;

303. With a view to the future, asks the Commission to envisage introducing the following improvements:

(a) acceptance of gifts from donors from Member States should be prohibited (Article 6(4) of the Code of Conduct for Members of the Commission;

(b) the participation of Commissioners in national politics during their term of office should be suspended or limited to passive party membership;

(c) clarification of the reference to 'diplomatic or courtesy usage' (Article 6(2) and (5) of the Code of Conduct for Members of the Commission), which suffers from a lack of precision and clarity and might be prone to abuse;

(d) participation of Commissioners in national election campaigns should be aligned to participation in European election campaigning (Articles 9 and 10 of the Code of Conduct for Members of the Commission); in both cases, Commissioners should be obliged to take unpaid electoral leave;

(e) more clarity should be provided on the criteria for such possible referral to the Court of Justice of the European Union under Article 245 or 247 TFEU;

(f) Commissioners should declare all their relevant interests (as shareholders, company board members, advisors and consultants, members of associated foundations, etc.) rather than selecting only those they believe might be considered to be capable of giving rise to a conflict of interest;

(g) declarations of interests should be improved in line with Parliament's resolution of 1 December 2016 on Commissioners' declarations of interests — guidelines ([1]);

Administration

The findings of the Court

304. Notes that the institutions collectively cut the number of posts in the establishment plan by 4,0 % over the period from 2013 to 2017 (from 39 649 to 38 072 posts), and that the institutions reduced the number of staff (posts actually occupied by a staff member) by 1,4 % between 2013 and 2017 (from 37 153 to 36 657 posts);

305. Also notes the Court's additional conclusions:

'30. However, during the same period, the budgetary authority granted new posts to the institutions, bodies and agencies in the framework of the annual budgetary procedure. These posts were made available mostly for the development of their activities (this explains the significant increase in the number of posts granted to agencies), the accession of Croatia and to the political groups in the European Parliament.

31. As a consequence, the number of posts in the establishment plans decreased by 1,1 % between 2012 and 2017 with significant variations between the institutions (- 3,5 %), decentralised agencies (+ 13,7 %) and executive agencies (+ 42,9 %). The number of posts actually occupied from 1 January 2013 to 1 January 2017 increased by 0,4 % over the period (- 1,3 % for institutions and bodies and + 11,3 % for agencies, with 9,6 % in decentralised agencies and 33,7 % in executive agencies). The average vacancy rate decreased from 6,9 % on 1 January 2013 to 4,5 % on 1 January 2017 and reached a level below 2 % in some institutions and bodies.' ([2]);

306. Notes with concern the continuing discrimination against Union staff based in Luxembourg, in spite of the judgment of the Court of Justice of October 2000 in the Ferlini case (C-411/98) and Directive 2011/24/EU which both condemn the practice; stresses that over-charging continues, use being made of two agreements with Luxembourg's Hospitals Federation (FH) and the Doctors' and Dentists' Association (AMD), which set a limit of 15 % for overcharging but allow for 500 % for treatment carried out in hospitals; deplores the fact that the 2000 Court of Justice ruling and Directive 2011/24/EU are violated not only by the agreements but also by a number of national healthcare operators; calls on the Commission to firstly, calculate the annual additional cost of the overcharging to the Union budget (JSIS) and justify it, secondly, determine an infringement procedure or similar legal action against the Grand Duchy;, thirdly, inform the Parliament of the outcome of Public petition No 765 submitted to the Chamber of Deputies of Luxembourg and of the public debate held there on 19 October 2017, fourthly, protest against the two agreements with the FH and the AMD.

([1]) Texts adopted, P8_TA(2016)0477.
([2]) European Court of Auditors, Rapid case Review on the implementation of the 5 % reduction of staff posts, p 27.

307. Welcomes the statements made by Commissioner Oettinger on the end of staffing policy restrictions with the aim of avoiding serious prejudice to the proper functioning of the European institutions and the quality of the public service the Union provides to European citizens; stresses the importance of having a strong European civil service, at the service of the citizen and able to respond to the challenges faced by the Union and to implement its policies with the highest possible standards of excellence and professionalism, and of providing this service with all the necessary legal and budgetary resources; stresses the importance of once more making the European civil service an attractive proposition for young Union professionals; calls on the Commission to draft a report on the consequences of the restrictions for the attractiveness of the Union civil service and on its current under-resourced state that proposes solutions to help bring the service closer to European citizens and increase their interest in joining it;

308. Stresses the importance of finding a solution to the problem of the excessive, and in many cases abusive, billing of the medical expenses of the staff and members of the Parliament in some Member States; calls on the Commission to seek solutions to this problem which, in countries such as Luxembourg, costs some EUR 2 million a year (e.g. negotiations with Member State social security systems, public or private, the creation of a card similar to the European Health Insurance Card for foreign travel, etc.);

The Jean Monnet buildings (JMO I, JMO II) in Luxembourg

309. Recognises that the construction of the new Jean Monnet building (JMOII) has encountered a considerable delay, linked to additional costs;

310. Regrets the fact that it took the Commission and the Luxembourg authorities 15 years (1994 — 2009) to agree on the future arrangements for housing Commission departments in Luxembourg;

311. Looks forward to receiving the full history of JMO I/JMO II between 1975 and 2011 as promised by the Commission in their written answers in preparation for the hearing with Commissioner Oettinger on 23 January 2018;

312. Regrets the fact that even though a complete inventory of materials containing asbestos in JMO I was drawn up in 1997, the Commission did not leave the building until January 2014 and that it took AIB-Vinçotte Luxembourg until 2013 to revise its findings; notes that the sheets of asbestos in JMO I were of a lower density than had been previously thought and that they were therefore more sensitive to mechanical impact (basic friction being sufficient to release fibres into the air from where they could be inhaled); considers that the Commission, in view of the severe health risks resulting from the inhalation of asbestos, should have considered the expert's report and the qualified opinions of other experts in the field, especially after what happened in the Berlaymont building in Brussels; calls on the Commission to inform Parliament whether all workers were duly informed of the situation and of the serious health risks incurred, whether any illness was detected that might have resulted from the inhalation of asbestos particles and what measures were taken in such cases, and whether preventive measures were taken (screening and early detection tests, etc.); also calls on the Commission to report on whether it has initiated any proceedings against AIB-Vinçotte Luxembourg in this regard;

313. Notes that in December 2015 the Commission and the Luxembourg authorities agreed on sharing the costs associated with the early move out of JMO I; notes that JMO II was originally supposed to have become available on 31 December 2014;

314. Calls on the Commission to report in detail on the cost of renting the six buildings occupied by the Commission in the meantime (ARIA, LACC, HITEC, DRB, BECH and T2), arising from the delay in delivering JMO II, and the consequences of extending the lease agreements; calls on the Commission to ensure that working conditions are improved in these six buildings, in close cooperation with the Committee on Health and Safety at Work, and to conclude speedy negotiations with the Luxembourg authorities on improving the conditions for mobility and access to them; reminds it that medical offices should be established in each building in accordance with Luxembourg legislation;

315. Has recently learnt that the first construction phase of JMO II will probably be handed over in early 2020 and the second phase in early 2024; notes the explanations given by the Commission on the causes of the delays:

(a) the consortium of architects KSP requested to review certain clauses of the management contract;

(b) a tender procedure for the earthmoving works faced administrative problems;

(c) significant changes regarding the security measures;

and asks it to provide documents in support of those explanations and a detailed breakdown of the costs arising from the delay in the handover of the building;

316. Wishes to receive the supporting documents for these explanations by 30 June 2018;

European Schools

317. Recalls that the Commission paid 61 % (EUR 177,8 million) of the schools budget in 2016;

318. Regrets that after more than 15 years ([1]) there is still not sound financial management system in place for European schools;

319. Points in this context to the Court's annual report on the annual accounts for the European Schools for the financial year 2016, which revealed the following weaknesses ([2]):

> '27. The Court found significant weaknesses in the application of accruals accounting in the accounts of the Central Office and the Alicante and Karlsruhe Schools, in particular in the calculation and booking of provisions for employee benefits and the recording of payables and receivables. Material errors were corrected during the consolidation procedure. […] 30. While the internal control systems of the Alicante and Karlsruhe Schools showed limited weaknesses, there are still significant weaknesses in the internal control system of the Central Office. The audit reports of the independent external auditor also revealed significant weaknesses in the recruitment, procurement and payment procedures. The Court is thus unable to confirm that financial management was performed in accordance with the General Framework.'

320. Acknowledges that the director general acted therefore only congruously when limiting her assurance declaration: 'The Director-General, in her capacity as Authorising Officer by Delegation has signed the Declaration of Assurance albeit qualified by a reputational reservation concerning the effective management of some of the Commission funds assigned to the European Schools.' ([3]);

321. Deplores the fact that the Court's annual report on the annual accounts for the European Schools for the financial year 2016, revealed numerous weaknesses; believes that the financial accountability of the European Schools system should be raised to a proper level by means of a dedicated discharge process for the EUR 177,8 million put at its disposal;

322. Reiterates Parliament's view that a 'comprehensive review' of the European Schools system is urgently required to consider 'reform covering managerial, financial, organisational and pedagogical issues' and recalls its request that 'the Commission submit annually a report giving its assessment of the state of progress' to Parliament;

323. Asks the Commission when it expects a sound financial management system for European Schools to be in place; calls on the Commission to take all necessary measures to ensure that a good financial management system for European Schools can be introduced as quickly as possible;

European Anti-Fraud Office (OLAF)

324. Is astounded that the development of a new case management system, devised in-house, will cost EUR 12,2 million; asks whether OLAF undertook any market research for cheaper solutions before engaging in this expense; expects that the Commission and OLAF present a thorough explanation of estimated costs and steps taken to find a more economic solution to the discharge authority;

325. Has great misgivings about

(a) creating posts for the sole purpose of serving as a spring-board for a secondment,

(b) the high official not respecting a 'cooling-off' period before accepting a position with close links to his prior employment,

(c) the high official running the risk of being entangled in a conflict of interest between loyalty to his former and current employer;

([1]) Paragraphs 276, 281, 282 of Parliament's resolution of 27 April 2017.
([2]) Report on the annual accounts of the European Schools for the financial year 2016 together with the Schools' replies, 29 November 2017.
([3]) DG HR, AAR, p. 6.

Expert Groups

326. Calls on the Commission to ensure a balanced composition of expert groups; takes note of the Corporate Europe Observatory report of 14 February 2017 'Corporate interests continue to dominate key expert groups' ([1]); is concerned with its conclusion, specifically as to the imbalance in the expert groups GEAR2030, Automatic Exchange of Financial Account Information, Joint Transfer Pricing Forum, Platform for Good Tax Governance and the Working Group on Motor Vehicles subgroup Real Driving Emissions — Light Duty Vehicles; considers that the Parliament has still not received a formal answer to its resolution of 14 February 2017 on 'Control of the Register and composition of the Commission's expert groups' ([2]); calls upon the Commission to provide a thorough response without delay;

Investigative journalism and fight against corruption

327. Condemns the murder of Slovak investigative journalist Ján Kuciak and his fiancée Martina Kušnírová on 22 February 2018, is very much concerned by information according to which this assassination could be linked to the fraudulent payment of Union transfer funds to a resident in Slovakia and with alleged ties to the organised crime group 'Ndràngheta; asks the Commission and OLAF to closely examine this file and to report on it in the framework of the follow-up to the Commission discharge;

328. Regrets the discontinuing of the country-by-country report in a second EU Anti-Corruption report by the Commission (ARES (2017)455202); calls on the Commission to start reporting again separately from the Economic Semester on the status of corruption in Member States, including evaluating the effectiveness of EU-supported anti-corruption efforts; strongly urges the Commission not to evaluate anti-corruption efforts only in terms of economic loss;

329. Calls on the Commission to make a renewed effort to allow the EU to become a signatory to GRECO (group of states against corruption);

Transitional allowances

330. Takes note of the findings and recommendations of Parliament's Policy Department D's study "Transitional allowances for former Union office holders — too few conditions?"; calls on the Commission to take these recommendations into account, and initiate a revision of transitional allowances for former EU office holders in order to enhance the transparency of the allowances, and the accountability of the EU budget towards the citizens; calls in particular on former EU office holders to refrain from lobbying activities at EU institutions as long as they receive a transitional allowance;

Executive Agencies

331. Calls on the executive agencies concerned:

(a) to follow up and implement the recommendations of the Internal Audit Service;

(b) to avoid carry-overs as far as possible by introducing differentiated budget appropriations to better reflect the multiannual nature of operations;

(c) to keep detailed and comprehensive records on public procurement and recruitment procedure.

Committee opinions

Foreign Affairs

332. Takes note of the Final Report on the External Evaluation of the European Instrument for Democracy and Human Rights (EIDHR) issued in June 2017; welcomes indications that election observation is contributing to the overall and specific objectives of the EIDHR; underscores the importance of ensuring continued support among local populations for election observation missions; to this effect draws attention to the need to ensure cost effectiveness and introduce proportionality between the resources spent on EOMs and the follow up of its recommendations; calls on the Commission to consider proposals made in the Final Report on the External Evaluation of the EIDHR to further strengthen the follow up of recommendations that result from election monitoring;

([1]) https://corporateeurope.org/expert-groups/2017/02/corporate-interests-continue-dominate-key-expert-groups.
([2]) Texts adopted, P8_TA(2017)0021.

333. While welcoming the progress achieved, notes that 4 out of 10 civilian missions under the Common Security and Defence Policy (CSDP) have not yet been recognised by the Commission as compliant with Article 60 of the Financial Regulation; urges the Commission to step up work in order to accredit all civilian CSDP missions, in line with the ECA's recommendation, allowing them to be entrusted with budget implementation tasks under indirect management;

Development and Cooperation

334. Is very worried by a noticeable trend in recent Commission proposals to ignore legally binding provisions of Regulation (EU) No 233/2014 of the European Parliament and of the Council ([1]) when it comes to Official Development Assistance eligible expenditure and eligible countries for Development Cooperation Instrument (DCI) spending; recalls that the legality of Union spending is a key principle of sound financial management and that political considerations should not take precedence over clear legal provisions; recalls that DCI is first and foremost an instrument designed to fight poverty;

335. Supports the use of budget support but urges the Commission to better define and clearly assess the development outcomes to be achieved in each case and above all to enhance control mechanisms concerning recipient states' conduct in the fields of corruption, respect of human rights, rule of law and democracy; expresses deep concern about the potential use of budget support in countries lacking democratic oversight, either due to the lack of a functioning parliamentary democracy, freedoms for civil society and the media, or due to a lack of capacity of oversight bodies;

336. Is worried by the Court's statement that there is a serious risk for the Union not to meet its aim of mainstreaming climate change throughout the Union budget and that the goal of spending 20 % of its expenditure for climate-related action will not be met;

337. Is worried by the Court's finding that the Union certification system for the sustainability of biofuels is not fully reliable ([2]); underlines the potential negative consequences for developing countries as stated by the Court: 'the Commission did not require voluntary schemes to verify that the biofuel production they certify does not cause significant risks of negative socioeconomic effects, such as land tenure conflicts, forced or child labour, poor working conditions for farmers and dangers to health and safety'; requests the Commission to address this issue;

338. Looks forward to being fully informed and consulted on the mid-term review of the DCI which is supposed to take into account Agenda 2030 and a new European Consensus on Development;

339. Calls on the Commission to incorporate an incentive-based approach to development by introducing the more-for-more principle, taking as an example the European Neighbourhood Policy; believes that the more and the faster a country progresses in its internal reforms to the building and consolidation of democratic institutions, the eradication of corruption, the respect for human rights and the rule of law, the more support it should receive from the Union; stresses that this 'positive conditionality' approach, accompanied by a strong focus on financing small-scale projects for rural communities, can bring real change and guarantee that Union tax payers' money is spent in a more sustainable manner; on the other hand, strongly condemns any attempt to make aid conditional on border control;

Employment and Social Affairs

340. Is concerned that in the course of the Court's review of 168 completed projects under the 'Economic, social and territorial cohesion' spending area, only one-third had a performance measurement system with output and result indicators linked to the objectives of the operational programme and that 42 % had no result indicators or targets, making it impossible to assess the specific contribution of those projects to the overall objectives of the programme;

341. Notes the Court's recommendation that when reconsidering the design and delivery mechanism for the ESI funds post-2020, the Commission should strengthen the programme focus on performance and simplify the mechanism for payments by encouraging, as appropriate, the introduction of further measures linking the level of payments to performance instead of simply reimbursing costs;

([1]) Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development cooperation for the period 2014-2020 (OJ L 77, 15.3.2014, p. 44).

([2]) Special Report No 18/2016: The EU system for the certification of sustainable biofuels.

342. Welcomes the results achieved under the three axes of the European Union Programme for Employment and Social Innovation (EaSI) in 2016; draws attention to the importance of EaSI support, and, in particular, of its Progress and European Employment Services network (EURES) axes, for the implementation of the European Pillar of Social Rights; notes with concern that the thematic section Social Entrepreneurship within the EaSI Microfinance and Social Entrepreneurship axis continues to underperform; calls on the Commission to insist that the European Investment Fund commits to full utilisation of the resources under the Social Entrepreneurship thematic section;

Environment, Public Health and Food Safety

343. Stresses that an action plan was set up in 2016, following comments from the Court, in order to ensure improvements on payments delays under the LIFE programme; notes that the rate of delayed payments for 2016 reached 3,9 %;

344. Regrets that there is no specific reporting framework managed by the Commission in relation to the identification and the measurement of the undesired implications of Union policies that make a negative contribution to climate change, and in relation to the quantification of the share of this expenditure in the total Union budget;

345. Stresses that internal audits also showed that there were delays in the implementation of one very important IT security-related recommendation (on the management of the security of the EU ETS IT system), which exposes the Commission services to the risk of security breaches;

346. Notes that the *ex post* evaluation of the second Health Programme initialised in July 2016 found that while the programme delivered valuable outputs with a clear link to Union and national health policy priorities, there was still room for improvement concerning the dissemination of action outputs and synergies with other Union funding instruments such as the structural funds;

Transport and Tourism

347. Regrets that, at a time when the next MFF is under preparation, the Court did not provide any comprehensive information regarding the audits performed for the transport sector under the area of 'Competitiveness for growth and employment', in particular regarding the CEF;

348. Notes that by the end of 2016, CEF had provided support to 452 transport projects for a total of EUR 19,4 billion in investments across Europe; reiterates the importance of the CEF funding instrument for the completion of the TEN-T network and for achieving a Single European Transport Area; stresses that the budgetary cuts to the CEF made in the past, due to the funding of the EFSI initiative, should be avoided in the future;

349. Notes that in 2016 EFSI provided EUR 3,64 billion financing 29 operations: 25 transport projects and 4 multi-sectors funds with an expected 12,65 billion of total investments; regrets that the Commission and the EIB did not provide comprehensive information sector by sector on an annual basis of the projects supported by EFSI;

350. Takes note of the launch in 2016 of the Green Shipping Guarantee Programme through the new CEF debt instrument and EFSI, which will potentially mobilise EUR 3 billion of investment in equipping vessels with clean technology; asks the Commission to provide detailed information on the implementation of this programme, including on the financial, technological aspects as well as on the environmental and economic impacts;

351. Notes that the number of financial instruments has increased considerably which allows for new blending opportunities in the transport sector, while at the same time creating a complex web of arrangements around the Union budget; is concerned that these instruments alongside the Union budget could risk undermining the level of accountability and transparency, as reporting, audit and public scrutiny are not aligned; regrets furthermore that with the use of the EFSI funds, implementation powers are delegated to the EIB with more limited public scrutiny than for other instruments supported by the Union budget;

352. Calls upon the Commission to clearly present for the sector of transport an assessment of the impact of EFSI on other financial instruments, in particular with regard to the CEF as well as on the coherence of the CEF Debt Instrument with other Union initiatives in good time before the proposal for the next MFF and for the next CEF; requests that this assessment presents a clear analysis of the geographical balance of investments in the transport sector; recalls, however, that the amount of money spent under a financial instrument should not be considered to be the only pertinent criteria to be used when assessing its performance; invites, therefore, the Commission to deepen its assessment of the achievements completed under Union funded transport projects and measure their added-value;

353. Reiterates its request that the Commission, in view of the multiple sources of funding, provide an easy access to projects -in form of a one-stop-shop- in order to allow citizens to clearly follow the developments and funding of infrastructures co-financed by Union funds and by the EFSI;

354. Calls on the Commission to evaluate the financial effectiveness of the agreement with Eurocontrol regarding the Performance Review Body (PRB) and to advance the proposal to establish PRB as a European economic regulator under the supervision of the Commission; moreover, taking in account the necessity to implement as soon as possible the Single European Sky and in order to increase the competitiveness of aviation industry, calls on the Commission to advance the proposal to designate the Network Managers as a self-standing service provider set up as an industrial partnership;

355. Calls on the Commission to present an assessment of the impact of the projects financed by the Member States, in the area of transport under the Danube Strategy and to make a proposal to increase the added value of the future projects in order to contribute to the completion of this important transport corridor;

356. Deeply regrets that, due to the lack of a specific budget line for tourism, there is a lack of transparency regarding the Union funds used to support actions for tourism; reiterates its request to add a budget line in future budgets of the Union dedicated to tourism;

Regional Development

357. Draws attention to the role administrative capacities play in the regular use of the ESI funds; considers that an exchange of good practices could effectively contribute to enhancing Member States' capacities in this field;

358. Is deeply concerned that the major delay in implementing the policies of economic, social and territorial cohesion has exacerbated the multiple inequalities both throughout the Union and within Member States and regions, thus jeopardising the integrity of the Union;

359. Takes note of the strategic report 2017 on the implementation of the ESI funds ([1]), stressing that the ESI funds' project selection has reached an overall EUR 278 billion, or 44 % of the total investment planned for 2014-2020, which have been delivered to Europe's real economy since the beginning of the funding period; considers that the implementation of the 2014-2020 programmes has now reached full speed, proving the added value of cohesion policy investment for all regions in the Union but also the need for further efforts to strengthen the administrative capacity of national, regional and local authorities;

Agriculture and Rural Development

360. Welcomes the fact that the LPIS saw further improvement and enhanced precision, which makes it a great tool for reducing the error rate as well as the administrative burden for farmers and paying agencies;

361. Calls on the Commission and Member States to monitor the significant price volatility of agricultural products, which has adverse effects on farmers' incomes, and to react promptly and effectively when needed;

362. Notes that the first full year of 'greening' implementation has not apparently had an impact on the error rate, which can be considered a major achievement on the part of farmers and paying agencies given the complex nature of the greening rules; shares the Commission's view that it is still too early to draw conclusions on the precise environmental outcomes; notes that, notably, other factors, apart from greening, also influence the environmental performance of the agriculture sector; underlines that 'greening' serves as an example of the increased need for performance auditing also in the field of agriculture;

363. Welcomes the greening scheme and its aim to make Union farms more environmentally friendly through the practices of crop diversification, the maintenance of existing permanent grassland and the establishment of ecological focus areas on arable land, as outlined by the Court's annual report;

364. Recalls that there is a significant difference in types and scale of error, i.e. between unintentional omissions, administrative in nature and cases of fraud, and that omissions do not as a rule cause any financial damage to the taxpayer, which should also be taken into account when estimating the actual error rate; reminds the Commission that the risk of unintentional errors owing to complex regulation is in the end borne by the beneficiary; regrets that,

([1]) http://ec.europa.eu/regional_policy/en/policy/how/stages-step-by-step/strategic-report/.

even if the investment was effective, expenditure is still judged 100 % ineligible by the Court in the event of public procurement errors; stresses therefore that further rationalisation in the error calculation method is desirable;

365. Notes that access to data and good monitoring especially of environmental aspects is essential, considering that certain natural resources underpin long term agricultural productivity, such as soil and biodiversity;

366. Hopes that the Court is adjusting its supervisory approach so as to give the same importance to the use of funds as to their allocation;

Fisheries

367. Urges the Court, in its future reports, to present a separate error rate for fisheries and maritime affairs to eliminate the distortions that result from including other areas under the same chapter; notes that maritime affairs and fisheries are not covered in sufficient detail in the Court's annual report and that a proper evaluation of financial management in those areas is therefore difficult;

368. Congratulates the Commission on the particularly high rate of implementation of Section III, Title 11 of the 2016 budget (Maritime Affairs and Fisheries) in respect of both commitment appropriations (99,2 %) and payment appropriations (94,7 %); points out that under Article 13 of Regulation (EU) No 508/2014 of the European Parliament and of the Council ([1]), budgetary resources are broken down in accordance with their area of allocation, and that it would therefore be appropriate for the Commission, in its report, to detail the rate of implementation according to budgetary lines;

369. Takes note of the reservation expressed in DG MARE's activity report, affecting eight Member States, with regard to the detection of ineligible expenditure under the European Fisheries Fund (EFF);

370. Encourages DG MARE's efforts in controlling jointly managed appropriations, and particularly its measures with regard to the EFF and the European Maritime and Fisheries Fund (EMFF);

371. Notes that the figure for risk of loss of funds is EUR 5,9 million and that the Commission has taken the requisite measures to evaluate the 2017 expenditure and, if necessary, to recover monies allocated;

372. Notes that the level of implementation of the 2014-2020 EMFF, three years after its adoption on 15 May 2014, remains unsatisfactory, as by September 2017 only 1,7 % of the EUR 5,7 billion available as jointly managed funding had been used; notes that the rate of take-up of the EMFF is a matter for the Member States; points out that under Article 13 of Regulation (EU) No 508/2014, budgetary resources are broken down in accordance with their area of allocation, and that it would therefore be appropriate for the Commission, in its report, to detail the rate of implementation according to budgetary lines;

373. Considers it necessary to provide all possible support for the Member States with a view to ensuring proper and full use of EMFF resources, with high implementation rates, in line with their respective priorities and needs, in particular as regards the sustainable development of the fisheries sector;

Culture and Education

374. Welcomes the fact that Erasmus+ enabled 500 000 people to study, train or volunteer abroad in 2016 and is on track to achieve its target of 4 million participants by 2020; stresses that Erasmus+ students tend to develop a large set of transferable skills, competences and knowledge and enjoy better career prospects than non-mobile students and that the programme delivers as a strategic investment in Europe's young people; points out, however, the need to ensure wider accessibility of the programme in particular for young people with fewer opportunities;

375. Welcomes the fact that the Erasmus+ funding application procedure has largely been transferred online; believes, however, that the procedure could be simplified further by abolishing the requirement for project partners' letters of accreditation to be signed by hand;

([1]) Regulation (EU) No 508/2014 of the European Parliament and of the Council of 15 May 2014 on the European Maritime and Fisheries Fund and repealing Council Regulations (EC) No 2328/2003, (EC) No 861/2006, (EC) No 1198/2006 and (EC) No 791/2007 and Regulation (EU) No 1255/2011 of the European Parliament and of the Council (OJ L 149, 20.5.2014, p. 1).

376. Points out that there are still problems as regards access to Erasmus+ funding in the 'youth' sector because the programme is managed on a decentralised basis by national agencies; calls on the Commission to take the necessary steps, for instance by centralising part of the funding within the executive agency; calls on the Commission, in addition, to provide the means necessary for all programme beneficiaries to become more involved, one example being to set up permanent sector-specific subcommittees, as provided for under Regulation (EU) No 1288/2013 of the European Parliament and of the Council ([1]);

377. Maintains that, to date, the key to the success of Erasmus+ has been university exchanges and that, in order to prevent this from being eroded, none of the funding should be used for another programme, nor should the scope of Erasmus + be widened to encompass other recipients, for example migrants;

378. Is alarmed by the chronically low project success rates under the Europe for Citizens programme and the Creative Europe Culture sub-programme (16 % and 11 % respectively in 2016); stresses that low success rates cause frustration among applicants and are symptomatic of inadequate levels of financing, which does not correspond to the ambitious goals of the programmes;

379. Points out that the Commission's own Education, Audiovisual and Culture Executive Agency (EACEA) says that the Europe for Citizens programme reached full maturity in 2016, in its third year of implementation; calls, therefore, on the Commission and Council to allow properly for the long time-frames that have proved necessary for full implementation of new programmes within the 2014-2020 MFF in order to prevent similar delays from occurring within the financial framework to be established after 2020;

380. Commends EACEA's role in implementing the three culture and education programmes, as evidenced by the positive evaluation of the Agency's work completed in 2016; welcomes EACEA's greater use of e-reporting for funded projects, which should improve data collection and project monitoring, help feed into the Commission's policy work and assist beneficiaries; is pleased to note that EACEA makes 92 % of its payments within the Financial Regulation deadlines; given that education and culture programme beneficiaries are often very small organisations, calls on EACEA to strive for better results, potentially through an average time-to-pay indicator;

381. Notes the 2016 launch of the Cultural and Creative Sectors Guarantee Facility, with a budget of EUR 121 million up to 2022, and the initial interest shown by the sector and financial intermediaries; calls for quick implementation of the planned EUR 60 million frontloading of the Facility from the EFSI; recalls that loans complement other essential sources of funding to the sector, such as grants;

382. Is concerned by the very low level of EFSI funding that reached the education and cultural and creative sectors in 2016; considers that tailored, sector-specific support is essential to ensure that the cultural and creative sector benefits from EFSI loans;

383. Reiterates its support for independent media coverage of European affairs, notably through budgetary assistance for television, radio and online networks; welcomes the continuation of the grant for Euranet+ until 2018 and urges the Commission to find a more sustainable funding model for the network;

Civil liberties, Justice and Home Affairs

384. Recalls that special instruments were used extensively in 2016 to respond to the humanitarian situation faced by asylum-seekers in the Union and that there is therefore a risk that the amounts left until the end of the current MFF may not be sufficient to respond to unexpected events that may occur before 2020; requests the Commission to solve this structural issue in the next MFF and to properly inform the Parliament;

385. Urges the development of a coherent and systematic strategy with clearer, stronger and long-term political and operational priorities for protecting fundamental rights and freedoms, while ensuring its effective implementation also by granting sufficient funds for this purpose;

Women's Rights and Gender Equality

386. Stresses that equality between women and men should be ensured in all policy areas; reiterates therefore its call for the implementation of gender budgeting at all the stages of the budgetary process, including the implementation of the budget and assessment of its implementation;

([1]) Regulation (EU) No 1288/2013 of the European Parliament and of the Council of 11 December 2013 establishing 'Erasmus+': the Union programme for education, training, youth and sport and repealing Decisions No 1719/2006/EC, No 1720/2006/EC and No 1298/2008/EC (OJ L 347, 20.12.2013, p. 50).

387. Regrets that the budget lines under the Rights, Equality and Citizenship Programme (REC) 2014 — 2020 do not specify the resources allocated to each of the objectives of the programme linked to gender equality; welcomes the fact that, in 2016, the Women Against Violence Network and the European Women's Lobby received grants in the field of combating violence against women and gender equality;

388. Reiterates its call to keep a separate budget line for the Daphne specific objective, with increased resources to reverse the decrease of funds dedicated to Daphne during the 2014-2020 period;

389. Deplores the fact that the European Fund for Strategic Investments does not include a gender perspective and stresses that a successful process of recovery is not possible without addressing the impact of the crises on women;

390. Highlights that gender mainstreaming is also among the founding principles of the AMIF; deplores, however, the lack of targeted actions on gender equality with specific budget lines despite Parliament's reiterated calls to take into account the gender dimension also within migration and asylum policies;

391. Reiterates its demand to include in the common set of result indicators for the implementation of the Union budget gender-specific indicators, with due regard to the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness;

392. Calls for gender impact assessment as part of general *ex ante* conditionality for Union funds, and for the collection of data disaggregated when possible by sex on beneficiaries and participants;

393. Welcomes the relatively balanced participation by gender (52 % women versus 48 % men) in ESF interventions in 2016;

394. Calls for a renewed commitment by Parliament, the Council and the Commission to gender equality in the next MFF, by means of a joint declaration attached to the MFF, including a commitment to implement gender budgeting and an effective monitoring of the implementation of this declaration in the annual budgetary procedures by including a provision in a review clause of the new MFF Regulation.

RESOLUTION (EU, EURATOM) 2018/1315 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the Court of Auditors' special reports in the context of the 2016 Commission discharge

THE EUROPEAN PARLIAMENT,

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

— having regard to the general budget of the European Union for the financial year 2016 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2016 (COM(2017) 365 — C8-0299/2017) ([2]),

— having regard to the Court of Auditors' annual report on the implementation of the budget for the financial year 2016, 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to its decision of 18 April 2018 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section III — Commission ([5]) and to its resolution with observations that forms an integral part of that decision,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2016 (05940/2018 — C8-0042/2018),

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

— having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,

— 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 93 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0130/2018),

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

B. whereas the special reports of the Court of Auditors (the 'Court') provide information on issues of concern related to the implementation of funds, and are thus useful for Parliament in its role as discharge authority;

C. whereas its observations on the special reports of the Court of Auditors form an integral part of Parliament's aforementioned decision of 18 April 2018 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section III — Commission;

([1]) OJ L 48, 24.2.2016.
([2]) OJ C 323, 28.9.2017, p. 1.
([3]) OJ C 322, 28.9.2017, p. 1.
([4]) OJ C 322, 28.9.2017, p. 10.
([5]) Texts adopted, P8_TA(2018)0121 (see page 27 of this Official Journal).
([6]) OJ L 298, 26.10.2012, p. 1.

Part I Special Report No 21/2016 of the Court of Auditors entitled 'EU pre-accession assistance for strengthening administrative capacity in the Western Balkans: A meta- audit'

1. Welcomes the Court's special report, which is in the form of a meta-audit presenting an overview of the Commission's management of pre-accession assistance in Albania, Bosnia and Herzegovina, Kosovo, the former Yugoslav Republic of Macedonia, Montenegro and Serbia, and sets out its observations and recommendations below;

2. Acknowledges that the Commission has to operate in a difficult political context and encounters many weaknesses within beneficiaries' public institutions such as excessive bureaucracy, a high staff turnover, low efficiency, lack of accountability and corruption;

3. Calls on all stakeholders both to pay particular attention to the definition of qualitative national strategies and national and regional programmes that would include clear, realistic and measurable objectives and to better link the design of programmes in the beneficiary country to these strategies and respective needs assessments;

4. Supports the efforts of the Western Balkans countries' authorities to pursue efforts in key areas of good governance and towards reform of their public administration, including in the area of financial control in the context of public finance management; invites all actors to intensify efforts for developing or consolidating strategies to coordinate the implementation of public finance management reform;

5. Considers it crucial to reinforce the application of the principle of conditionality, particularly by verifying in advance the beneficiary's capacity to do what is required for a high-quality project and in specific measurable terms;

6. Regrets that about half of the Union funded projects for strengthening public administration reform and the rule of law were not sustainable; stresses the importance of developing sustainability, especially for projects dedicated to the reinforcement of administrative capacity; regrets that sustainability was not ensured in many cases due to inherent factors such as a lack of budgetary means, staffing and above all the beneficiary's lack of political will to reform institutions; calls on the Commission to build on the achievements of successful projects with quantifiable added value and to secure the sustainability and viability of the projects by setting it as a pre-condition of the projects when implementing IPA II;

7. Believes that there is still room for improvement to bring certain key sectors up to Union standards such as adherence to the rule of law, public administration reform and good governance; is of the opinion that the assistance provided in these areas should be increased, more effective and sustainable due to the close link with the enlargement strategy and political criteria;

8. Calls on the Commission to focus on the fight against corruption and organised crime and to encourage public prosecution and the development of transparency and integrity requirements within public administration as a matter of priority; reiterates the need for a more continuous and stringent strategy and greater political commitment by national authorities in order to ensure sustainable results in this respect;

Part II Special Report No 24/2016 of the Court of Auditors entitled 'More efforts needed to raise awareness of and enforce compliance with State aid rules in cohesion policy'

9. Welcomes the Court's special report and endorses its recommendations;

10. Notes with satisfaction that the Commission will implement the vast majority of the recommendations;

11. Underlines that all directorates-general concerned, and in particular DG COMP and DG REGIO, must have access to all databases held by Commission services to enable them to effectively assume their responsibilities;

12. Calls on the Commission to review its refusal to implement recommendation 4(b), as this may endanger the protection of the Union's financial interests;

13. Can accept the Commission's reticence to put in practice recommendation 4(d), for as long as alternative methods chosen by Member States are as effective as a central register for monitoring 'de minimis' aid; calls on the Commission to ensure that this is the case;

14. Is convinced that it is of prime importance for Member States to have legal certainty of applicable State aid rules before undertaking major projects as clear and coherent rules can contribute to bring down the error rate in this area;

15. Calls on the Commission to ensure that national audit authorities are familiar with and verify applicable state-aid rules before filing their annual control report;

16. In that context welcomes DG COMP's and DG REGIO's agreement on a common state aid action plan in March 2015; notes that the action plan originally comprised six actions intended to raise awareness and improve knowhow in the field of state aid in all Member States: identification and dissemination of good practice, training courses for state aid specialists, country-specific workshops, seminars for specialists, the further development of a question-and-answer database (the ECN-ET network86) and the development of a state aid information database; as of 2016 the Commission also offered a dedicated training module;

17. Welcomes also that, by January 2016, DG COMP had organised training courses on state aid and infrastructure in Bulgaria, Croatia, the Czech Republic, Romania and Slovakia;

18. Supports the Court in its call for a central Union-wide database in which relevant Member State authorities can consult the identity of undertakings subject to state aid recovery orders as well as the status of recovery proceedings; considers that such a data base could be important for future risk analyses;

Part III Special Report No 29/2016 of the Court of Auditors entitled 'Single Supervisory Mechanism — Good start but further improvements needed'

19. Recalls the following legal bases:

(a) Article 287(1) of the Treaty on the Functioning of the European Union (TFEU): '1. The Court of Auditors (the "Court") shall examine the accounts of all revenue and expenditure of the Union. It shall also examine the accounts of all revenue and expenditure of all bodies, offices or agencies set up by the Union in so far as the relevant constituent instrument does not preclude such examination.

The Court shall provide 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 which shall be published in the *Official Journal of the European Union*. This statement may be supplemented by specific assessments for each major area of Union activity.'

(b) Article 27 of the Statute of the European System of Central Banks (ESCB) and of the European Central Bank (Protocol No 4 annexed to the TEU and the TFEU): '27.1. The accounts of the ECB and national central banks shall be audited by independent external auditors recommended by the Governing Council and approved by the Council. The auditors shall have full power to examine all books and accounts of the ECB and national central banks and obtain full information about their transactions.

27.2. The provisions of Article 287 of the TFEU shall only apply to an examination of the operational efficiency of the management of the ECB.'

(c) Articles 20(1) and (7) of Council Regulation EU) No 1024/2013 ([1]) conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions: '1. The ECB shall be accountable to Parliament and to the Council for the implementation of this Regulation, in accordance with this Chapter. 7. When the Court examines the operational efficiency of the management of the ECB under Article 27.2 of the Statute of the ESCB and of the ECB, it shall also take into account the supervisory tasks conferred on the ECB by this Regulation.'

20. Supports the Court's conclusions and welcomes the ECB's acceptance of the Court's recommendations ([2]);

21. Is, however, concerned by a report by the Contact Committee of the Supreme Audit Institutions of the European Union (SAI) comparing the audit rights of 27 of the 28 national SAIs across the Union over banking supervisors; regrets that the resulting statement pointed out that an audit gap has emerged in those countries where previous audit mandates of national SAIs over banking supervisors are not being replaced by a similar level of audit by the Court over the ECB's supervisory activities ([3]);

22. Underlines that it already expressed this concern in its resolution of 10 March 2016 on the Banking Union — Annual Report 2015 ([4]);

23. Regrets the limited transparency of information for the supervised entities as the result of the approach adopted by the ECB with regard to disclosure, which had the result that supervised entities were not able to fully understand the outcome of the review process and prudential assessment; stresses that the Court has expressed concern about the lack of transparency, which in its opinion could increase 'the risk of arbitrariness in supervision';

24. Points out that the lack of any supervisory scrutiny on a bank's exposure to illiquid 'level 3 activities', including toxic assets and derivatives, resulted in an asymmetric exercise of the supervisory function; considers that the strong bias against credit risks relative to market and operational risks stemming from speculative financial activities had the result of penalising commercial banks in favour of big investment banks, putting into question the validity and reliability of the comprehensive assessments conducted so far; is concerned at the recent statements by the Chair of the Supervisory Board Danièle Nouy concerning the difficulties and inability of the ECB to proceed with a proper valuation of positions related to these complex and risky products;

([1]) OJ L 287, 29.10.2013, p. 63.

([2]) The ECB should:
1. Further streamline the decision-making process and delegate certain decisions to lower levels in order to enable the Supervisory Board to focus on more demanding issues;
2. Assess the risks entailed and implement the necessary safeguards, including managing possible conflicting requests and dedicated compliance monitoring to overcome concerns about the use of shared services;
3. Assign sufficient internal audit skills and resources to ensure that high and medium risk areas are covered as and when appropriate;
4. Fully cooperate with the Court in order to enable it to exercise its mandate and thereby enhance accountability;
5. Formalise its current arrangements for measuring and publicly disclosing information on supervisory performance to enhance its external accountability;
6. Amend the SSM Framework Regulation in order to formalise commitments by participating NCAs and ensure that all participate fully and proportionately in the work of the JSTs;
7. Develop, in collaboration with the NCAs, role/team profiles and methods for assessing both the suitability of the staff that the NCAs intend to assign to the JSTs and their subsequent performance;
8. Establish and maintain a centralised, standardised and comprehensive database of the skills, experience and qualifications of JST employees, both ECB and NCA staff;
9. Implement a formal training curriculum for both new and existing supervisory staff in JSTs;
10. Develop and implement a risk-based methodology to determine the target number of staff and the composition of skills for JSTs;
11. Review periodically the clustering mode in the important supervisory planning process and update it as necessary;
12. Supplement or redeploy its staff to allow it to substantially strengthen its presence in on-site inspections of significant banks based on a clear prioritisation of risks;
13. Closely follow up on the weaknesses in the IT system for on-site inspections and pursue its efforts to increase the qualifications and skills of on-site inspectors from NCAs.

([3]) Statement 'Ensuring fully auditable, accountable and effective banking supervision arrangements following the introduction of the Single Supervisory Mechanism' of the Contact Committee of the Heads of the Supreme Audit Institutions of the EU Member States and the European Court of Auditors.

([4]) OJ C 50, 9.2.2018, p. 80.

25. Notes with concern the findings of the Court on the lack of an effective organisational separation between the ECB's monetary policy and supervisory functions as well as of clear and stringent governance rules to prevent conflicts of interest, which reinforces concerns over the inherent conflict of interest between the ECB's role in preserving the stability of the euro and its prudential supervision of big European credit institutions;

26. Supports the finding of the Court on the necessity to provide a risk analysis concerning the use of shared services on tasks related to the ECB's monetary policy and supervisory functions;

27. Is worried, in this context, by the Court's observation that the level of information provided by the ECB was only partly sufficient to assess the efficiency of operations linked to the SSM's governance structure, the work of its joint supervisory teams and its on-site inspections; stresses that important areas were therefore left unaudited;

28. Finds it unacceptable, from a point of view of accountability, that the auditee, i.e. the ECB, wants to decide single-handedly to which documents the external auditors may have access ([1]); calls therefore on the ECB to fully cooperate with the Court as external auditor and to provide full access to information to the Court in order to comply with the abovementioned rules;

29. Calls on the Court to inform Parliament's competent committee whether a solution to the problem of access to information is found before November 2018;

30. Acknowledges the existing reporting arrangements between the ECB and Parliament ([2]); considers that these arrangement cannot, however, replace the Court's audit;

31. Recalls that the Commission should have published, by 31 December 2015, a review of the application of Regulation (EU) No 1024/2013 conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions; regrets that this did not happen;

32. Calls therefore on the Commission to finalise this report as swiftly as possible;

Part IV Special Report No 30/2016 of the Court of Auditors entitled 'The effectiveness of EU support to priority sectors in Honduras'

33. Welcomes the Court's special report, endorses its recommendations and sets out its observations and recommendations below; also takes note of the Commission's replies;

34. Notes with satisfaction that the Court's report has been very well received, both by the government of Honduras and by the Commission, and that the challenges identified by the Court, as well as its conclusions, have been very useful in strengthening political dialogue between Honduras and the Union;

35. Points out that at present, relations between Honduras — as part of Central America — and the Union are principally based on the Association Agreement signed in 2012, which is a strong, long-term link forged on the basis of mutual trust and the protection of shared values and principles; points out that the agreement lays down three central pillars for action: political dialogue, cooperation and trade; points out, in particular, that, in the agreement, both parties undertook to implement measures to foster economic development, taking into account mutual interests such as poverty eradication, job creation, and fair and sustainable development;

36. Emphasises that, to date, 21 Member States have ratified the agreement; hopes that those countries that have not yet signed it will do so as soon as possible, as the full implementation of the three pillars will strengthen the development of political dialogue, allow for the efficient allocation of funding, and ensure, once and for all, that Union assistance will be effective in rebuilding and transforming Honduras;

37. Points out that Honduras is the Central American country that receives the most development assistance from the Union, and that the Union's contribution is the fourth largest among the 12 main donors to Honduras, representing 11 % of the total amount of official development assistance that the country receives; emphasises that the total figure has increased from EUR 223 million in the period from 2007-2013, to EUR 235 million in the period from 2014-2020;

([1]) For limits on access to information see annex II of the special report.
([2]) For the existing reporting arrangements between the ECB and the European Parliament see annex IX of the special report.

38. Notes with concern, however, that the Union's financial contribution over the period under consideration represented just 0,2 % of the country's GDP, a proportion far lower than that of other donors, particularly the USA;

39. Notes, in a similar vein, that according to data from the World Bank, in the wake of the global economic crisis, Honduras has experienced a moderate recovery, economically speaking, driven by public investment, exports and high levels of income from remittances, paving the way for growth figures of 3,7 % in 2016 and 3,5 % in 2017;

40. Emphasises, nevertheless, that although the economic prospects are encouraging, and despite efforts on the part of the government and donors, Honduras still has the highest levels of poverty and economic inequality in Latin America, with around 66 % of the population living in poverty in 2016, according to official data, and with persistent, widespread violence, corruption and impunity; notes that, although the murder rate has fallen in recent years, it is still among the highest in the world, and is the highest in Latin America; emphasises, furthermore, that there are still major problems and challenges as regards access to basic needs, job opportunities, natural resources such as land and means of survival, and that women, indigenous people and people of African descent are the sections of the population that are most vulnerable to human rights violations as a result of inequality;

41. Emphasises, with particular concern, that Honduras is still one of the most dangerous countries in the world for human rights defenders and environmental rights activists, two areas that are often closely linked; points out that, according to data from Global Witness, at least 123 land and environmental defenders have been murdered in Honduras since 2009, many of whom were members of indigenous and rural communities opposing megaprojects on their land, as was Berta Cáceres, whose murder remains unsolved; calls on the Commission to ensure that Union cooperation in Honduras does not in any way undermine the human rights of the Honduran people, and to conduct rigorous monitoring on a regular basis to ensure that remains the case; with that in mind, reiterates the importance of the European Instrument for Democracy and Human Rights (EIDHR) in providing urgent direct financial and material support for human rights defenders who are at risk, and of the emergency fund that enables Union delegations to award them direct ad-hoc grants; calls on the Commission, furthermore, to promote the effective implementation of Union guidelines on human rights defenders via the adoption of local strategies to ensure the guidelines are fully put into practice, in cooperation with civil society organisations which already have experience in this area;

42. Notes with great concern the serious incidents that occurred in Honduras following the elections held on 26 November 2017; points out that European and international human rights and media networks have condemned the disproportionate and sometimes deadly use of force by the state security forces against demonstrators, as well as other attacks on human rights defenders in the post-election crisis, with human rights organisations registering 30 killings (21 at the hands of the military police (PMOP)), 232 people injured and 1 085 detained; points out that the Office of the UN High Commissioner in Honduras has documented more than 50 cases of intimidation and harassment against human rights defenders, community leaders and journalists; notes that in response to the situation the Honduran government has announced the establishment of a Ministry for Human Rights, to operate independently of the current Ministry for Human Rights, Justice, Governance and Decentralisation, which became operational on 27 January 2018; calls on the EEAS to step up Union support for human rights defenders and promotion of political dialogue, and to insist that the Honduran government fulfil its responsibilities and obligation to keep the peace and guarantee the security of its citizens;

43. Points out how important it is that the private sector in Union countries also undertake to uphold human rights and the very highest social and environmental standards, with European standards in those areas being met as a minimum; calls on the Union and its Member States to continue playing an active role in the UN's ongoing efforts to draw up an international treaty on holding corporations to account for any involvement in human rights violations;

44. Recalls that the 2009 coup had disastrous consequences for the country: there was a marked slowdown in social and economic growth, international assistance no longer got through, and Honduras was suspended from the Organization of American States; notes that Union activities in Honduras could nevertheless be continued during that period, although implementation delays did occur in all priority sectors, and some, such as harmonisation of the legal framework, could not be completed; emphasises that if the Union had not provided and maintained support for priority sectors for cooperation, conditions in those areas would have been even more difficult;

45. Notes that the government of Honduras has stated that it is willing to accept international scrutiny and to cooperate with international organisations (establishment of the Office of the UN High Commissioner for Human Rights, the recent opening of the Mission to Support the Fight against Corruption and Impunity in Honduras, auditing of State accounts by Transparency International, etc.); points out, nevertheless, how important it is to take on board and apply lessons and best practices that have been learned, and not to depend indefinitely on those organisations in order to exercise the key responsibilities of state; notes with grave concern the fact that, on 18 February 2018, the head of the Mission to Support the Fight against Corruption and Impunity in Honduras (MACCIH) resigned because the Organization of American States (OAS) had not given him sufficient backing to pursue the task it conferred on him two years ago to combat corruption in Honduras (lack of resources, wastage on the organisational side, failure to provide suitable facilities, etc.); notes that despite this lack of support the MACCIH has achieved significant results in the fight against corruption since 2017, with major cases against government officials involved in serious corruption and investigations involving Honduras' political class; is concerned that these circumstances will thwart the first major regional efforts to combat corruption and impunity in one of the countries most in need of such action, calls on the Honduran government and the OAS to provide unconditional support and facilitation for MACCIH's work, and calls on the EEAS to continue working with the MACCIH with a view to achieving shared goals;

46. Notes that the audits carried out by the Court focused on the period between 2007 and 2015, when Union payments amounted to EUR 119 million, and that the priority sectors under consideration were poverty reduction, forestry, security and justice, which received 89 % of the bilateral support paid out; takes the view, nevertheless, that the period covered by the Court in its report is too long, in that it is longer than the Commission's term of office and also includes extremely difficult and disparate political and economic situations; takes the view that in order to make them more effective, the audit periods ought to be shortened, or that interim assessments should be carried out, given the fact that there are too many instances in which the report identifies issues or shortcomings which have been rectified in the meantime, meaning that some of the report's conclusions and recommendations are no longer relevant; emphasises, furthermore, that in its report, the Court does not give an account of the interviews it conducted in Honduras, in particular those with beneficiaries, other donors and civil society organisations;

47. Notes that in its report the Court concludes that, although some progress was made, Union assistance to the priority sectors had only been partially effective, mainly owing to the country's circumstances, as well as a series of management problems that reduced the impact of the assistance, and notes that although the Commission's strategy was relevant and coordinated, it was not specific enough, and funding was spread over too many areas, meaning that despite the Honduran government's requests, it was not possible to meet the significant needs of the priority sectors, which did not receive support from other donors either;

48. Although it shares the concern expressed by the Court, agrees with the Commission that, in many cases, a certain degree of flexibility was necessary in order to adapt in the face of the crisis caused by the coup, and that there was a need to respond to extremely urgent situations and meet the basic needs of the people; calls on the Commission to press ahead with its efforts to achieve an effective balance between the flexibility required to adapt to the country's changing circumstances, needs and requirements, the need to address the most pressing challenges, including human rights, the right to life and the right to a decent life, and the need to respond and enhance the potential impact of Union assistance;

49. Notes that in the past, Union cooperation was focused on social cohesion and economic growth, while the new programming exercise responds to needs arising from the principal development challenges the country is facing: reducing poverty and inequality, food security, education and health, security and human rights, tax reform, combating impunity and corruption, creating jobs with social protection, competitiveness, managing natural resources, and vulnerability owing to climate change;

50. Emphasises that, given the specific situation the country is in, it is vital to strengthen and launch comprehensive anti-poverty programmes (specifically targeting the most vulnerable groups such as women, children and indigenous peoples, as the government of Honduras has requested) and comprehensive education, training and vocational programmes aimed at children and young people from the most disadvantaged backgrounds, to ensure they are offered opportunities to develop their skills and abilities and protect them against the risks of getting caught up in violence and organised crime;

51. Highlights, in addition, the critical role played by women and women's rights organisations in social progress, including youth-led movements; calls for the Union to insist on the need to support women's empowerment and the creation of a safe and enabling environment for women's civil society organisations and women's rights defenders, and to address specific gender-based forms of repression, particularly in conflict-affected regions; highlights the importance of actively helping to support policies and actions relating to women's rights, including sexual and reproductive health and rights;

52. Takes the view that the Union must continue to make a special effort with regard to cooperation, in order to enhance the transparency, credibility and accountability of state institutions, and with regard to dismantling the edifice of corruption and impunity that undermines citizens' trust and represents one of the chief obstacles to the country's development;

53. Expresses its concern at the lack of policy dialogue identified by the Court in certain critical areas receiving assistance under the Support to the National Plan (objectives in the areas of education, national statistics and civil service reform); given that the Commission's policy dialogue facilitates the implementation of Union action and is leading to tangible improvements, calls on the Commission to step up policy dialogue, particularly in strategic and priority sectors, and to remain firm in those areas in which the government does not show much interest or responsiveness, as was the case with the national security and justice policy and the Judiciary Observatory;

54. Calls on the Commission to continue improving joint programming with the government of Honduras, and with the Union Member States, and, alongside the other donors, to make a special effort with regard to internal coordination in order to ensure that the division of labour is as efficient as possible, to achieve complementarity where possible, and especially to prevent the problems identified by the Court: the proliferation of identical or similar projects (same sectors, same beneficiaries), contradictory or overlapping action or lack of action, particularly in the priority sectors; points out that the Commission should also, alongside the other donors, come up with a quick and effective operational approach in order to reduce time frames, make things more dynamic, and improve efficiency and results;

55. Notes that approximately half of the Union's bilateral assistance in Honduras is channelled through budget, general and sector-specific support; emphasises with concern the substantial risks relating to providing budget support, which are principally the result of the significant macroeconomic instability in the country, technical shortcomings and problems with fraud and corruption in the management of public finances;

56. Notes with concern that although the Court's report points out that budget support was allocated to relevant and credible national strategies, in some priority sectors the government's strategies were unclear or fragmented and were not given specific budgets, and the institutions concerned were unable to develop policies and reforms;

57. Acknowledges that the Commission identified these risks and tried to mitigate them; however points out once again to the Commission that budget support is not a blank cheque and that government promises that reforms will be forthcoming are not necessarily a sufficient guarantee; with that in mind, calls on the Commission, in order to mitigate any risks, to continue to make every effort to ensure that the budget support guidelines are followed and complied with at all stages of the procedure; calls on the Commission, furthermore, to avoid budget support in sectors in which a credible and relevant response from the government cannot be assured;

58. Agrees with the Commission that suspending various budget support payments over a certain period — as was the case in 2012 owing to the general macroeconomic situation and the fact that no agreement had been reached between Honduras and the IMF — need not be a contradictory message to send that might be detrimental to aid effectiveness, as the Court suggests, but might, on the contrary, be a way of making it crystal clear that the government needs to resolve the problems encountered swiftly and effectively;

59. Notes with great interest that Honduras is the first country in which results-oriented budget support has been used; expresses concern, however, at the fact that the Court concluded that weaknesses in the monitoring tools hindered the assessment of the results achieved, that there were many shortcomings in the monitoring of those results, and that the recommendations made had not been consistently followed; calls on the Commission to draw up a detailed report, including the objectives, indicators and benchmarks that were used, the calculation and verification methods, etc., and to assess their effectiveness and impact for the purposes of measuring the results achieved and, at the same time, improving communication, visibility and the impact of Union action; calls on the Commission, furthermore, to place more emphasis on the results as regards the objectives set in its policy dialogue strategies with the Honduran government and in dialogue with civil society and other donors;

60. Given that the sound management of public finances is an essential prerequisite for disbursements of budget support to be made, and that it is one of the most significant shortcomings in Honduras, despite the successive plans drawn up by the government and the support from the Commission, takes the view that the Commission should place particular emphasis on continued improvement in that area; with that in mind and taking into account the role that the Honduran Court of Auditors ought to play in managing state resources, calls on the Commission to come up with specific programmes for cooperation with the Court with a view to providing technical assistance and training in the area concerned;

61. Calls on the Honduran government to provide all the necessary means and funding to ensure that the Honduran Court of Auditors can carry out its duties independently, effectively and in accordance with international auditing, transparency and accountability standards;

62. Notes with concern the Court's observation that the Union office in Honduras has a shortage of staff specialised in managing public finances and macroeconomic issues surrounding budget support transactions, and points out that this is particularly risky given the chronic economic instability of a country which, despite those serious circumstances, is still being granted budget support; in the light of the risks pointed out by the Court, calls on the Commission to take urgent action to shore up staffing at the Union office in Honduras;

63. Notes that Union cooperation in Honduras is providing support to civil society organisations in order to promote food security, human rights and gender equality, and that some 35 thematic projects are ongoing, involving funds of over EUR 9 million; notes, furthermore, that as regards engagement with civil society in Honduras, the Union delegation drew up a roadmap, which was approved in 2014 and includes political dialogue and support activities specifically designed for Honduras; considers it paramount that civil society organisations be involved not only in the consultation process leading to the drafting of roadmaps, but also in their implementation, monitoring and review;

64. Is gravely concerned by the fact that there is less and less room for civil society in developing countries; notes with grave concern that, in the first three months of 2014 alone, the department responsible for the registration and monitoring of civil society associations revoked the licences of more than 10 000 NGOs for failing to submit reports on their finances and programmes to the government, and that despite some positive developments in recent years, some of the legislation and administrative measures that have recently been adopted in Honduras are impeding associations' activities, and restricting the space within which they are able to operate, meaning that many are being forced to close down;

65. Welcomes the support and commitment that the Union has been providing to civil society in developing countries for some time now; takes the view that, in the context of policy dialogue and the development of cooperation programmes, the Commission must focus on the development of strategies to establish the legal, administrative and political environment required to enable civil society organisations to carry out their roles and operate effectively, advise the associations, provide them with regular information about funds and financing opportunities, and encourage them to sign up to international civil society organisations and networks;

66. Takes the view that the Court ought to have devoted a chapter of its report to Union cooperation with civil society organisations in Honduras, given the key role they play in society in general and in local development in particular, and especially since the Union is the largest donor to those organisations in the developing countries and has taken a leading role in protecting civil society representatives and human rights defenders through the use and implementation of a raft of instruments and policies; hopes that the Court will bear that in mind for future reports;

Part V Special Report No 31/2016 of the Court of Auditors entitled 'Spending at least one euro in every five from the EU budget on climate action: ambitious work underway, but at serious risk of falling short'

67. Welcomes the Court's special report and sets out its observations and recommendations below;

68. Welcomes the ambitious commitments of the Union to cut its emissions by at least 20 % compared to 1990 levels by 2020 and by 40 % by 2030, and to spend at least 20 % of its budget on climate related action for the 2014-2020 budgeting period; welcomes the overall progress made; however regrets that according to the Court, there is a serious risk of falling short of the 20 % budget target;

69. Considers it of high importance for the Commission to continuously demonstrate sufficient leadership and commitment to climate change issues through an effective implementation of the Paris Agreement as well as to consolidate its international credibility and tools for shaping conditions for the Union's climate policy and green diplomacy in future years;

70. Welcomes the implementation of the pledge into already existing policies in place of establishing new financial instruments; considers that this should contribute to greater coherence between various Union policy areas; invites the Commission and the Member States to draft a coordinated plan on sustaining a maximum cohesiveness and continuity of the various programmes;

71. Calls on the Commission to develop a concrete overall strategy on reaching the set target that will entail area-specific action plans pointing out detailed measures and instruments, methodology of measurement and reporting, and performance indicators employed in the climate-related actions of specific policy areas; calls on the Commission and Member States to further develop common, unified standards for the implementation of adequate monitoring, evaluation and verification systems, notably with respect to the application of the Rio Markers and reporting on the disbursement of climate related spending;

72. Regrets that weaknesses in the Union's tracking system were identified by the Court, which substantially increases the risk of overestimating climate action related spending; calls on the Commission to systematically respect the conservativeness principle in order to avoid overestimates; calls on the Commission to review the estimates and correct the climate coefficients where a risk of overestimation applies;

73. Calls on the Commission to prioritise development of an action plan in certain areas with a massive potential, namely the Horizon 2020 programme, agriculture and fisheries, in cooperation with the Member States; furthermore calls on the Commission to coordinate closely activities concerning the development of new technologies and innovations on environmental protection together with the European Institute of Innovation and Technology (EIT);

74. Points out the particular need for the Commission to deliver on the climate-related benchmarks by mainstreaming its various programming instruments in order to favour a high level of coherence and possibly enhanced coordination among Member States to be able to reach the overall objective of addressing at least 20 % of the Union budget to low carbon and climate resilient society;

75. Regrets the absence of specific targets in substantial parts of the Union budget; calls on the Commission to draft an overall plan outlining which funding instruments could contribute, and to what extent, to reaching the 20 % budget target; notes with concern that the missing plan is a sign of the low compatibility of different budget areas;

76. Notes with concern that there is little information on how much is spent on climate mitigation and adaptation and on the extent to which the Union climate-related action will contribute to CO_2 emissions reduction, while the available data may not be comparable across the Member States; asks the Commission to further develop reporting on the extent to which the target of spending 20 % of the Union budget over 2014 to 2020 on climate related action is implemented in all policies, by specifying in addition to what has been committed and disbursed, what relates to mitigation or adaptation areas while also identifying the areas where climate deliverables need to be improved;

77. Believes that mainstreaming of the funding programmes needs to be further refined by defining clear adaptation or mitigation strategies and related action plans, including adequate tools of quantification of investment and climate incentives needed and, better estimates tracking methods for getting right projections on the progress achieved across Union programmes and Member States' actions;

78. Calls on the Commission to develop swiftly an environment conducive to the transition to a low carbon economy by adapting its investment conditions, spending frameworks and instruments for innovation and modernisation in all key relevant sectors;

79. Notes with regret that there is no tool for providing a multiannual consolidated update on the situation across the Union budget; considers that there is a need for *ex post* evaluation and recalculation of projected climate funding contributions;

80. Regrets that there is no specific reporting framework conducted by the Commission on detecting and measuring the counter-implications of Union policies that negatively contribute to climate change and on measuring how big a share of the Union budget is spent in this opposite direction; is concerned that without this data the Commission does not fully portray to what extent the Union contributes to the mitigation of climate change; calls on the Commission to identify systematically potentially counter-productive actions and project them into the final calculations on climate action mitigation;

Part VI Special Report No 32/2016 of the Court of Auditors entitled 'EU assistance to Ukraine'

81. Notes that Union financial and expert assistance to reforming Ukraine was necessary; emphasises nevertheless that implementation of the reforms lags far behind what was expected;

82. Regrets that old structures which are resistant to reform, modernisation and democratisation persist, while forces willing to reform face severe difficulties to prevail;

83. Welcomes the Union assistance to Ukraine; is however of the opinion, that it should be tied with tangible efforts by the Ukrainian government aiming to improve the situation in its own country; namely to improve the own resources system through an efficient and transparent tax scheme, which does not only account for the income of citizens but also the assets of oligarchs;

84. Calls for an efficient fight against the still widespread corruption and for effective support of the organisations committed to combatting it;

85. Calls for a strengthening of judicial power in the country as an independent instrument committed to the rule of law;

86. Demands a stricter control of the banking sector, in order to avoid capital drains to third countries causing insolvencies of banking institutions; points out the necessity in this regard of granting budget support only under the condition that financial assistance is disbursed in a transparent and comprehensive way;

87. Is of the opinion that any financial aid should generally be preceded by a prior assessment of its prospects of success;

88. Is convinced that more attention needs to be paid to the creation and education of competent, decentralised administrative structures;

Part VII Special Report No 33/2016 of the Court of Auditors entitled 'Union Civil Protection Mechanism: the coordination of responses to disasters outside the EU has been broadly effective'

89. Welcomes the Court's special report; endorses its recommendations and approves of the Commission's readiness to take them into account;

90. Stresses the high significance of a prompt and coherent reaction to natural and man-made disasters in order to minimise their human, environmental and economic impact;

91. Takes note of the Court's overall satisfaction with the Commission's way of handling the process of disaster response;

92. Encourages the Commission to build on its resources, including budgetary, mobilisation and expert selection procedures so that the affected countries are provided with an immediate, needs-based delivery of Union assistance; stresses the importance for 'civil protection focal points' to be designated within the ECHO Field Network national and regional offices and among staff in the Union's delegations in at-risk countries;

93. Welcomes the launch of the 'European Medical Corps' in February 2016 that substantially expanded the EU Civil Protection Mechanism's 'voluntary pool' with a 'reserve' of medical and public health teams available to deploy lessons learnt from the Ebola crisis; considers that this approach, of having a reserve of medical teams and other specialised assessment and support teams, must be continued and further improved;

94. Suggests removing all unnecessary administrative burdens that hinder both the participating states and the Emergency Response Coordination Centre (ERCC) from replying more instantaneously, notably at the outset of a crisis;

95. Asks the participating states to register more assets in the voluntary pool in order to enhance preparedness to react to disasters;

96. Highlights the importance of information exchange and cooperation between the Commission, other Union bodies and the United Nations in facilitating a structured response in the case of emergency; welcomes the cooperation agreements signed with the UN Office for the Coordination of Humanitarian Affairs (OCHA) and the World Food Programme (WFP), and urges the Commission to sign further cooperation agreements with the World Health Organisation (WHO), the International Organisation for Migration (IOM) and other involved actors;

97. Recalls that quality and interoperability requirements are defined and expanded in accordance with the new WHO standards for medical modules and as well as with other strategic partners and their framework conditions to ensure early action associated with a more thorough coordination in international missions; considers that to guarantee the immediate availability or mobilisation of capacities from the outset of an emergency and to avoid financing errors, provisioning processes need to be optimised and largely standardised;

98. Urges the continued exploitation of potential synergies with the other involved actors and instruments, in particular with humanitarian and development aid, and avoidance of duplication of actions that have already been undertaken;

99. Calls on the Commission to improve the functionality of ERCC's communication platform, CECIS, so that the information can be retrieved more easily by stakeholders, including a mobile access for the EUCP teams deployed in the field;

100. Is of opinion that humanitarian aid and civil protection should be followed by other activities aimed at fostering a culture of prevention as well as building the capacity and resilience of vulnerable or disaster affected communities;

Part VIII Special Report No 34/2016 of the Court of Auditors entitled 'Combating Food Waste: an opportunity for the EU to improve the resource-efficiency of the food supply chain'

101. Welcomes the Court's special report scrutinising the efficacy of the Union in combating food waste; endorses the Court's recommendations and calls on the Commission to take these recommendations into account;

102. Notes with deep concern that according to estimates, around one third of the food produced for human consumption is wasted or lost globally; deplores the fact that the Union does not combat food waste effectively and that so far it has provided only incoherent and fragmented action;

103. Stresses that the Union has great potential to address the problem of food waste by adjusting its existing policies without incurring additional costs and should aspire to do so; however notes with regret that despite the hopeful rhetoric, there has been a lack of political will to translate commitments into policy measures;

104. Deeply regrets that the ambitions of the Commission in combating food waste have demonstrably decreased over time; deplores the lack of a targeted policy action in the area of food waste and that positive effects arising in policy areas are rather coincidental; looks forward to assessing the results of the Circular Economy Package in the area of combating food waste;

105. Considers it to be a sign of the inconsistent approach of the Commission firstly, that while the Union is regarded as a leader in combating climate change, it is insufficiently committed to combating food waste that directly contributes to negative climate effects, and secondly, that while the Union invests hundreds of millions of euros annually in development aid, the fight against hunger and compliance with fair trade, it does not sufficiently address the issue of combating food waste that is one of the direct driving forces behind those very problems;

106. Reiterates its call on the Commission to take immediate action against food waste; calls on the Commission to deliver on its commitments with regard to relevant policy documents related to combating food waste;

107. Calls on the Commission to provide close coordination at the Union and national level in order to unify the different approaches of various Member States with regard to food waste prevention, food donation, food safety and good hygiene practices; calls on the Commission to establish a platform for sharing best practices in combating food waste that would better align its work with the activities of the Member States;

108. Regrets that the Commission's action at a technical level has been limited to establishing working and expert groups, which have nevertheless not delivered any applicable input; calls on the Commission to improve its action at a technical level and to deliver concrete results; invites the Commission to establish closer cooperation with the European Environment Agency and EIT, which are able to provide solid expert and technical assistance;

109. Regrets that the Commission does not consider it necessary to create a common definition of food waste and does not consider it necessary to lay down a specific food waste hierarchy; calls on the Commission to prepare a common definition of food waste, a common methodology for measuring and monitoring food waste, and guidelines on waste hierarchy in the case of food waste in cooperation with the Member States;

110. Calls on the Commission to draft an action plan that would identify policy areas with potential to address food waste, with an emphasis on prevention and donation, and to define the opportunities that could be exploited within the framework of these policies; calls on the Commission to draft action plans that would include measurable targets and performance indicators and to draft impact assessments in specific policy areas;

111. Regrets that although food donation represents the second most preferred option in preventing food waste, there have been many obstacles on various levels that mean it is underutilised; draws attention to the difficulties faced by Member States' authorities, particularly in making food donation comply with the current legal framework; calls on the Commission to create a specific platform for exchange of good practices among the Member States in order to facilitate food donation; invites the Commission to take into account local and regional authorities' contributions in revising the relevant legal provisions;

112. Invites the Commission to finalise and publish guidelines on food redistribution and donation, including tax arrangements for donors, that would be based on best practices shared between the Member States that currently take active action in combating food waste; encourages the Commission to draw up guidelines on overcoming various obstacles in food donation and on tax concessions for chains and companies that donate food;

113. Regrets that the concepts 'best before' and 'use by' are generally unclear to participants at all levels of the food supply chain; calls on the Commission to clarify these concepts and make the guidelines on its usage binding in order to avoid any misconception;

114. Encourages the Member States to educate the general public in the areas of food management and food waste;

115. Deplores the fact that, despite individual and limited initiatives in some of the Union institutions, the European bodies have neither the legislative framework nor common guidelines that would regulate the handling of unconsumed food provided by the institutions' catering services; calls on the Commission to draft common provisions addressing the issue of food waste within the European institutions, including guidelines on food waste prevention and rules on food waste donation, in order to minimise the food waste caused by the European institutions;

Part IX Special Report No 35/2016 of the Court of Auditors entitled 'The use of budget support to improve domestic revenue mobilisation in sub-Saharan Africa'

116. Welcomes the Court's special report; endorses its recommendations; expresses satisfaction with the Commission's willingness to put them into practice; regrets that the Commission's answers are quite vague and lack ambition;

117. Stresses the importance of domestic revenue mobilisation (DRM) in the less-developed countries as it reduces dependence on development aid, leads to improvements in public governance and plays a central role in state-building;

118. Stresses that, according to the Court, the Commission has not yet effectively used budget support contracts to support DRM in low- and lower-middle-income countries in sub-Saharan Africa; however notes that the Commission's new approach increased the potential of this form of aid to support DRM effectively;

119. Points out that strengthening tax systems contributes not only to raising more predictable revenue, but also to accountability of governments by creating a direct link between taxpayers and their government; supports the explicit inclusion of DRM improvement on the Commission's list of key development challenges addressed through budget support;

120. Regrets that the Commission gave insufficient consideration to DRM when designing its budget support operations; stresses that key risks related to tax exemptions and to the collection and transfer of taxes and non-tax revenues from natural resources were not evaluated;

121. Recalls the importance of revenue mobilisation in developing countries while pointing to challenges related to tax avoidance, tax evasion and illicit financial flows; encourages the strengthening of financial and technical assistance for developing countries and regional tax administration frameworks, and the adoption of principles for the negotiation of tax treaties;

122. Points out that the audit revealed a lack of appropriate monitoring tools to assess the extent to which budget support contributed to overall improvements in DRM;

123. Believes that it is crucial to continue promoting fair and transparent domestic tax systems in the tax policy field, to scale up support for oversight processes and bodies in the area of natural resources, and to continue to back governance reforms promoting sustainable exploitation of natural resources and transparency; stresses that free-trade

agreements reduce the tax revenue for the low- and lower-middle-income countries and might be counter-productive for those countries; demands that the Commission ensure that the fiscal consequences of free-trade agreements with low- and lower-middle-income countries are taken into account in risk assessments when negotiating free-trade agreements;

124. Calls on the Commission to stick to its guidelines when conducting macroeconomic and public financial management assessments of DRM aspects in order to obtain a better overview of the most problematic issues e.g. the scale of tax incentives, transfer pricing, tax evasion;

125. Underlines that in order to improve the design of budget support operations, the procedure of identifying risks threatening the achievement of the set objectives should be more comprehensive and make use of the Tax Administration Diagnostic Assessment Tool wherever available;

126. Emphasises the necessity of applying DRM-specific conditions more often as they clearly associate the disbursement of budget support payments with the partner country's progress in DRM reforms; asks the Commission to choose the conditions that are relevant and will have the broadest impact on DRM;

127. Acknowledges that the Commission has to operate in a complicated political and institutional context; recalls the significance of a structured policy dialogue, involving interlocutors from the national government and other donors, in order to determine crucial areas of interest and to conceive a tailored aid strategy;

128. Encourages the Commission to extend the capacity-building component of budget support as it lays firm foundations for a long-term economic and social transformation, and addresses major obstacles to the efficient collection of public revenues;

129. Points out that confirming a direct influence of budget support efforts on the mobilisation of domestic resources requires a more detailed evaluation of specific areas of a tax system that would allow attribution of the advances made to individual parts of the provided assistance;

Part X Special Report No 36/2016 of the Court of Auditors entitled 'An assessment of the arrangements for closure of the 2007-2013 cohesion and rural development programmes'

130. Welcomes the Court's special report and endorses its recommendations;

131. Notes with satisfaction that the Commission provided adequate and timely support to help Member States prepare for the closure of 2007-2013 programmes;

132. Welcomes the Commission's readiness to seek further harmonisation of regulatory provisions between the funds, including on terminology, assurance and closure processes, whenever it improves the management of Union funds and contributes to a simpler and more effective implementation in Member States and regions;

133. Notes that six major project decisions for the 2007-2013 period are still outstanding;

134. Notes with astonishment the Commission's refusal to consider specific commitments in relation to legislative proposals for the post 2020 period, knowing that they can already build on the experience of two complete financial periods (2000-2006 and 2007-2013); is however reassured by the fact that this refusal was induced rather by the Commission's concerns about their legal prerogatives than by disagreement on the content;

135. Supports the Court's call for further alignment of the regulatory provisions for closure between cohesion and for the investment-related measures under rural development;

136. Considers that calculated residual risk rates remain an unknown quantity based on experience and can at best be used as pointers;

137. Notes the Court's demand that eligibility periods should no longer overlap with the subsequent programme period after 2020 and its concern that extended eligibility periods (i.e. n+2, n+3) are one of the reasons for financial backlogs and the late start of the subsequent programming period along with delays in finalisation of revised programming and funding legislation and associated implementation rules, particularly in 2014-2015; emphasises in this regard the importance of ensuring maximum absorption and the smooth running of multiannual projects;

138. Notes that the final closure of the financial period only occurs every seven years; shares therefore the Court's opinion that the Commission should inform the budgetary authority and Parliament's Committee on Budgetary Control of the final outcome of the closure procedure in a separate document; considers that such a document should not only confirm the legality and regularity of the expenditures but also measure the result and impact of the programmes (performance approach);

Part XI Special Report No 1/2017 of the Court of Auditors entitled 'More efforts needed to implement the Natura 2000 network to its full potential'

139. Welcomes the Court's special report and endorses its recommendations;

140. Underlines the importance of biodiversity for mankind; notes that the Natura 2000 network established under the Birds ([1]) and Habitats ([2]) Directives (the Nature Directives) is the centrepiece of the Union's biodiversity strategy; however notes with concern that its full potential has not been exhausted;

141. Notes that the Commission's general role is to provide guidance to the Member States; regrets that the Member States did not take the Commission's advice into account sufficiently;

142. Regrets that the Court concluded that the Member States did not manage the Natura 2000 appropriately and that the coordination between national authorities and stakeholders in the Member States was not adequate;

143. Recalls that due to its cross-border character, implementing Natura 2000 requires strong coordination among Member States; calls on the Member States to establish a strong structure at a national level to promote cross-border cooperation; invites the Commission to provide improved guidance to the Member States for building up a cooperation platform;

144. Notes with deep concern that the conservation objectives were often not specific enough and not quantified, while management plans were not precisely defined and lacked milestones for their completion; reiterates that this might hinder the added value of Natura 2000; calls on the Commission to harmonise the rules on an effective approach towards setting up conservation objectives and management plans in the next programming period; further calls on the Commission to follow up on whether the Member States follow the guidance and to provide them with further advisory support where needed;

145. Calls on Member States to conduct the necessary conservation measures in a timely manner in order to ensure their added value and to update the management plans accordingly; calls on the Commission to check on potentially delayed conservation projects thoroughly;

146. Notes that in order to make the Natura 2000 network effective, involvement of key stakeholders such as land users and owners is essential; regrets that in most Member States effective communication channels are missing; calls on the Member States to improve the coordination between national authorities and various stakeholders;

147. Is concerned that the Member States failed to adequately assess projects negatively impacting on Natura 2000 sites, that the compensatory measures were not utilised sufficiently and that the approach among the Member States varies widely; calls on the Commission to provide the Member States with a more structured guidance on how and when to apply compensatory measures in practice and to supervise their utilisation;

148. Regrets that the 2014-2020 programming documents did not fully reflect funding needs and the Commission did not address the shortcomings in a structured manner; calls on the Commission to prepare for the next programming period more thoroughly;

([1]) Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds (OJ L 20, 26.1.2010, p. 7).

([2]) Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L 206, 22.7.1992, p. 7).

149. Regrets that the monitoring and reporting systems for Natura 2000 were not adequate to provide comprehensive information on the effectiveness of the network; is concerned that no specific performance indicator system for the use of Union funds was developed to reflect on the performance of Natura 2000 network; is of the opinion that this hinders the efficacy of Natura 2000 network; welcomes the Commission's introduction of a set of compulsory comprehensive indicators for all projects for the 2014-2020 programming period under LIFE; invites the Commission to apply the same approach to other programmes in the next programming period;

150. Notes with concern that at site level the monitoring plans were often not included in the site management documents and that they were not detailed or time-bound; is further concerned that the standard date forms were not updated and the data provided by the Member States for the State of Nature report were incomplete, inaccurate and incomparable; calls on the Member State and Commission to remedy this issue in the intended action plan;

151. Welcomes the Commission's development of a central registry for recording complaints and enquiries related to Natura 2000; notes that a majority of the cases were closed without further procedural steps; invites the Commission to follow up all complaints and enquiries rigorously;

152. Welcomes the establishment of the Biogeographical Process providing a mechanism for cooperation among stakeholders on management of Natura 2000 and a corresponding networking opportunity; however invites the Commission to resolve a language barrier issue that hinders its reach;

153. Deeply regrets that the Prioritised Action Framework (PAF) presented an unreliable picture of the costs of the Natura 2000 network and that the data presented by the Member States were inaccurate and limited; notes with concern that funding estimates were not reliable and comparable, thus hindering precise monitoring of the amount of the Union funds devoted to Natura 2000; regrets that this had the result that the PAFs had a limited usefulness in ensuring the consistency of Union funding for biodiversity protection under Natura 2000; encourages the Commission to provide the Member States with more structured guidelines on reporting and monitoring and on PAF completion; calls on the Member States to ensure that the data provided are accurate;

154. Is of the opinion that financial allocations for Natura 2000 must be identifiable and its use traceable, otherwise the impact of investments cannot be measured; to the extent Natura 2000 is co-financed by ERDF/CF and EAFRD, calls on the respective Commission directorates-general to add a specific chapter on Natura 2000 to their annual activity reports;

155. Welcomes the establishment of the expert group and ad hoc working groups on harmonising practices and invites the Commission to utilise the outputs of their activities in the next programming period;

156. Calls on the Commission to inform Parliament's relevant committees about the action plan to improve the implementation of the Nature Directives ([1]);

Part XII Special Report No 2/2017 of the Court of Auditors entitled 'The Commission's negotiation of 2014-2020 Partnership Agreements and programmes in Cohesion: spending more targeted on Europe 2020 priorities, but increasingly complex arrangements to measure performance'

157. Welcomes the Court's findings, conclusions and recommendations in its special report; considers the Court's analysis of the 2014-2020 programming phase of ESIF implementation to be useful and timely in assisting the legislators and the Commission to draw appropriate conclusions for the post-2020 period;

158. Notes the Commission's replies and that the Commission accepts five of the Court's recommendations fully and two recommendations partially; welcomes the Commission's readiness to implement them and calls on it and Member States to implement the recommendations fully and in a timely manner;

159. Disagrees with the Court's and the Commission's opinion that Parliament's enhanced powers in themselves were a factor for undue delay in adoption of the relevant regulations for the 2014-2020 period;

160. Regrets the delay in the presentation by the Commission of its proposal for the post-2020 multiannual financial framework (MFF) which creates the prospect of a significant delay in the negotiations and adoption of the corresponding legislation on the MFF and the financial programmes and instruments, thus endangering their timely implementation in the post-2020 period;

([1]) An Action Plan for nature, people and the economy (COM(2017) 198).

161. Stresses that the proposal for new regulations for post-2020 cohesion policy consisting of a single set of rules or otherwise must ensure in practice simplification, enhanced accessibility to funds and successful implementation of the objectives of this policy;

162. Stresses the need to avoid the repetition of the delay in adoption of the operational programmes, as well as the problems identified by the Court such as more complex, demanding and long negotiations of the ESIF regulations for the 2014-2020 period, late adoption of secondary legislation and guidelines and the need for multiple rounds of operational programme approvals by the Commission; regrets that these shortcomings run counter to the objective of simplification of the cohesion policy management system;

163. Notes that in Special Report No 2/2017 the Court concludes that the Partnership Agreements (PAs) have proven to be an effective instrument for ring-fencing ESI funding for thematic objectives and investment priorities and for supporting the focus on the objectives of the Europe 2020 Strategy for growth and jobs; underlines, however, that the successful implementation of the objectives requires an adequate budget for cohesion policy post-2020;

164. Observes that, unlike in previous periods, the Commission's observations on the draft operational programmes were required to be adopted by the College of Commissioners while in the previous programing period only the final operational programmes needed to be adopted by the College; urges the Commission to reconsider the added value of such a procedure when drafting its proposal for the post-2020 programing period;

165. Calls on the Commission to carefully analyse the problems indicated above and to take measures for avoiding them in the post-2020 period, including all necessary improvements and allowing swift and quality programming;

166. Calls on the Member States and the Commission to enhance their consultation in the drafting of the operational programmes which should facilitate a speedy process of their approval;

167. Underlines the importance of the use of precise and harmonised terminology which allows proper measurement of cohesion policy achievements; regrets that the Commission has not proposed common definitions of 'results' and 'output' in its proposal for the new Financial Regulation; calls on the Commission to introduce clear common definitions of terms like 'output', 'results' and 'impact' as soon as possible and well before the beginning of the post-2020 period;

168. Recalls that adequate administrative capacity especially at national and regional level is crucial for smooth management and implementation of operational programmes, including for monitoring and reporting of objectives and results achieved through relevant indicators; insists, in this regard, that the Commission and Member States use the available technical assistance for improvement of administrative capacity at different levels;

169. Calls on the Commission to strengthen and facilitate sharing of 'best practices' at all levels;

170. Is concerned at Member States' application of a multitude of additional outcome and result indicators in addition to the indicators provided by the basic legal acts; fears a 'gold plating' effect, which could render the use of structural funds more cumbersome and less effective; calls on the Commission to discourage Member States from following such an approach;

171. Highlights the relevance of measuring the mid- and long-term impact of programmes, as only when impact is measured can decision-makers ascertain whether political objectives have been accomplished; calls on the Commission to explicitly measure 'impact' during the post-2020 programming period;

Part XIII Special Report No 3/2017 of the Court of Auditors entitled 'EU assistance to Tunisia'

172. Welcomes the Court's special report assessing the efficiency and effectiveness of Union assistance delivered to Tunisia; endorses its recommendations and sets out its observations and recommendations below;

173. Notes that Union funding was generally well spent as it contributed significantly to the democratic transition and the economic stability of Tunisia after the revolution;

174. Notes that Union actions were well coordinated with the main donors and within the EU institutions and departments; calls on the Commission to make sure that joint programming with Member States is achieved, in order to improve the focus and coordination of the aid;

175. Acknowledges that the Commission and the EEAS had to work in a volatile political, social and security context, which accounted for a major challenge in the delivery of comprehensive aid;

176. Calls on the Commission to further fine-tune the approach for sectoral budget support by outlining the country's priorities, the design of conditions and thus facilitate a more structured and targeted Union approach and reinforce the overall credibility of the Tunisian national strategy;

177. Notes that Union funding made a significant contribution to the democratic transition and to the economic stability of Tunisia; asks the Commission and the EEAS, however, to narrow down the focus of their actions to a smaller number of well-defined areas in order to maximise the impact of Union assistance;

178. Calls on the Commission to follow best practice concerning the budget support programmes and to apply relevant disbursement conditions that will stimulate the Tunisian authorities to undertake essential reforms; expresses its concern at a lenient allocation of 'more for more' funds that was usually unrelated to the fulfilment of further requirements and was not preceded by a thorough measurement of the progress made;

179. Stresses the significance of an extensive assessment of Public Finance Management, preferably with the use of PEFA ([1]), in order to identify potential weaknesses in Union aid provision and to address them;

180. Asks the Commission to improve the design of the programmes and projects by establishing a set of precise baselines and indicators that will enable proper evaluation of the extent to which objectives are achieved;

181. Highlights the necessity of focusing on long-term, sustainable economic development rather than actions which bring about only temporary recovery on the job market;

Part XIV Special Report No 4/2017 of the Court of Auditors entitled 'Protecting the EU budget from irregular spending: The Commission made increasing use of preventive measures and financial corrections in Cohesion during the 2007-2013 period'

182. Welcomes the Court's findings, conclusions and recommendations in its special report;

183. Acknowledges the importance of implementing the objectives of cohesion policy, namely to reduce development disparities between regions, restructure declining industrial areas and to encourage cross-border, transnational and interregional cooperation, thereby contributing to the achievement of the Union's strategic objectives; considers that this importance justifies its significant share of the Union budget; emphasises the importance of its sound financial management, of the prevention and deterrence of irregularities and of financial corrections;

184. Notes the Commission's acceptance of all the Court's recommendations and calls on it to implement them fully and in good time;

185. Notes that, overall, the Commission made effective use of the measures at its disposal during the 2007-2013 programme period to protect the Union budget from irregular expenditure;

186. Welcomes the fact that in the 2007–2013 programming period the Commission started implementing corrective measures and financial corrections much earlier than in the 2000–2006 period and with a greater impact; stresses, however, that such corrective measures must ensure the protection of Union's financial interests while at the same time recognising the importance of timely and effective implementation of the affected operational programmes;

187. Calls on the Commission to remain vigilant when examining the closure declarations submitted by Member States for the 2007-2013 programming period, as well as in the future;

188. Calls on the Commission to present an analytical and consolidated report on all preventive measures and financial corrections imposed during the 2007-2013 programming period, building on the report for the preceding period;

([1]) Public Expenditure and Financial Accountability assessment.

189. Underlines that payment interruptions and suspensions represent a significant financial risk for Member States and can also lead to difficulties for the Commission in its budgetary management; calls on the Commission to ensure balanced efforts to protect the budget and the achievement of the objectives of cohesion policy;

190. Underlines that if Member States themselves detect irregularities and undertake preventive measures this will result in less time spent on establishing the problems and leave more time for resolving them; considers that it will also mean that the management and control systems in Member States work effectively and thus that the level of irregularities could be below the materiality threshold; calls, therefore, on the Member States to be more proactive and responsible and to detect and correct irregularities based on their own control and audits, and to improve management and control systems at national level in order to avoid further net financial corrections and loss of funds;

191. Calls on the Member States to provide the Commission with sufficient information in volume and in quality in cases of financial corrections triggered by Commission audits in order to ensure swift procedures;

192. Stresses, in this regard, the importance of regulatory certainty and proper Commission guidance and technical assistance for Member States' authorities, including sufficiently specific formulation of its requirements; calls also on the Commission to work in close cooperation with Member States' authorities in order to improve the efficiency of first and second level controls;

193. Calls on the Commission to provide Member States with guidance for harmonised reporting on implementation of financial corrections which will facilitate monitoring and evaluation of the impact of financial corrections executed by Member States;

194. Supports the Court's conclusion that the legal framework as regard financial corrections for the post-2020 programming period should be reinforced but the primary focus must remain on the prevention of irregularities and fraud;

195. Calls on the Commission to set up an integrated monitoring system, which allows the information in the databases to be used for comparative analysis, covering both preventive measures and financial corrections for the 2014-2020 period as soon as possible and to provide timely access to information to Parliament, to Council and to the relevant Member States' authorities;

196. Calls on the Court to focus more in its future audit activity on systematic weaknesses and provide recommendations to both the Commission and the Member States on improving the functioning of the overall system for financial management and control;

Part XV Special Report No 5/2017 of the Court of Auditors entitled 'Youth unemployment — have EU policies made a difference? An assessment of the Youth Guarantee and the Youth Employment Initiative'

197. Welcomes the Court's special report and is pleased that the Commission accepts some of the Court's recommendations and will consider them;

198. Notes that the youth unemployment rate in the Union has decreased in the past few years; regrets though that in mid-2016, it still affected 18,8 % of young people; strongly encourages Member States to utilise available Union support to tackle this long standing situation;

199. Is strongly concerned that the NEET population (not in employment, education or training) is disconnected from the education and the labour market; understands that this population is the hardest to reach through the existing operational programmes implementing youth unemployment financial schemes; considers that for the 2017-2020 period the focus should be put on this population to ensure the achievement of the main objectives of the Youth Guarantee (YG);

200. Stresses that integration of the NEET population requires significantly more Union financing and Member States should also mobilise additional resources from their national budgets;

201. Emphasises that the YG has made a positive contribution to tackling youth unemployment since 2012 but that the youth unemployment rate remains unacceptably high, and therefore calls for the Youth Employment Initiative to be extended until 2020;

202. Regrets that none of the visited Member States was able to provide all NEETs with an opportunity to take up an offer within four months of entering the YG scheme;

203. Welcomes in particular the Court's recommendation that more attention needs to be paid to improving the quality of offers;

204. Notes that the Commission concludes in its communication published in October 2016 ([1]) that there is a need to improve its effectiveness;

205. Notes the persistent challenge of skills mismatches in meeting labour-market demands; asks the Commission, within the framework of the Council's Employment Committee (EMCO), to promote the exchange of best practices between the Member States in order to raise this issue in the employment agenda;

206. Welcomes the Commission's cooperation with Member States in identifying and diffusing good practice in monitoring and reporting based on the existing systems across Member States; reminds the Commission that the comparability of data remains fundamental for these purposes;

207. Notes that in order to achieve the goal of a quality, continuing employment offer for all young people under 24 in identified regions, considerably more resources would be required;

Part XVI Special Report No 6/2017 of the Court of Auditors entitled 'EU response to the refugee crisis: the "hotspot" approach'

208. Welcomes the Court's special report; endorses its recommendations and sets out its observations and recommendations below;

209. Notes the Commission reply and its commitment to supporting the Italian and Greek authorities; welcomes that the Commission accepts all recommendations made by the Court in order to further develop specific aspects of the hotspot approach;

210. Regrets that in its special report, the Court could not deal with the broader picture, including relocation of applicants to other Member States; emphasises that the bottlenecks in the follow-up procedures caused a constant challenge for the proper functioning of the hotspots;

211. Acknowledges the importance of implementing the European agenda on migration; stresses the need to continue developing short-term measures as well as long-term ones to better manage borders and address the root causes of illegal migration;

212. Calls on the Commission, the European Asylum Support Office (EASO), Europol, Frontex (in light of its new mandate as European Border and Coast Guards), national authorities and other international organisations to continue and increase their support to the hotspots; notes that only a more intensified cooperation between the Commission, the agencies and Member States can in the long run ensure a more successful development of the concept of hotspots;

213. Stresses in this regard that, especially in the case of Italy, the continued arrival of migrants continues to pose enormous challenges, for which support from the Union and its Member States is vital;

214. Stresses the importance of the Asylum, Migration and Integration Fund (AMIF) and the Internal Security Fund (ISF); calls for the possibility to apply the financial rules of the emergency assistance to the AMIF and ISF; insists that the only way to increase the hotspots' efficiency in supporting frontline Member States is to increase financial resources to improve and create reception and accommodation infrastructures, which are essential when enormous numbers of migrants are arriving;

215. Welcomes the results of the Court's audit on the situation of migrant minors in the hotspots and stresses the importance of developing an integrated approach for their reception, while always taking into consideration their best interests; calls for a better use of financial resources for the reception of minors and for the training of staff who will closely work with the most vulnerable subjects; recalls that after the publication of this special report, the Commission published a communication completely focused on migrant minors ([2]); underlines the importance of this communication and calls on Member States to fully implement the recommendations included in the document;

216. Calls therefore on the Commission and the Council to step up their efforts for supporting the hotspots through more effective relocation and, if there are no grounds for admission, return procedures;

([1]) The Youth Guarantee and Youth Employment Initiative three years on (COM(2016) 646).
([2]) The protection of children in migration (COM(2017) 211).

217. Is alarmed by the continued reports of trafficking of children; calls for additional measures to protect children, especially unaccompanied minors, from their arrival onward; considers it unacceptable that traffickers should continue to pose a direct threat to children;

218. Calls on Europol to continue its efforts in fighting illegal migration, trafficking in human beings and the fight against the criminal organisations involved and to support national authorities in dealing with possible criminal investigations into the management of the hotspots;

219. Welcomes the Italian and Greek national authorities' efforts to register the highest possible number of migrants arriving on their shores, with a registration rate in Greece of 78 % in 2016 compared to 8 % in 2015 and of 60 % in 2015 compared to an average of 97 % for 2016 in Italy; underlines that the only way to have an efficient reception system is to have a precise picture of the situation on the ground;

220. Calls upon the Commission and the Council to ensure the quality of the examination of asylum applications in the hotspots; recognises the difficult circumstances under which the applications have to be processed but emphasises the need to avoid accelerated procedures that result in mistakes being made; further stresses that the frontline Member States should be responsible only for the registration and taking of fingerprints of all migrants, but that follow-up procedures should be a common responsibility of all Member States in a spirit of solidarity; calls for asylum seekers to be adequately informed about the relocation procedure as such, about their rights and about possible countries of destination;

221. Calls upon the Council to ensure that the persistent lack of experts is remedied by support from EASO as well as from Member States without further delay; is convinced that, especially in the case of Italy, additional support will also prove to be necessary in the future; calls upon the Commission and Council to agree on a plan to make such additional capacity readily available upon request from Italy and Greece;

222. Underlines that hotspots are places dedicated to the registration of incoming migrants and should not therefore become overcrowded, nor detention centres; calls upon Member States to continue their efforts in putting in practice all necessary measures to fully comply with the Charter of Fundamental Rights of the European Union;

223. Is concerned at the many different stakeholders currently being involved in the establishment and functioning of the hotpots and requests that the Commission and the Member States submit proposals which will make the structure more transparent and accountable;

224. Recommends that the Court consider a quick follow-up report on the functioning of the hotspots with a broader scope that includes an analysis of asylum, relocation and return procedures;

Part XVII Special Report No 7/2017 of the Court of Auditors entitled 'The certification bodies' new role on CAP expenditure: a positive step towards a single audit model but with significant weaknesses to be addressed'

225. Welcomes the Court's special report, and endorses its remarks and recommendations; notes with satisfaction that the Commission accepts most of the recommendations and will consider, or has already begun to implement them;

226. Acknowledges the positive progress made in the CAP expenditure audit model; regrets however that the single audit scheme is still not functioning at its full potential;

227. Reminds the Commission of its ultimate responsibility over the efficient use of CAP expenditure; encourages the Commission furthermore to ensure that the application of control methods is sufficiently similar throughout the Union, and that all the certification bodies (CBs) apply the same criteria in their work;

228. Notes that the CBs have been independently auditing their respective country's paying agencies since 1996; welcomes in this regard the fact that in 2015, for the first time, the CBs were required to ascertain the legality and regularity of the related expenditure; considers this to be a very positive development as it could help Member States strengthen their controls and reduce audit costs, and enable the Commission to obtain independent additional assurance on the legality and regularity of CAP expenditure;

229. Regrets however that the Commission can use the work of the CBs only to a limited extent, since according to the Court's report, there are significant design weaknesses in the current framework, due to which the CBs' opinions do not fully comply with audit standards and rules in some important areas;

230. Notes with concern from the Court's report that there were weaknesses in both methodology and implementation, inter alia, audit strategies are often inappropriate, inadequate sets of samples are being drawn, and the CBs auditors often lack a sufficient level of skills and legal expertise; acknowledges, however, that 2015 may have been a challenging year for the Member States, as the relevant Union rules and guidelines were in a kick-off period at the time, and the CBs may not have been provided with enough information and training on their practical implementation, or given enough guidance on the required number of samples;

231. Calls on the Commission to make further efforts to tackle the weaknesses pointed out in the Court's report, and to achieve a truly efficient single audit model in CAP expenditure; encourages the Commission to monitor and actively support the CBs in improving their work and methodology on the legality and regularity of expenditure;

232. Points out in particular the need to develop more reliable working methods in the guidelines relating to the risk of inflating the assurance deriving from internal controls and endorses the Court's remarks as to the inappropriate representativeness of samples and the type of testing allowed, the unnecessary calculation of two different error rates and how the rates are used, and the unreliable opinions that are based on an understated error;

233. Notes also from the Court's report that despite the often unreliable nature of the control statistics of the Member States, the Commission continues to base its assurance model on this data, and that in 2015 the CBs' opinion was merely one factor taken into account;

234. Regrets that the consequences resulting from this unreliability are clear; notes, for instance, that in direct payments DG AGRI granted top ups for 12 out of 69 paying agencies with an error rate above 2 %, while only one paying agency had initially qualified its declaration, and that in 2015 DG AGRI also issued reservations for 10 paying agencies; notes also that in rural areas, DG AGRI granted top ups for 36 out of 72 paying agencies and in 14 cases the adjusted error rate was above 5 %, and that in 2015 DG AGRI also issued reservations for 24 paying agencies from 18 Member States;

235. Calls on the Commission to focus on this unreliability and to develop measures in order to achieve a reliable basis for its assurance model; believes that the Commission should in this regard actively guide the CBs to carry out adequate opinions, and take advantage of the information and data provided as a result;

236. Encourages the Commission also to require the CBs to put in place appropriate safeguards to ensure the representativeness of their samples, to allow the CBs to carry out sufficient on-the-spot testing, to require the CBs to calculate only one single error rate for legality and regularity, and to ensure that the level of error reported by the paying agencies in their control statistics is properly included in the CBs' error rate;

237. Recommends, in particular, that the Commission place an emphasis in opinions on the legality and regularity of CAP expenditure that is of a quality and scope which enable the Commission to ascertain the reliability of the paying agencies' control data, or where appropriate, estimate the necessary adjustment of the paying agencies' error rates on the basis of the opinions provided by the CBs;

238. Notes that, regarding the Court's recommendation number 7, the Commission has to make sure that the paying agencies' error rate does not inappropriately cumulate in the CBs' overall error rate; believes that the guidelines in this regard should be as clear as possible in order to avoid misunderstandings in financial corrections;

239. Notes also from the Court's report that the safeguard that is the paying agencies' lack of advance notice of which transactions will be subject to re-performance, was compromised in the case of Italy, where the CB had given the paying agency an advance notice of which beneficiaries would be scrutinised before the paying agency carried out the majority of its initial on-the-spot checks; stresses strongly that the adequate application of the claim-based selection method has to be secured in all cases, and advance notices cannot be given without consequences;

240. Points out that for non-IACS transactions (both EAGF and EAFRD), there is a significant disparity between the period for which the on-the-spot checks are reported (the calendar year) and the period for which expenditure is paid (from 16 October 2014 to 15 October 2015 for the 2015 financial year); notes that as a result, some of the beneficiaries subject to on-the-spot checks performed during the 2014 calendar year were not reimbursed in the 2015 financial year, and the CBs cannot include the results of such transactions in their calculation of the error rate for the financial year concerned; calls on the Commission to come up with an appropriate solution for the synchronisation of these calendars;

241. Points out that the control schedules for the paying agencies can be very tight, especially in Member States with a short growing season, and providing the relevant information to the CBs in good time may often prove to be very challenging; notes that this may result in the use of multiple different control methods and duplicated error rates, as the CBs cannot fully follow the paying agencies' control procedure; believes that this issue could be resolved, for example by means of satellite based monitoring measures;

242. Considers that new technology could be better taken advantage of in general in the control of CAP expenditure: where a sufficient level of reliability can be achieved e.g. by satellite control, the beneficiaries and the auditors should not be burdened with excessive on-the-spot audits; stresses that while securing the financial interest of the Union funding in CAP expenditure, the ultimate aim of the single audit scheme should be to provide efficient controls, well-functioning administrative systems and a lessening of bureaucratic burdens;

243. Stresses furthermore that the single audit model should include fewer layers in the control system and involve less expense for the Union, the Member States and the beneficiaries; considers that more emphasis should be put on the reliability of the overall control system of the Member State, instead of focusing merely on supplementary checks for the beneficiaries; considers the control system still to be too burdensome for beneficiaries, that in those Member States where irregularities and frauds are less common, the overall audit system has proven to be sufficient, and that reliability can be secured by other methods than excessive on-the-spot checks;

244. Calls on the Commission to take careful note of the Court's report and Parliament's recommendations and to develop further the control system of CAP expenditure towards a truly single audit approach;

245. Highlights that many of the shortcomings identified by the Court were raised and addressed by the Commission in its 2018 guideline; welcomes the constant progress made by certification bodies;

Part XVIII Special Report No 8/2017 of the Court of Auditors entitled 'EU fisheries controls: more efforts needed'

246. In order to improve the accuracy of information of fishing capacity asks the Member States, by 2018, to establish procedures to verify the accuracy of the information recorded in their national fleet registers;

247. In the context of any future amendment to the Council Regulation (EC) No 1224/2009 ([1]) ('the Control Regulation'), and in order to improve the accuracy of information on fishing capacity, asks the Commission to include in its legislative proposal detailed rules for the regular documentary and on-the-spot verifications of both gross tonnage (GT) and engine power (kW) indicators used to calculate fishing capacity;

248. In the context of any future amendment to the Control Regulation, and in order to improve the monitoring of activities of small fishing vessels, calls on the Commission to include in its legislative proposal:

(a) the removal of the VMS ([2]) exemptions for vessels between 12 and 15 metres long;

(b) the requirement for the installation of smaller and cheaper localisation systems for vessels under 12 metres long;

249. In order to ensure the transparency of the distribution of fishing quotas asks the Member States, by 2019, to inform the Commission of their quota allocation system in line with Article 16 of the CFP Regulation ([3]), including how transparent and objective criteria have been incorporated into the distribution of fishing quotas among stakeholders;

250. In order to improve the completeness and reliability of fisheries data asks the Member States, by 2019, to:

([1]) Council Regulation (EC) No 1224/2009 of 20 November 2009 establishing a Union control system for ensuring compliance with the rules of the common fisheries policy, amending Regulations (EC) No 847/96, (EC) No 2371/2002, (EC) No 811/2004, (EC) No 768/2005, (EC) No 2115/2005, (EC) No 2166/2005, (EC) No 388/2006, (EC) No 509/2007, (EC) No 676/2007, (EC) No 1098/2007, (EC) No 1300/2008, (EC) No 1342/2008 and repealing Regulations (EEC) No 2847/93, (EC) No 1627/94 and (EC) No 1966/2006 (OJ L 343, 22.12.2009, p. 1).

([2]) Vessel monitoring systems.

([3]) Regulation (EU) No 1380/2013 of the European Parliament and of the Council of 11 December 2013 on the Common Fisheries Policy, amending Council Regulations (EC) No 1954/2003 and (EC) No 1224/2009 and repealing Council Regulations (EC) No 2371/2002 and (EC) No 639/2004 and Council Decision 2004/585/EC (OJ L 354, 28.12.2013, p. 22).

(a) review and improve the process for recording and verification of paper-based data of fishing activities; introduce gradually processes to record and verify the electronic data on fishing activities sent by vessels of less than 10 meters long; ensure that these systems are compatible and allow the exchange of data between Member States, the Commission and the European Fisheries Control Agency;

(b) ensure that they have reliable data on the activity of vessels under 10 metres long through the gradual introduction of appropriate, cheaper and user-friendly recording and reporting requirements, and that they apply the rules established by the Control Regulation to collect them;

(c) complete the validation and cross checking of fisheries activities data;

251. Asks the Commission, by 2020, to:

(a) establish an information exchange platform to be used by the Member States to send validated data in standard formats and contents, so that the information available to the different Commission services matches the Member States' data;

(b) promote the development of a cheaper, simpler and user-friendly system to facilitate the electronic communication of fishing activities for vessels less than 12 metres long; introduce for vessels between 10 and 12 meters' long the obligation to use electronic recording and reporting systems (e-logbooks) instead of paper-based ones; introduce gradually for vessels less than 10 metres long the obligation to record and report their catches through a cheaper, simpler and user-friendly electronically-based system;

(c) analyse the remaining problems in data completeness and reliability at Member State level and decide appropriate actions with Member States where necessary;

252. In the context of any future amendment to the Control Regulation, and in order to improve the completeness and reliability of fisheries data, calls on the Commission to include in its legislative proposal:

(a) the removal of the Electronic Reporting System and electronic declaration exemptions for vessels between 12 and 15 metres long;

(b) a review of the catch data reporting obligations of the Member States under the Control Regulation, in order to include the details of fishing area, size of vessels and fishing gear;

253. In order to improve inspections calls on the Member States to develop and use standard inspection protocols and reports more adapted to the specific regional and technical conditions of the fisheries than those provided under Annex XXVII of Commission Implementing Regulation (EU) No 404/2011 ([1]); calls on Member States to do so in consultation with the European Fisheries Control Agency and by 2019, when the new regulation on technical measures ([2]) is expected to enter into force;

254. In the context of any future amendment to the Control Regulation, asks the Commission to include in its legislative proposal the mandatory use of the Electronic Inspection Report System by the Member States in order to ensure exhaustive and up-to-date national inspection results; calls on the Commission also to include in the proposal an obligation on Member States to share the results of inspections with other Member States concerned;

([1]) Commission Implementing Regulation (EU) No 404/2011 of 8 April 2011 laying down detailed rules for the implementation of Council Regulation (EC) No 1224/2009 establishing a Community control system for ensuring compliance with the rules of the Common Fisheries Policy (OJ L 112, 30.4.2011, p. 1).

([2]) See Commission proposal for a Regulation of the European Parliament and of the Council on the conservation of fishery resources and the protection of marine ecosystems through technical measures, amending Council Regulations (EC) No 1967/2006, (EC) No 1098/2007, (EC) No 1224/2009 and Regulations (EU) No 1343/2011 and (EU) No 1380/2013 of the European Parliament and of the Council, and repealing Council Regulations (EC) No 894/97, (EC) No 850/98, (EC) No 2549/2000, (EC) No 254/2002, (EC) No 812/2004 and (EC) No 2187/2005 (COM(2016) 134).

255. In order to ensure the effectiveness of the system of sanctions, calls on the Member States, by 2019:

(a) to take due account of recurrent infringements or persistent offenders when setting sanctions;

(b) to fully implement the point systems and ensure its consistent application in their respective territories;

256. In the context of any future amendment to the Control Regulation, asks the Commission to include in its legislative proposal a provision foreseeing a system to exchange data on infringements and sanctions in cooperation with the European Fisheries Control Agency and the Member States;

Part XIX Special Report No 9/2017 of the Court of Auditors entitled 'EU support to fight human trafficking in South/South-East Asia'

257. Welcomes the Court's special report; endorses its recommendations and sets out its observations and recommendations below;

258. Acknowledges that despite the challenging environment it had to operate in, the Union made a tangible contribution to the fight against human trafficking in South and South-East Asia;

259. Welcomes the progress made in the fight against human trafficking through measures such as the appointment of European migration liaison officers to specific countries; requests that the work in this line continue;

260. Encourages the Union to intensify its cooperation with national and regional governments, as well as other organisations present in the area (such as the UN, ASEAN and relevant NGOs) and civil society, in order to obtain a better overview of the remaining priorities and thus prepare a more targeted action plan;

261. Stresses the importance of eradicating extreme poverty and minority and gender discrimination in South and South-East Asian countries, as well as of consolidating their democratic and human rights' foundations with the aid of EIDHR;

262. Calls on the Commission to develop a comprehensive, coherent and reliable database on anti-trafficking financial support so that the distribution of funds is more justified and reaches the recipients that actually have the most pressing needs; agrees with the Council on the necessity of elaborating an updated list of regions and countries affected by human trafficking and inclusion of that list in the database;

263. Welcomes the Commission's communication entitled 'Reporting on the follow-up to the EU Strategy towards the Eradication of trafficking in human beings and identifying further concrete actions' (COM(2017) 728) published by the Commission in December 2017; calls on the Commission to propose specific measures to be developed for each region;

264. Welcomes the fact that trafficking in human beings will continue to be a priority in the upcoming Union policy cycle on organised and serious international crime for 2018-2021;

265. Considers it essential to strengthen the law enforcement agencies in South and South-East Asian states so that they are more effective in detecting and dismantling human trafficking networks; demands that the punishments for the criminals involved in people trafficking be toughened;

266. Calls on the Commission and the Member States to continue the fight against human trafficking inside the Union with political and judicial cooperation so as to tackle the mafias that use the Union as a final destination for the victims of human trafficking, as noted in the communication of December 2017;

267. Believes that a better linkage between the timing of mitigating actions, resources allowed to the issue is required as well as an increased cooperation among the EEAS, the Commission, ASEAN and the United Nations for allowing a more efficient fight against human trafficking;

268. Invites the EEAS and the Commission to also address the issue of human trafficking by exploring other channels of action like bilateral and multilateral agreements;

Part XX Special Report No 10/2017 of the Court of Auditors entitled 'EU support to young farmers should be better targeted to foster effective generational renewal'

269. Is of the opinion that with respect to existing CAP policies:

(a) a comprehensive evaluation is needed of all tools and measures which can be combined to help young farmers, to focus on comparability across the Union, consistency or inconsistency in result indicators, and obstacles to market entry for young farmers which can be addressed in the future revision of the CAP;

(b) objectives should be better defined in terms of generational renewal, with possibly a quantified target, and information should be gathered on levels of success in generational renewal and the factors which contribute or hinder it;

270. Is of the opinion that for the post-2020 CAP, legislation should be framed such that the Commission indicate (or require Member States to indicate, in line with the shared management provisions) a clear intervention logic for the policy instruments addressing generational renewal in agriculture; considers that the intervention logic should include:

(a) a sound assessment of young farmers' needs which investigates the underlying reasons why young people willing to become farmers face barriers in establishing farms and the degree of diffusion of such barriers across geographical areas, agricultural sectors or other specific holdings' characteristics;

(b) an assessment of which needs could be addressed by Union policy instruments and which needs can be or are already better addressed by Member States' policies as well as an analysis of which forms of support (e.g. direct payments, lump sum, financial instruments) are best suited to match the identified needs;

(c) awareness-raising measures of possible types of assistance for earlier transfer of a farm to a successor with accompanying advisory services or measures like a satisfactory retirement scheme based on national or regional income or revenues in the agricultural, food and forestry sector;

(d) notwithstanding the long period of planning transfers of agricultural holdings, ensure a definition of SMART objectives, making explicit and quantifiable the expected results of the policy instruments in terms of expected generational renewal rate and contribution to the viability of the supported holdings; considers in particular that it should be clear if the policy instruments aim at supporting as many young farmers as possible or target specific types of young farmers (e.g. the most educated, those establishing farms in less favoured areas, those introducing energy or water savings technologies in the holdings, those increasing the profitability or productivity of the holdings, those employing more people);

271. When implementing the post-2020 CAP measures, calls on the Member States to improve the targeting of the measures by:

(a) applying criteria to ensure the selection of the most cost-effective projects, such as projects delivering the highest increase in sustainable productivity or viability of the supported holdings, or the highest increase in employment in the areas with highest unemployment or in less favoured areas with lowest generational renewal;

(b) applying clear criteria for assessing how young farmers can be supported in the case of joint control of legal holdings (e.g. by defining what percentage of voting rights or shares the beneficiary should have or indicating a period during which a shift in the balance of the shares takes place, what minimum percentage of her or his revenues should come from his or her activity in the supported holding) to direct the aid towards young farmers making farming in the supported holdings their main activity;

(c) applying sufficiently high minimum thresholds of points that projects should reach and adequately split the budget of the measures to provide equal availability of funds to young farmers establishing farms during the entire duration of the programming period;

(d) improve the use of business plans as a tool to assess both the need for public funding by assessing — at the application stage — the likely viability of the holdings without the aid and — at the end of the projects — the impact of the aid on the viability of the holding or on other clearly specified objectives (e.g. employment, introduction of energy or water savings technologies);

272. Is of the opinion that legislation for post-2020 CAP measures should ensure that the Commission and Member States (in line with the shared management provisions) improve the monitoring and evaluation system; considers in particular that:

(a) the Commission should define output, result and impact indicators allowing assessment of the progress, effectiveness and efficiency of the policy tools against objectives, by drawing on best practices, such as useful indicators developed by Member States in their monitoring systems;

(b) the Member States should regularly collect actual data on the structural and financial characteristics of the supported holdings (e.g. revenues, income, number of employees, innovations introduced, farmers' educational levels) allowing assessment of the efficiency and effectiveness of the measures in achieving the desired policy objectives;

(c) the Commission and the Member States should require evaluations to provide useful information on the achievements of the projects and measures based on actual data on the evolution of the structural and financial characteristics of the supported holdings, by drawing on best practices (e.g. benchmarking, counter-factual analyses, surveys) such as those identified in this audit (see box 5 of the Court's special report on the case of Emilia Romagna at paragraph 75);

(d) ensuring that young farmers have ready access to advice and tools that help them to react efficiently and effectively against threats of market disturbances or market saturations as well as price volatility; considers that in this way, competiveness and market orientation could be enhanced and crisis-related fluctuations in producers' income could be reduced;

Part XXI Special Report No 11/2017 of the Court of Auditors entitled 'The Bêkou EU trust fund for the Central African Republic: a hopeful beginning despite some shortcomings'

273. Welcomes the Court's special report, and endorses its remarks and recommendations;

274. Welcomes the establishment of the Bêkou European Trust Fund and its contribution to the international response to the crisis in the Central African Republic; recognises that this first trust fund can be considered as a major pilot project in a number of ways and that it is necessary to develop more precise guidance on the systemic issue of donor coordination, monitoring and evaluation according to a more systemic approach to obtain guarantees;

275. Notes that trust funds were part of an ad hoc response in the context of a lack of resources and flexibility needed for a rapid and comprehensive approach to major crises; believes that more time is needed to prove its effectiveness and to further learn from operational implementation;

276. Considers also that particular attention should be paid to the effectiveness and political governance of trust funds as well as to a lack of guarantees and oversight of the final use of the allocated funds;

277. Believes that the Court's observations referring to the fund's limited influence on coordination amongst stakeholders should be given special attention and that the Commission should do everything in its power to use already gained experiences in the activities of the European Development Fund (EDF) in areas such as implementation and coordination of multi-party investments and results-ownership management;

278. Stresses that any new financial instruments and blended financial instruments should remain in line with the overarching objectives of Union development policy and focus on areas where added value and strategic impact are the highest;

279. Notes that Member States' contributions to the trust fund have, to date, been relatively low; calls for Member States to become more involved in order to ensure that this fund delivers the expected policy objectives;

280. Believes that due care should be devoted to controlling management and administrative costs relative to total contributions; favours the coherence and complementarity of such new development tools with the EDFs strategy and policy goals;

281. Calls on the Commission to implement comprehensive control mechanisms to ensure political scrutiny from Parliament of the governance, management and implementation of these new instruments in the context of the discharge procedure; considers it to be important to develop specific supervision strategies for those instruments, with specific objectives, targets and reviews;

Part XXII Special Report No 12/2017 of the Court of Auditors entitled 'Implementing the Drinking Water Directive: water quality and access to it improved in Bulgaria, Hungary and Romania, but investment needs remain substantial'

282. As access to good quality drinking water is one of the most basic needs of citizens, stresses that the Commission should do its utmost to better monitor the situation, especially in regards to small water supply zones, which are closest to end-users; recalls that poor quality drinking water can lead to health risks for European citizens;

283. Urges the Member States to deliver more information to citizens as regards the quality of drinking water supplied to them, as in a number of Member States citizens are not aware that the tap water is drinkable;

284. Deplores the fact that Member States are not obliged to report on the quality of water of small water supply zones; hopes that the revised Drinking Water Directive ([1]) remedies this situation;

285. Underlines the importance of the sustainability of water infrastructure and stresses the significance of keeping citizens involved in the maintenance of water infrastructure;

286. Emphases the crucial fact that water pricing policies must foster efficiency and recover the costs of water use; notes that it is in the responsibility of the Member States to provide affordable and high quality drinking water for all their citizens, on the understanding that water is a common good and human right;

287. Reminds the Commission that ongoing discussions and growing trends towards liberalisation and privatisation of water services in several Member States have become a major issue of concern to citizens;

Part XXIII Special Report No 13/2017 of the Court of Auditors entitled 'A single European rail traffic management system: will the political choice ever become reality?'

288. Welcomes the Court's special report, and endorses its remarks and recommendations;

289. Notes that the Commission did not assess properly the impact of the legislative packages that it has launched since 2000 on the rail sector; regrets that the Union funds invested in the several projects cannot be considered cost-effective;

290. Notes that railway sector is generally very corporative which may affect the perception of the market liberalisation more as a threat than as an advantage;

291. Notes that the interest of Member States to enhance interoperability must be accompanied by an estimation of costs and required funding; encourages Member States to set realistic targets when allocating Union financial support to the ERTM system and advises the Commission to set deadlines for implementation that can be met;

292. Welcomes the Commission's undertaking to draw up a dismantling timetable in conjunction with the Member States, with legally binding objectives; therefore welcomes the fact that the Commission has decided to work with the industry to promote the use of a common tendering system drawn up by the Community of European Railways;

293. Considers that the costly investments required by this system accompanied by the deferred benefit for those that bear the costs demands a strategic assessment of priorities set within the Council and Member States; welcomes the European deployment plan and the associated detailed ERTMS action plan, the objective of which is to ensure a steady flow of aid; encourages Member States to focus on better coordination of the European deployment plan and make sure Union commitments are considered within their national priorities; welcomes the Commission's undertaking to set interim objectives in the national deployment plans to improve the monitoring of individual sections;

([1]) See Commission proposal for a Directive of the European Parliament and of the Council on the quality of water intended for human consumption (recast) (COM(2017) 753).

294. Is concerned at the high rate of decommitment related to TEN-T support for ERTMS projects mainly motivated by the fact that Union financial provisions are not aligned with the national implementation strategies; welcomes the fact that the Commission is adapting CEF financing procedures where possible; calls on the Commission to consider and assess the situation and to take the necessary measures to overcome these shortcomings;

295. Regrets that Union funding for on-board units is mostly taken up by domestic traffic and that freight transport cannot be supported by cohesion funds; recalls that the rail freight transport is one key aspects of the single market;

296. Calls on the Commission to ensure that shortcomings related to incompatibilities of the system are effectively overcome within the next programming period;

297. Considers that, in order to be operational, the single rail market will require the full involvement of the market operators concerned prior to the allocation of Union funding; is of the opinion that Union policy on the rail sector requires a realistic shift of strategy, which should include a cost-benefit estimate, and the development of an economic model in the Member States, if no such model exists, with the aim of guaranteeing appropriate financing and making it possible to identify sources in an effective manner;

Part XXIV Special Report No 14/2017 of the Court of Auditors entitled 'Performance review of case management at the Court of Justice of the European Union'

298. Welcomes the Court of Auditors' special report; endorses its remarks and recommendations;

299. Criticises the Court of Justice of the European Union (CJEU) for refusing the access of the Court of Auditors to some of the documents they requested for the performance review of the CJEU; reminds the CJEU that Court of Auditors Members as well as its auditors are bound by confidentiality and professional secrecy in the performance of duties ([1]); regrets that *référendaires* could not be interviewed despite their crucial role in the CJEU's work;

300. Notes with regret that from 2012 onwards the General Court has repeatedly exceeded the reasonable period of time within which a litigant is entitled to expect judgement to be delivered; invites the General Court to report to Parliament's Committee on Budgetary Control to clarify the situation;

301. Notes that following reform of the CJEU's judicial structure, the allocation of judges to the chambers is made according to the caseload in different areas; is interested to know how this allocation is made, whether specialised chambers are in place for certain areas; requests statistical data on the progress of files under the new system;

302. Regrets that the Court of Auditors excluded from the sampling the cases which took longer than twice the average duration; is of the opinion that not only typical cases are relevant to assessing performance;

303. Suggests that the working languages of the CJEU, in particular those in which it conducts deliberations, be enlarged to English, French and German, which are the working languages in the Union institutions; encourages the CJEU to look for best practices in the Union institutions to implement this reform of its language practices;

304. Notes that *référendaires* are very influential in the decision-making process of the CJEU but that their role and the rules governing their conduct remain unknown to the outside world;

305. Is concerned that in the overview of the most frequent factors affecting the duration of the written procedure at the General Court, the reception and processing of procedural documents by the registry counts for 85 % of the time required; enquires whether the registry has sufficient resources;

306. Is concerned at the length of cases in the General Court where confidentiality issues are raised;

307. Takes note of the process for assigning cases referred to the courts; asks the CJEU to provide the rules stipulating the procedure of assignment in both courts;

308. Notes that in 2014 and 2015 around 40 % of cases in the General Court were assigned outside of the rota system, which puts the system itself into question; at the same time, raises doubts about the discretionary allocation of files within the General Court; regrets the lack of transparency surrounding the procedure;

([1]) Please see the Code of Conduct for Members of the European Court of Auditors, in particular Article 6 thereof, and the Ethical guidelines for the European Court of Auditors applying to the staff, in particular Section 4 concerning professional secrecy.

309. Is concerned that judicial vacations are one of the most frequent factors affecting the duration of the handling of cases in the CJEU; proposes that hearings and deliberations on a broader range of cases — other than those with specific circumstances — be permitted during that period;

310. Notes that the sickness, maternity or parental leave or departure of the *référendaires* also have an impact in the duration of cases; asks the CJEU to consider possible alternative methods to overcome temporary absences and ensure the smooth progress of work;

311. Is of the opinion that resources are not shared proportionately among the courts taking into account their respective workload; suggests that the '*cellule des lecteurs d'arrêts*' in the General Court intervene at a later stage in the case;

312. Calls on the Member States to make sure that nomination decisions for new judges are taken well in advance of their predecessors' date of departure, to ensure a smooth handover of the workload;

313. Is concerned at the CJEU's 'one-size-fits-all' approach to applying various procedural steps; advises the CJEU to adapt the deadlines it sets to take into account the typology and complexity of cases;

314. Notes that intellectual property issues are involved in a significant number of cases in both courts; encourages the CJEU to analyse ways of simplifying the procedures for these cases and consider a pre-review by the research and documentation services of the CJEU;

Part XXV Special Report No 16/2017 of the Court of Auditors entitled 'Rural Development Programming: less complexity and more focus on results needed'

315. When preparing the post-2020 programming period, in order to enhance the focus on performance and results, increase integration between rural development programs (RDP) and other programmes and to improve assessments of the RDPs' contribution towards the strategic objectives, calls on:

(a) the Commission to ensure that its policy proposals indicate how consistency between individual programmes will be enhanced through further development of requirements;

(b) the Member States to specify by 2022 how coordination, complementarity and synergy mechanisms will be implemented, followed up and reported on in the context of overarching Union objectives and rules;

316. Asks the Commission to review the design of programming documents by the end of 2020 with a view to simplifying their content and reducing the number of requirements for the post-2020 programming period; considers in particular, that it should limit programming documents' structure to those elements and options that are essential for correct planning, implementation and monitoring of RD expenditure;

317. Calls on the Commission to take measures with the Member States by the end of 2018 to ensure that enhanced annual implementation reporting in 2019 provides clear and comprehensive information on programme achievements and that the required answers to common evaluation questions provide an improved basis for the next programming period;

318. When preparing the post-2020 programming period, calls on the Commission to define more accurately, in the context of overarching Union objectives for agriculture and rural development, the types of indicators to be set in order to assess the results and impact of rural development interventions; considers that the Commission could benefit in this process from the experience and solutions already developed by other international organisations (e.g. the WHO, the World Bank and the OECD) in focussing on performance and results;

319. Is of the opinion that the Commission needs to ensure the continuity of the type of investment currently carried out under the second pillar of the common agricultural policy, which is an essential financing instrument for boosting economic growth promoting competitiveness, innovation and employment in lagging regions' rural and mountainous areas and ensuring sustainable rural development;

320. Asks the Commission to promote and facilitate national cooperation and networking in order to disseminate good performance measurement practices developed at national level by the end of 2020;

321. For the post 2020 programming period, asks the Commission to review and take stock of the experience from the implementation of the current system by the end of 2020, including:

(a) the impact of the performance reserve and what alternative mechanisms could better improve performance;

(b) the appropriateness and measurability of result indicators used to access the performance reserve and;

(c) the use made of financial sanctions to address underperformance;

322. Calls on the Council and the Commission to consider, prior to adopting further legislative proposals in mid 2018, aligning its long-term strategy and policy-making with the budgetary cycle and conducting a comprehensive spending review before a new long-term budget is set;

323. Considers that in order to allow approval of RDPs at the start of the next programming period, the Commission should indicate in its legislative proposals what changes in the timing of policy design, programming and implementation are included to ensure that RDPs can be approved at the start of the next programming period to allow for timely implementation from 2020;

324. Is of the opinion that the decision on the duration of the MFF should strike the right balance between two seemingly conflicting requirements: on the one hand, the need for several Union policies — especially those under shared management, such as agriculture and cohesion — to operate on the basis of the stability and predictability of a commitment of at least seven years, and, on the other hand, the need for democratic legitimacy and accountability that results from the synchronisation of each financial framework with the five-year political cycle of Parliament and the Commission;

Part XXVI Special Report No 17/2017 of the Court of Auditors entitled 'The Commission's intervention in the Greek financial crisis'

325. Thanks the Court for preparing a comprehensive report on a very significant topic, which is closely linked to the activities of the Committee on Budgetary Control; regrets that it took three years to draft the audit report; underlines the importance of rightly timed reports as this would facilitate the work of the Commission and Parliament considerably;

326. Deplores the fact that the Court had only a limited mandate in auditing the Union financial assistance to Greece that was managed by the troika consisting of the Commission, the European Central Bank and the IMF and did not receive adequate information from the ECB; encourages the ECB, in the spirit of mutual cooperation, to provide information allowing the Court to have a broader picture of the use of Union funds;

327. Recognises the complicated economic situation throughout Europe and especially the challenging political situation in Greece during the implementation of the Union financial assistance, which had a direct impact on the efficiency of the implementation of the assistance;

328. Underlines the vital importance of transparency in use of Union funds in different financial assistance instruments implemented in Greece;

329. Asks the Commission to improve the general procedures for designing support programmes, in particular by outlining the scope of the analytical work needed to justify the content of the conditions and where possible by indicating the tools which could be drawn upon in relevant situations;

330. Underlines the need for the Commission to improve its arrangements for monitoring the implementation and roll-out of reforms so as to identify better administrative or other impediments to the effective implementation of the reforms; considers additionally that the Commission needs to ensure that it has the necessary resources to undertake such assessments;

Part XXVII Special Report No 18/2017 of the Court of Auditors entitled 'Single European Sky: a changed culture but not a single sky'

331. Points out the lack of full implementation of the Single European Sky due to resistance of certain air professions, which defend their own prerogatives, and due to lack of strong political will of the Member States to fulfil the needs for implementation of this initiative;

332. Deplores the fact that although the Union has managed to eliminate land borders between the Schengen Member States, it has not been so far been able to eliminate borders in the air among the same Member States, which leads to common losses of the value of EUR 5 billion annually;

333. Points out that there is a need to revise and update the indicators in order to streamline the air traffic performance scheme; welcomes the fact that the Commission has said that they are being revised; emphasises that accurate, appropriate data are required in order to ensure that the review of the indicators is effective;

334. Points out that the implementation of the Single European Sky would reduce the CO_2 emissions of the aviation industry by up to 10 %, which would significantly help in reaching the targets in the Paris Climate Agreement;

335. Asks the Commission to look further into the details of the deliverables of the SESAR Joint Undertaking as they might not be applicable to the current situation where the Single European Sky has not been implemented and they risk being applied in air systems which are not able to cooperate with each other;

336. Asks the Commission to present details of its contract with Eurocontrol in order to monitor the spending of Union taxpayers' money;

337. Points out to the need for the national supervisory authorities to be independent and tasked with sufficient financial and organisational resources;

338. Asks the Commission to inform Parliament's responsible committee why it has not launched infringement procedures on the non-implementation of the Functional Airspace Blocks, which were supposed to be operational in 2012 but have not been functioning until now;

Part XXVIII Special Report No 21/2017 of the Court of Auditors entitled 'Greening: a more complex income support scheme, not yet environmentally'

339. Welcomes the recommendations proposed by the Court and invites the Commission to follow up on the recommendations and remarks outlined in the special report;

340. Notes the considerably high spending on the new green payment representing 30 % of all CAP direct payments and almost 8 % of the whole Union budget; notes with concern that this amount does not correspond to the level of ambition that the green payment offers; invites the Commission to take this into account when preparing a CAP reform;

341. Regrets the fact that it remains unclear how greening is expected to contribute to the broader Union targets on climate change; calls on the Commission to create a specific action plan for greening as a part of a new CAP reform that would clearly outline the intervention logic and also a set of specific, measurable targets;

342. Is concerned that the greening instrument remains an income support measure that allows farmers to increase their income by up to 1 %, while not necessarily imposing any obligations or costs related to the implementation in many cases, thus bring the *raison d'être* of the financing into question; calls on the Commission to develop more stringent rules on farmers, while avoiding overuse of exemptions;

343. Is concerned by the level of complexity and transparency of greening and the CAP itself; calls on the Commission to streamline the greening programme and the entire CAP in order to raise the level of transparency and to avoid the high risk of abuse and double funding;

344. Is particularly worried by the conclusion of the Court that greening is unlikely to provide significant benefits for the environment and climate and calls on the Commission to reconsider the existence of the instrument and the possibility to re-invest the considerable greening funds into already existing, often overlapping programmes that have proven to be more effective and justified;

345. Instructs its President to forward this resolution to 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).

DECISION (EU, EURATOM) 2018/1316 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the Education, Audiovisual and Culture Executive Agency for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2016 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2016 (COM(2017) 365 — C8-0247/2017) ([2]),

— having regard to the final annual accounts of the Education, Audiovisual and Culture Executive Agency for the financial year 2016 ([3]),

— having regard to the Commission's report on the follow-up to the discharge for the 2015 financial year (COM(2017) 379),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2016 (COM(2017) 497), and to the accompanying Commission staff working document (SWD(2017) 306),

— having regard to the Court of Auditors' report on the annual accounts of the Education, Audiovisual and Culture Executive Agency for the financial year 2016, together with the Agency's reply ([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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2016 (05942/2018 — C8-0043/2018),

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

— having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,

— 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,

— 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 ([8]), and in particular the first and second paragraphs of Article 66 thereof,

— 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 ([9]),

— having regard to Rule 93 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A8-0137/2018),

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([1]) OJ L 48, 24.2.2016.
([2]) OJ C 323, 28.9.2017, p. 1.
([3]) OJ C 384, 14.11.2017, p. 2.
([4]) OJ C 417, 6.12.2017, p. 63.
([5]) OJ C 322, 28.9.2017, p. 10.
([6]) OJ L 298, 26.10.2012, p. 1.
([7]) OJ L 11, 16.1.2003, p. 1.
([8]) OJ L 297, 22.9.2004, p. 6.
([9]) OJ L 343, 19.12.2013, p. 46.

A. whereas, under Article 17(1) of the Treaty on European Union, the Commission is to execute the budget and manage programmes and, pursuant to Article 317 of the Treaty on the Functioning of the European Union, is to implement the budget in cooperation with the Member States, on its own responsibility, having regard to the principles 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 2016;

2. Sets out its observations in the resolution forming an integral part of the decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section III — Commission and executive agencies, and in its resolution of 18 April 2018 on the Court of Auditors' special reports in the context of the Commission discharge for the financial year 2016 ([1]);

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 2016, 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 and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President — *The Secretary-General*

Antonio TAJANI — Klaus WELLE

([1]) Texts adopted, P8_TA(2018)0122 (see page 71 of this Official Journal).

DECISION (EU, EURATOM) 2018/1317 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the Executive Agency for Small and Medium-sized Enterprises for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2016 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2016 (COM(2017) 365 — C8-0247/2017) ([2]),

— having regard to the final annual accounts of the Executive Agency for Small and Medium-sized Enterprises for the financial year 2016 ([3]),

— having regard to the Commission's report on the follow-up to the discharge for the 2015 financial year (COM(2017) 379),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2016 (COM(2017) 497), and to the accompanying Commission staff working document (SWD(2017) 306),

— having regard to the Court of Auditors' report on the annual accounts of the Executive Agency for Small and Medium-sized Enterprises for the financial year 2016, together with the Agency's reply ([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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2016 (05942/2018 — C8-0043/2018),

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

— having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,

— 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,

— 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 ([8]), and in particular the first and second paragraphs of Article 66 thereof,

— 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 ([9]),

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([1]) OJ L 48, 24.2.2016.
([2]) OJ C 323, 28.9.2017, p. 1.
([3]) OJ C 384, 14.11.2017, p. 11.
([4]) OJ C 417, 6.12.2017, p. 74.
([5]) OJ C 322, 28.9.2017, p. 10.
([6]) OJ L 298, 26.10.2012, p. 1.
([7]) OJ L 11, 16.1.2003, p. 1.
([8]) OJ L 297, 22.9.2004, p. 6.
([9]) OJ L 341, 18.12.2013, p. 73.

— having regard to Rule 93 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A8-0137/2018),

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

1. Grants the Director of the Executive Agency for Small and Medium-sized Enterprises discharge in respect of the implementation of the Agency's budget for the financial year 2016;

2. Sets out its observations in the resolution forming an integral part of the decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section III — Commission and executive agencies, and in its resolution of 18 April 2018 on the Court of Auditors' special reports in the context of the Commission discharge for the financial year 2016 ([1]);

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 2016, 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 and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President — *The Secretary-General*

Antonio TAJANI — Klaus WELLE

([1]) Texts adopted, P8_TA(2018)0122 (see page 71 of this Official Journal).

DECISION (EU, EURATOM) 2018/1318 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the Consumers, Health, Agriculture and Food Executive Agency for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2016 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2016 (COM(2017) 365 — C8-0247/2017) ([2]),

— having regard to the final annual accounts of the Consumers, Health, Agriculture and Food Executive Agency for the financial year 2016 ([3]),

— having regard to the Commission's report on the follow-up to the discharge for the 2015 financial year (COM(2017) 379),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2016 (COM(2017) 497), and to the accompanying Commission staff working document (SWD(2017) 306),

— having regard to the Court of Auditors' report on the annual accounts of the Consumers, Health, Agriculture and Food Executive Agency for the financial year 2016, together with the Agency's reply ([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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2016 (05942/2018 — C8-0043/2018),

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

— having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,

— 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,

— 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 ([8]), and in particular the first and second paragraphs of Article 66 thereof,

— 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 ([9]),

— having regard to Commission Implementing Decision 2014/927/EU of 17 December 2014 amending Implementing Decision 2013/770/EU in order to transform the Consumers, Health and Food Executive Agency into the Consumers, Health, Agriculture and Food Executive Agency ([10]),

([1]) OJ L 48, 24.2.2016.
([2]) OJ C 323, 28.9.2017, p. 1.
([3]) OJ C 384, 14.11.2017, p. 2.
([4]) OJ C 417, 6.12.2017, p. 52.
([5]) OJ C 322, 28.9.2017, p. 10.
([6]) OJ L 298, 26.10.2012, p. 1.
([7]) OJ L 11, 16.1.2003, p. 1.
([8]) OJ L 297, 22.9.2004, p. 6.
([9]) OJ L 341, 18.12.2013, p. 69.
([10]) OJ L 363, 18.12.2014, p. 183.

— having regard to Rule 93 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A8-0137/2018),

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

1. Grants the Director of the Consumers, Health, Agriculture and Food Executive Agency discharge in respect of the implementation of the Agency's budget for the financial year 2016;

2. Sets out its observations in the resolution forming an integral part of the decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section III — Commission and executive agencies, and in its resolution of 18 April 2018 on the Court of Auditors' special reports in the context of the Commission discharge for the financial year 2016 ([1]);

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 2016, Section III — Commission and the resolution forming an integral part of those decisions, to the Director of the Consumers, Health, Agriculture and Food Executive 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) Texts adopted, P8_TA(2018)0122 (see page 71 of this Official Journal).

DECISION (EU, EURATOM) 2018/1319 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the European Research Council Executive Agency for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2016 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2016 (COM(2017) 365 — C8-0247/2017) ([2]),

— having regard to the final annual accounts of the European Research Council Executive Agency for the financial year 2016 ([3]),

— having regard to the Commission's report on the follow-up to the discharge for the 2015 financial year (COM(2017) 379),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2016 (COM(2017) 497), and to the accompanying Commission staff working document (SWD(2017) 306),

— having regard to the Court of Auditors' report on the annual accounts of the European Research Council Executive Agency for the financial year 2016, together with the Agency's reply ([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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2016 (05942/2018 — C8-0043/2018),

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

— having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,

— 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,

— 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 ([8]), and in particular the first and second paragraphs of Article 66 thereof,

— 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 ([9]),

— having regard to Rule 93 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A8-0137/2018),

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([1]) OJ L 48, 24.2.2016.
([2]) OJ C 323, 28.9.2017, p. 1.
([3]) OJ C 384, 14.11.2017, p. 9.
([4]) OJ C 417, 6.12.2017, p. 171.
([5]) OJ C 322, 28.9.2017, p. 10.
([6]) OJ L 298, 26.10.2012, p. 1.
([7]) OJ L 11, 16.1.2003, p. 1.
([8]) OJ L 297, 22.9.2004, p. 6.
([9]) OJ L 346, 20.12.2013, p. 58.

A. whereas, under Article 17(1) of the Treaty on European Union, the Commission is to execute the budget and manage programmes and, pursuant to Article 317 of the Treaty on the Functioning of the European Union, is to implement the budget in cooperation with the Member States, on its own responsibility, having regard to the principles 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 2016;

2. Sets out its observations in the resolution forming an integral part of the decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section III — Commission and executive agencies, and in its resolution of 18 April 2018 on the Court of Auditors' special reports in the context of the Commission discharge for the financial year 2016 ([1]);

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 2016, 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 and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President — *The Secretary-General*

Antonio TAJANI — Klaus WELLE

([1]) Texts adopted, P8_TA(2018)0122 (see page 71 of this Official Journal).

DECISION (EU, EURATOM) 2018/1320 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the Research Executive Agency for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2016 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2016 (COM(2017) 365 — C8-0247/2017) ([2]),

— having regard to the final annual accounts of the Research Executive Agency for the financial year 2016 ([3]),

— having regard to the Commission's report on the follow-up to the discharge for the 2015 financial year (COM(2017) 379),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2016 (COM(2017) 497), and to the accompanying Commission staff working document (SWD(2017) 306),

— having regard to the Court of Auditors' report on the annual accounts of the Research Executive Agency for the financial year 2016, together with the Agency's reply ([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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2016 (05942/2018 — C8-0043/2018),

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

— having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,

— 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,

— 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 ([8]), and in particular the first and second paragraphs of Article 66 thereof,

— having regard to Commission Implementing Decision 2013/778/EU of 13 December 2013 establishing the Research Executive Agency and repealing Decision 2008/46/EC ([9]),

— having regard to Rule 93 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A8-0137/2018),

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([1]) OJ L 48, 24.2.2016.
([2]) OJ C 323, 28.9.2017, p. 1.
([3]) OJ C 384, 14.11.2017, p. 12.
([4]) OJ C 417, 6.12.2017, p. 252.
([5]) OJ C 322, 28.9.2017, p. 10.
([6]) OJ L 298, 26.10.2012, p. 1.
([7]) OJ L 11, 16.1.2003, p. 1.
([8]) OJ L 297, 22.9.2004, p. 6.
([9]) OJ L 346, 20.12.2013, p. 54.

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

1. Grants the Director of the Research Executive Agency discharge in relation to the implementation of the Agency's budget for the financial year 2016;

2. Sets out its observations in the resolution forming an integral part of the decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section III — Commission and executive agencies, and in its resolution of 18 April 2018 on the Court of Auditors' special reports in the context of the Commission discharge for the financial year 2016 ([1]);

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 2016, 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 and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President — *The Secretary-General*

Antonio TAJANI — Klaus WELLE

([1]) Texts adopted, P8_TA(2018)0122 (see page 71 of this Official Journal).

DECISION (EU, EURATOM) 2018/1321 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the Innovation and Networks Executive Agency for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2016 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2016 (COM(2017) 365 — C8-0247/2017) ([2]),

— having regard to the final annual accounts of the Innovation and Networks Executive Agency for the financial year 2016 ([3]),

— having regard to the Commission's report on the follow-up to the discharge for the 2015 financial year (COM(2017) 379),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2016 (COM(2017) 497), and to the accompanying Commission staff working document (SWD(2017) 306),

— having regard to the Court of Auditors' report on the annual accounts of the Innovation and Networks Executive Agency for the financial year 2016, together with the Agency's reply ([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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2016 (05942/2018 — C8-0043/2018),

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

— having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,

— 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,

— 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 ([8]), and in particular the first and second paragraphs of Article 66 thereof,

— 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 ([9]),

— having regard to Rule 93 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A8-0137/2018),

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([1]) OJ L 48, 24.2.2016.
([2]) OJ C 323, 28.9.2017, p. 1.
([3]) OJ C 384, 14.11.2017, p. 11.
([4]) OJ C 417, 6.12.2017, p. 247.
([5]) OJ C 322, 28.9.2017, p. 10.
([6]) OJ L 298, 26.10.2012, p. 1.
([7]) OJ L 11, 16.1.2003, p. 1.
([8]) OJ L 297, 22.9.2004, p. 6.
([9]) OJ L 352, 24.12.2013, p. 65.

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

1. Grants the Director of the Innovation and Networks Executive Agency discharge in respect of the implementation of the Agency's budget for the financial year 2016;

2. Sets out its observations in the resolution forming an integral part of the decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section III — Commission and executive agencies, and in its resolution of 18 April 2018 on the Court of Auditors' special reports in the context of the Commission discharge for the financial tear 2016 ([1]);

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 2016, 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 and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President — *The Secretary-General*

Antonio TAJANI — Klaus WELLE

([1]) Texts adopted, P8_TA(2018)0122 (see page 71 of this Official Journal).

DECISION (EU, EURATOM) 2018/1322 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the general budget of the European Union for the financial year 2016, Section III — Commission

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2016 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2016 (COM(2017) 365 — C8-0247/2017) ([2]),

— having regard to the Commission's report on the follow-up to the discharge for the 2015 financial year (COM(2017) 379),

— having regard to the Commission's 2016 Annual Management and Performance Report for the EU Budget (COM(2017) 351),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2016 (COM(2017) 497), and to the accompanying Commission staff working document (SWD(2017) 306),

— having regard to the Court of Auditors' annual report on the implementation of the budget for the financial year 2016, 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2016 (05940/2018 — C8-0042/2018),

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2016 (05942/2018 — C8-0043/2018),

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

— having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,

— 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 ([5]) 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 ([6]), and in particular Article 14(2) and (3) thereof,

— having regard to Rule 93 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and and the opinions of the other committees concerned (A8-0137/2018),

([1]) OJ L 48, 24.2.2016.
([2]) OJ C 323, 28.9.2017, p. 1.
([3]) OJ C 322, 28.9.2017, p. 1.
([4]) OJ C 322, 28.9.2017, p. 10.
([5]) OJ L 298, 26.10.2012, p. 1.
([6]) OJ L 11, 16.1.2003, p. 1.

1. Approves the closure of the accounts of the general budget of the European Union for the financial year 2016;

2. Sets out its observations in the resolution forming an integral part of the decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section III — Commission and executive agencies, and in its resolution of 18 April 2018 on the Court of Auditors' special reports in the context of the Commission discharge for the financial year 2016 ([1]);

3. Instructs its President to forward this decision to the Council, the Commission and the Court of Auditors, and to the national parliaments and the national and regional audit institutions of the Member States, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) Texts adopted, P8_TA(2018)0122 (see page 71 of this Official Journal).

DECISION (EU) 2018/1323 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section IV — Court of Justice

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2016 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2016 (COM(2017) 356 — C8-0250/2017) ([2]),

— having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2016, together with the institutions' 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([5]), and in particular Articles 55, 99, 164, 165 and 166 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Legal Affairs (A8-0122/2018),

1. Grants the Registrar of the Court of Justice of the European Union discharge in respect of the implementation of the budget of the Court of Justice of the European Union for the financial year 2016;

2. Sets out its observations in the resolution below;

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

The President — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ L 48, 24.2.2016.
([2]) OJ C 323, 28.9.2017, p. 1.
([3]) OJ C 322, 28.9.2017, p. 1.
([4]) OJ C 322, 28.9.2017, p. 10.
([5]) OJ L 298, 26.10.2012, p. 1.

RESOLUTION (EU) 2018/1324 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section IV — Court of Justice

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section IV — Court of Justice,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Legal Affairs (A8-0122/2018),

1. Notes that in its 2016 annual report, the Court of Auditors observed that no significant weaknesses had been identified in respect of the audited topics relating to human resources and procurement for the Court of Justice of the European Union (CJEU);

2. Notes 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 2016 for administrative and other expenditure of the institutions and bodies were free from material error;

3. Welcomes the overall prudent and sound financial management of the CJEU in the 2016 budget period; expresses support for the successful paradigm shift towards performance-based budgeting in the Commission's budget planning introduced by Vice-President Kristalina Georgieva in September 2015 as part of the 'EU Budget Focused on Results' initiative; encourages the CJEU to apply the method to its own budget-planning procedure;

4. Notes that, according to the current discharge procedure, the CJEU submits annual activity reports to the Court of Auditors in June, the Court of Auditors then submits it report to Parliament in October, and the discharge is voted by Parliament in plenary by May; notes that, unless the discharge is postponed, at least 17 months pass between the closing of the annual accounts and the closing of the discharge procedure; points out that auditing in the private sector follows a much shorter timeline; stresses that the discharge procedure needs to be streamlined and sped up; requests that the CJEU and the Court of Auditors follow best practice in the private sector; proposes in this regard to set a deadline for the submission of annual activity reports of 31 March of the year following the accounting year and a deadline for the submission of the Court of Auditors' reports of 1 July; proposes also to review the timetable for the discharge procedure as set down in Article 5 of Annex IV to Parliament's Rules of Procedure so that the vote on the discharge would take place in Parliament's plenary part-session in November, thereby closing the discharge procedure within the year following the accounting year in question;

5. Notes that in 2016, the CJEU had appropriations amounting to EUR 380 002 000 (compared to EUR 357 062 000 in 2015) and that the implementation rate was 98,2 %; acknowledges the high rate of utilisation; notes, however, a slight decrease compared to previous years;

6. Notes that the estimated revenue of the CJEU for the financial year 2016 was EUR 51 505 000 whereas the established entitlements were 3,1 % lower than estimated (EUR 49 886 228); notes that the difference of EUR 1,62 million is mainly attributed to the late arrival in 2016 of 16 of 19 additional judges to the General Court;

7. Is concerned that the CJEU consistently overestimates its commitments for missions, having committed EUR 342 000 in 2016 whereas payments were only EUR 157 974; calls on the CJEU to ensure sound financial planning in order to avoid a similar discrepancy in the future;

8. Notes that the CJEU's budget is mostly administrative, with around 75 % being used on expenditure concerning persons working within the institution and the remaining on buildings, furniture, equipment and special functions carried out by the institution; notes that, following the Parliament's request, the CJEU has asked its administrative services to introduce the results-based budgeting principle in their field of activity; asks the CJEU to continue applying that principle in its daily administrative operations, and to report back to the discharge authority on its experiences, and the results achieved;

9. Welcomes the CJEU's intention to draw up a report on the functioning of the General Court by 26 December 2020, that an external consultant will be involved, and that the report will be submitted to the Parliament, the Council and the Commission;

10. Notes the judicial activity of the CJEU in 2016, with 1 604 cases brought before the three courts and 1 628 cases completed in that year, a number lower than in 2015 where 1 775 cases were completed; also notes that the average duration of proceedings was 16,7 months which was slightly higher than in 2015 (16,1 months); welcomes the fact that due to reform of the CJEU the average time taken to decide a case in 2017 was 16,0 months; recalls the necessity to guarantee the quality and speed with which the CJEU delivers its decisions in order to avoid any significant costs for the parties concerned that arise from the excessive length of time taken; reiterates the importance of reducing the list of pending cases to uphold the fundamental rights of Union citizens;

11. Notes that the Court of Justice completed 704 cases in 2016 (compared to 616 completed cases in 2015) and had 692 new cases brought before it (compared to 713 in 2015), with an increase in cases for preliminary rulings and appeals;

12. Notes that in 2016, the General Court received 974 new cases (compared to 831 in 2015) and dealt with 755 cases (compared to 987 in 2015), with an increase in the number of pending cases compared to previous years;

13. Acknowledges that the Civil Service Tribunal ceased to exist on 1 September 2016 and therefore its activities must be considered over a period of only eight months; notes that it completed 169 cases and had 77 new cases, with a considerable decrease in the number of pending cases (compared to 231 in 2015, and 139 in 2016); welcomes the information included in the CJEU's proposals on the reform of the Court's Statute, which included an assessment of the functioning of the Civil Service Tribunal, was submitted to the Parliament in 2011 and 2014 and presented as an annex to the reply to the discharge questionnaire for 2016; reiterates its call for an in-depth assessment of the Civil Service Tribunal's functioning over the ten years of its existence;

14. Notes that 2015 was the year of adoption of the judicial architectural reform of the Court of Justice, which was accompanied by the development of new rules of procedure for the General Court; understands that, by virtue of the number of judges being doubled in a three-stage process extending until 2019, reform will enable the Court of Justice to continue to deal with the increase in the number of cases; looks forward to seeing the achievements of that reform in the Court of Justice's capacity to deal with cases within a reasonable period and in compliance with the requirements of a fair hearing;

15. Notes that in 2016, following reform of the judicial architecture of the CJEU, staff cases were the third most frequent type of proceedings in the General Court; calls on the CJEU to continue providing statistics on its judicial activities;

16. Notes the overall decrease in the duration of proceedings in 2016, noted by the Court of Auditors in its Special Report No 14/2017 ([1]) by an average of 0,9 months at the Court of Justice and 1,9 months at the General Court compared to 2015; notes the organisational and procedural actions taken by the CJEU to enhance its efficiency and calls on the CJEU to pursue its effort to ensure the continuation of a downward trend so that all cases are concluded within a reasonable period of time; notes with concern that one of the most frequent factors affecting the duration of the handling of cases are judicial vacations; notes that there were 14 weeks of judicial vacations in 2016;

17. Notes the entry into force of the Code of Conduct for Members and former Members of the Court of Justice of the European Union which sets rules reflecting several of Parliament's concerns regarding declarations of interest and external activities; supports the CJEU in implementing its decision to set up rules on 'revolving doors' in 2018;

18. Requests that the CJEU introduces a more targeted performance based approach in respect of the external activities of judges for the dissemination of Union law, as the criterion used seems rather general and the effects of these activities are not clearly measured;

19. Reiterates its call for a greater level of transparency with regard to the external activities of each judge; calls on the CJEU to provide information regarding other posts and paid external activities of the judges on its website and in its annual activity report, including the name of the event, the venue, the role of the judges concerned, the travel and subsistence costs and whether they were paid by the CJEU or by a third party;

20. Urges the CJEU to publish CVs and declarations of interest for all CJEU members, listing membership of any other organisations;

21. Regrets the absence of rules on 'revolving doors' and urges the CJEU to establish and implement strict obligations in regard thereto;

([1]) Court of Auditors Special Report No 14/2017 'Performance Review of case management at the Court of Justice of the European Union'.

22. Is of the opinion that the CJEU should consider producing minutes of meetings held with lobbyists, professional associations and civil society actors, when this does not undermine the confidentiality of ongoing cases;

23. Asks the CJEU to publish the meetings with professional associations as well as agents representing the Member States;

24. Deplores the lack of effort by Member States towards achieving gender balance in positions of high responsibility and notes that the Parliament and the Council have set as one of their objectives a balanced representation of genders in appointing new judges to the General Court (as of this date, five women judges and two women advocates general are part of the organisation chart of the Court of Justice and ten women judges are part of the organisation chart of the General Court); considers that the Union institutions must be representative of their citizens; stresses, therefore, the importance of the goal set by Parliament and the Council;

25. Notes that the Court of Auditors did not have access to certain documents relevant for the audit of the performance review of the CJEU ([1]); calls on the CJEU to keep working with the Court of Auditors and to provide it with access to all the documents it needs for its audits to the extent that this does not infringe the obligation to maintain the secrecy of the deliberative process;

26. Is aware that the role of the *référendaires* is to assist the members of the Courts in examining cases and in drafting legal documents under their supervision, such as judgments, orders, opinions or memoranda; notes that their rules of conduct were adopted by the CJEU in 2009; notes also that *référendaires* are selected by the members for whom they will work and that there are minimal recruitment criteria; calls on the CJEU to implement a policy allowing for a more flexible allocation of existing *référendaires* to help mitigate problems relating to management of resources or organisational issues ([2]);

27. Notes with concern that the CJEU could not evaluate the capacity of judges and *référendaires* managing cases because the CJEU does not collect any information on the amount of time that a judge or a *référendaire* spends on a particular case; notes that a study will be carried out in order to evaluate the extent to which the introduction of a system for monitoring the use of resources would provide useful data; asks the CJEU to present the results of the study to the Parliament;

28. Considers the answer given by the CJEU to Parliament's question (Question 50) on the costs of their cases to be unsatisfactory; asks the CJEU to consider a monitoring system to calculate the costs of each case;

29. Notes the permanent monitoring of the development of potential backlogs and delays within chambers; regrets that the CJEU has not reported data to Parliament relating to the failure to comply with indicative time frames because it concerns the internal organisation of the courts;

30. Is concerned that the reception and processing of procedural documents by the registry is the most frequent factor affecting the duration of the written procedure at the General Court ([3]); notes that the cases before the General Court are characterised by the volume of the documents; calls on the General Court to further monitor the number and complexity of cases in order to ensure that the registry has sufficient resources;

31. Underlines the recommendation of the Court of Auditors in its Special Report No 14/2017 to measure performance on a case by case basis by reference to a tailored time-frame, taking account of the actual resources employed;

32. Notes that following the reform of the CJEU's judicial structure, the allocation of judges to the chambers is made according to the caseload in different areas; is interested to know how this allocation is made and whether specialised chambers are in place for certain areas and asks for an analysis of how the allocation affects the speed with which cases are handled;

33. Notes the process for assigning cases referred to the Courts; notes that in 2016, as in previous years, around 40 % of cases in the General Court were assigned outside of the rota system, which puts the system itself into question; asks the CJEU to provide the rules stipulating the procedure of assignment in both Courts;

([1]) See paragraph 14 of Special Report No 14/2017.

([2]) See paragraph 98, point C), of Special Report No 14/2017 where the Court of Auditors identified the following aspects: unavailability of référendaires, workload of judges, advocates general and their référendaires, re-assignment of cases due to the end of judges' mandate.

([3]) See paragraph 38, figure 6 of Special Report no 14/2017.

34. Notes that intellectual property issues are involved in a significant number of cases in both Courts; encourages the CJEU to analyse ways of simplifying the procedures for these cases and consider a pre-review by its research and documentation services;

35. Observes that the CJEU continues to comply with the interinstitutional agreement to reduce staff by 5 % over the period of five years despite the creation of 137 new posts related to the increase in the number of judges and advocates general;

36. Notes the high rate of occupation of posts (almost 98 %) despite the high staff turnover rate; notes the difficulties stated by the CJEU with respect to recruiting permanent staff in entry-level grades; asks for an assessment by the CJEU on the reasons for the high turnover and the measures put in place or intended to put in place to improve the situation;

37. Acknowledges the CJEU's actions taken in 2016 to improve gender balance in senior and middle-management posts but underlines the importance of maintaining the aim of improving in this matter; reiterates its concern for the geographic imbalance at middle and senior management level and, also in this regard, calls on the CJEU to aim for improvements;

38. Notes that the CJEU offered 245 traineeships in 2016; regrets that 188 traineeships in cabinets were not remunerated; calls on the CJEU to find a solution to provide a decent remuneration to all trainees working in the institution with a view to ensuring equal opportunities;

39. Welcomes the CJEU's exchange of staff with the European Central Bank and the project to establish a framework for exchanges for lawyer-linguists between the various institutions;

40. Welcomes the cooperation with the Commission and the Parliament interpretation services within the Interinstitutional Committee for Translation and Interpretation (ICTI);

41. Notes with appreciation that the CJEU became a full member of the Interinstitutional Working Group on Key Interinstitutional Activity and Performance Indicators and provided the costs of translation according to the harmonised methodology agreed within the working group;

42. Notes the CJEU's investment in IT tools to improve case management; asks the CJEU to provide detailed quantitative and qualitative financial information on the state of play of IT projects within the CJEU since 2014; calls on the CJEU to develop a fully integrated IT system to support case management;

43. Points out the constant growth of the accesses to the 'e-Curia' application (number of access accounts 3 599 in 2016, compared to 2 914 in 2015), and the fact that in 2016 all the Member States used 'e- Curia', showing that the public's awareness of the existence and the advantages of this application has been raised;

44. Calls on the CJEU to improve its communication activities in order to make itself more accessible to the citizens of the Union, e.g. by organising training seminars for journalists or developing communication products on its activity in accordance with a more citizen centred approach; welcomes the fact that the CJEU has taken the decision to update its website in order to be more user friendly and asks the CJEU to make efforts to improve its database by making it more focused on users; acknowledges the efforts of the CJEU with regard to online communication channels and encourages it to keep up the good work;

45. Notes that the CJEU followed up on the Parliament's recommendation on the use of official vehicles in the 2015 discharge resolution ([1]) in a phased manner; finds that the actions taken to rationalise the management of the fleet go in the right direction; welcomes the new interinstitutional call for tender on car leasing procurement launched in 2016 which aims to provide financial savings in this regard; notes with concern that in 2016, 21 flights were arranged at a cost of EUR 3 998,97 in order to send drivers on mission to chauffeur members of the Court of Justice or of the Civil Service Tribunal in the home Member States of those members;

46. Welcomes the CJEU's commitment to ambitious environmental targets and calls for these objectives to be reached in a timely manner; encourages the institution to apply the principles of green public procurement and calls for the establishment of rules and a sufficient budget for carbon offsetting;

47. Notes the detailed information on the buildings policy, particularly with regard to the construction of a fifth extension of the current buildings complex;

([1]) OJ L 252, 29.9.2017, p. 116.

48. Notes the further experience gained as to open space offices; is concerned that advantages such as the reduction of space needs, gains in terms of easier communication and higher flexibility could be outweighed by loss of confidentiality, constraints on work on files which require high concentration and a loss of privacy; calls on the CJEU to evaluate the positive and negative effects on working conditions, taking into consideration the needs of the staff, and to inform the Parliament about the result of this evaluation;

49. Welcomes the CJEU's adoption of guidelines on information for and protection of whistleblowers in the beginning of 2016 and recalls that the protection of whistleblowers is an issue taken seriously within the public administration of the Union, which must always be considered carefully; calls on the CJEU to encourage its staff to familiarise itself with the 2016 guidelines, highlighting the vital role of whistleblowers in bringing wrongdoing to light; calls on the CJEU to encourage its staff to take advantage of the 2016 guidelines in appropriate cases; asks the CJEU to provide in due time details of whistleblower cases, how they were handled and brought to a close;

50. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources in order to help whistleblowers use the right channels to disclose information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;

51. Notes that the nomination of the members of the CJEU is the responsibility of the Member States under Articles 253 and 254 TFEU; highlights the importance of a timely nomination and appointment of judges for the performance of the CJEU; asks for a new rule setting a specific deadline for the (re)nomination of a judge well before the end of a judge's mandate and calls on the Council to weigh costs against benefits when appointing new judges to the CJEU; criticises the irregular nomination without a call for applications of two judges for the Civil Service Tribunal for a mandate which moreover lasted only from 14 April 2016 until 31 August 2016;

52. Notes that one of two judges for the Civil Service Tribunal who were appointed on 1 April until 31 August 2016 was paid an installation allowance (EUR 18 962,25) in accordance with Article 4 (a) of Council Regulation (EU) 2016/300 ([1]), travel expenses (EUR 493,10) in accordance with Article 4 (c) of that Regulation, and removal expenses (EUR 2 972,91) in accordance with its Article 4 (d); notes, moreover, that the same judge was paid a transitional allowance for six months amounting in total to EUR 47 070 at the end of the mandate; notes with regret the disproportionate costs associated with one of those judges taking up and ending his '4 month mandate' amounting to EUR 69 498,25 in addition to the salary received by the judge; calls on the CJEU to consider whether the duration of the mandate is proportionate to the above-mentioned allowances when appointing future judges; calls on the Council to reconsider the conditions and amounts of these allowances and revise Council Regulation (EU) 2016/300 accordingly; condemns such a waste of Union taxpayers' money;

53. Notes furthermore that the General Court (Appeal Chamber, judgment of 23 January 2018 in Case T-639/16 P) ([2]) has considered a Second Chamber of the Civil Service Tribunal constituted to include one of the '4 month mandate' judges to be irregular, which invalidated the decision referred to in the said judgment as well as all further decisions of the Second Chamber in that composition; asks the CJEU which decisions of the Second Chamber in that composition are affected by the General Court ruling; demands that the Council comment on this failure and clarifies where responsibility lies for it;

54. Asks the CJEU to consider extending the languages of deliberation of the CJEU, in particular the General Court, to languages other than French; welcomes the request of the President of the General Court in February 2016 for an impact assessment of a change of the language of deliberation that has not yet been finalised;

55. Regrets the decision by the United Kingdom to withdraw from the Union; observes that at this point no predictions can be made about the financial, administrative, human and other consequences related to the withdrawal, asks the Council and the Court of Auditors to perform impact assessments and inform the Parliament of the results by the end of 2018.

([1]) Council Regulation (EU) 2016/300 of 29 February 2016 determining the emoluments of EU high-level public office holders (OJ L 58, 4.3.2016, p. 1).

([2]) ECLI:EU:T:2018:22.

DECISION (EU) 2018/1325 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section V — Court of Auditors

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2016 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2016 (COM(2017) 365 — C8-0251/2017) ([2]),

— having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2016, together with the institutions' 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([5]), and in particular Articles 55, 99, 164, 165 and 166 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0089/2018),

1. Grants the Secretary-General of the Court of Auditors discharge in respect of the implementation of the budget of the Court of Auditors for the financial year 2016;

2. Sets out its observations in the resolution below;

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

The President — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ L 48, 24.2.2016.
([2]) OJ C 323, 28.9.2017, p. 1.
([3]) OJ C 322, 28.9.2017, p. 1.
([4]) OJ C 322, 28.9.2017, p. 10.
([5]) OJ L 298, 26.10.2012, p. 1.

RESOLUTION (EU) 2018/1326 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section V — Court of Auditors

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section V — Court of Auditors,

— having regard to its resolution of 4 February 2014 on the future role of the Court of Auditors ([1]),

— having regard to Regulation (EU, Euratom) 2015/1929 of the European Parliament and of the Council of 28 October 2015 amending Regulation (EU, Euratom) No 966/2012 on the financial rules applicable to the general budget of the Union ([2]),

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0089/2018),

A. whereas in the context of the discharge procedure, the discharge authority wishes to stress the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;

1. Notes that the annual accounts of the Court of Auditors (the 'Court') are audited by an independent external auditor — PricewaterhouseCoopers Sàrl — in order to apply the same principles of transparency and accountability that the Court applies to its auditees; takes note of the auditor's opinion that 'the financial statements give a true and fair view of the financial position of the Court';

2. Emphasises that in 2016, the Court's final appropriations amounted to a total of EUR 137 557 000 (compared to EUR 132 906 000 in 2015) and that the overall rate of implementation for the budget was 99 %;

3. Stresses that the Court's budget is entirely administrative, being used on expenditure concerning persons working within the institution, buildings, movable property equipment and miscellaneous operating expenditure;

4. Notes that, according to the current discharge procedure, annual activity reports are submitted to the Court in June, the Court then submits its reports to the Parliament in October, and the discharges are voted by Parliament in plenary by May; notes that, unless the discharge is postponed, at least 17 months pass between the closing of annual accounts and the closing of the discharge procedure; points out that auditing in the private sector follows a much shorter timeline; stresses that the discharge procedure needs to be streamlined and sped up; requests that the Court follows best practice in the private sector; proposes in this regard to set a deadline for the submission of annual activity reports of 31 March of the year following the accounting year and a deadline for the submission of the Court's reports of 1 July; proposes also to review the timetable for the discharge procedure as set down in Article 5 of Annex IV to Parliament's Rules of Procedure so that the vote on the discharges would take place in Parliament's part-session of November, thereby closing the discharge procedure within the year following the accounting year in question;

5. Welcomes the overall prudent and sound financial management of the Court in the 2016 budget period; expresses support for the successful paradigm shift towards performance-based budgeting in the Commission's budget planning introduced by Vice-President Kristalina Georgieva in September 2015 as part of the 'EU Budget Focused on Results' initiative; encourages the Court to apply the method to its own budget-planning procedure;

([1]) OJ C 93, 24.3.2017, p. 6.
([2]) OJ L 286, 30.10.2015, p. 1.

6. Takes note of the Court's opinion No 1/2017 on the revision of the Financial Regulation where it is proposed to update the arrangement for auditing the decentralised agencies; regrets that in the context of the revision of the Financial Regulation, no inter-institutional agreement could be found which would ensure a reduction of the administrative burden resulting from the current arrangement; invites the Court to make a proposal on how the current arrangement could be improved and how such an improvement could contribute to the synchronisation of the Court's annual report and the annual reports on the agencies;

7. Notes the creation of a high-level working group to work on improving the added value of the annual report for its users; calls on the Court to share the criteria used in this exercise with the Parliament;

8. Regrets that the extent of considerations in Chapter 10 of the annual report remains limited; asks the Court to provide more detailed data on each institution in order to achieve a better view of the weaknesses in administrative expenditures; considers that country specific reporting by the Court for every Member State would be welcome in the future;

9. Regrets that prior to 2016, there was a gender imbalance of three women to 25 men within the members of the Court; welcomes that the number of women went up to four in 2016; reiterates its support for the criteria for appointment of members of the Court endorsed in its resolution of 4 February 2014 on the future role of the Court of Auditors;

10. Notes that the Court reformed its chambers and committees in 2016 with significant impact on the preparation of its work; notes also that this reform is complementary to the introduction of a task-based organisation and the establishment of an institution-wide network to strengthen knowledge management; commends the Court for the reforms and looks forward to receiving the assessment report of the new measures;

11. Notes that the 13-month target timeframe for producing the special reports has not yet been met; maintains that the Court has to respect this timeframe without compromising the quality of the reports and the targeting of its recommendations;

12. Welcomes the good cooperation of the Court with Parliament's Committee on Budgetary Control, particularly with regard to presenting and following up on the special reports; considers that the presentation of those reports in the specialised committees of Parliament after they have been presented to the Committee on Budgetary Control allows for essential follow-up on the activities they evaluate and raises awareness of the implementation and cost-effectiveness of Union policies;

13. Finds the cooperation and exchange of practices between the Court and the Member States' supreme audit institutions very positive; encourages the Court to continue this collaboration;

14. Observes that the Court is complying with the interinstitutional agreement to reduce staff by 5 % over a period of five years; is concerned that, as a result, the remaining resources available in each service do not allow for absorption of additional workload; calls on the budgetary authorities to be mindful of the long-term impact of staff cuts, in particular regarding the institution's ability to improve gender and geographical imbalances as well as the need for building on the capacity of experienced officials to take over management posts, when planning the future allocation of financial resources for personnel;

15. Notes the improvement of gender balance at managerial level in 2016; notes also that the equal opportunities action plan 2013-2017 is being evaluated; calls on the Court to continue promoting gender balance, in particular at managerial level, and report on the strategy and results of the action plan;

16. Notes the creation of a post-graduate university diploma in 'audit of public organisations and policies' and a master's degree programme on 'management of public organisations' in cooperation with the University of Lorraine, targeting the continuous professional development of the staff of the Court; asks the Court to provide the discharge authority with further information about the agreements related to the creation of these programmes;

17. Notes the increased amount of outsourced translation in 2016, particularly in August; takes note of the Court's justification and calls for a better organisation of its internal translation services in order to generate economic savings;

18. Notes the summary of the Court's building policy included in its 2016 annual activity report;

19. Notes that the Court followed up on the Parliament's recommendation on the use of official vehicles in the 2015 discharge resolution ([1]) in a phased manner; finds that the actions taken to rationalise the management of the fleet go in the right direction; welcomes the new interinstitutional call for tender on car leasing launched in 2016, which aims to generate economic savings in this regard;

20. Supports the Court's e-publishing policy and its achievements in lowering its environmental footprint; regrets that the website of the Court does not offer a user-friendly search system and asks for an effective improvement of the accessibility of reports;

21. Notes that the negotiations between the Court and the European Anti-Fraud Office (OLAF) on an administrative arrangement are ongoing and foreseen to be concluded in 2018; calls on the Court to inform Parliament of the progress in the negotiations;

22. Reiterates its calls on the Court to inform the Parliament, in compliance with the existing rules on confidentiality and data protection, of closed OLAF cases, where the Court or any of the individuals working for it were the subject of the investigation;

23. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources in order to help whistleblowers use the right channels to disclose information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;

24. Welcomes the Court's ethical framework to prevent conflicts of interest as well as misconducts and unethical behaviours by staff and members; stresses the importance of ensuring and guaranteeing the independence of its members; welcomes the planned audit on the ethical framework of selected Union institutions in 2018;

25. Regrets the decision by the United Kingdom to withdraw from the European Union; observes that at this point no predictions can be made about the financial, administrative, human and other consequences related to the withdrawal, asks the Court to perform impact assessments and inform the Parliament on the results by the end of 2018.

([1]) OJ L 252, 29.9.2017, p. 116.

DECISION (EU) 2018/1327 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section X — European External Action Service

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2016 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2016 (COM(2017) 365 — C8-0256/2017) ([2]),

— having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2016, together with the institutions' 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([5]), and in particular Articles 55, 99 and 164 to 167 thereof,

— having regard to the Court of Auditors' Special Report No 7/2016 on 'The European External Action Service's management of its buildings around the world';

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Foreign Affairs (A8-0128/2018),

1. Grants the High Representative of the Union for Foreign Affairs and Security Policy discharge in respect of the implementation of the budget of the European External Action Service for the financial year 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision and the resolution forming an integral part of it to the European External Action Service, 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ L 48, 24.2.2016.
([2]) OJ C 323, 28.9.2017, p. 1.
([3]) OJ C 322, 28.9.2017, p. 1.
([4]) OJ C 322, 28.9.2017, p. 10.
([5]) OJ L 298, 26.10.2012, p. 1.

RESOLUTION (EU) 2018/1328 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section X — European External Action Service

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section X — European External Action Service,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Foreign Affairs (A8-0128/2018),

1. Notes that the European External Action Service (EEAS) has continued to implement its administrative budget without being affected by major errors and that the overall level of error in the spending related to the 'Administration' budget has been estimated by the Court of Auditors (the 'Court') at 0,2 %;

2. Regrets that the Court found again, as in 2015, weaknesses in procurement procedures organised by Union delegations for contracts worth less than EUR 60 000;

3. Acknowledges that the EEAS undertook a series of initiatives aiming at reducing errors in procurement procedures by improving the training, support and advice provided to the delegation staff responsible for procurement; asks, however, the EEAS to continue its efforts to actively support and monitor the implementation of procurement rules and procedures in the delegations in order to improve the overall compliance and effectiveness of their tendering procedures and contract management; encourages the EEAS to consider the possibility of introducing global or regional procurement procedures covering several Union delegations to replace individual low value contracts; asks the EEAS to evaluate to what extent such an arrangement could reduce weaknesses in procurement procedures and to inform the Parliament's Committee on Budgetary Control of the result of this analysis;

4. Notes that previous recommendations regarding the updating of staff members' personal situation and related supporting documentation and the management of their family allowances has been implemented in most respects;

5. Observes that 15 out of the 20 commitments reviewed by the Court were prepared before the end of the year, with related services, goods and corresponding payments to be provided partly or entirely in 2017; recalls that this practice of carry-over is against the principle of budget annuality and should remain an exception rather than a way to maximise the percentage consumption of appropriations at year-end;

6. Takes note of a high rate of anomalies detected in ex ante verifications of financial transactions while noting the nature of the errors and irregularities such as the unavailability of supporting documents or ineligibility of expenditures; welcomes the extensive internal reporting system of the EEAS which allows for the anticipation of potential errors and hence contributes to the low level of error rate found by the Court; encourages the EEAS to take measures to reduce this high rate of anomalies; stresses, however, that a reduction of anomalies detected in ex ante verifications should not be achieved to the detriment of maintaining a low error rate;

7. Regrets the persistence of the same weaknesses throughout the years with regard to 'business continuity' and 'document management' internal control standards which carry with them the risk of hindering the availability and reliability of key management information used for the monitoring and reporting of activities and projects by the delegations; recalls that transparency of documentation would be useful not only to improve the quality of monitoring and control, but also as an efficient instrument to prevent fraud and corruption;

8. Notes that only one delegation, which falls within the remit of the Regional Centre Europe, has issued and renewed a reservation in its statement of assurance related to procurement management; calls on the EEAS to pay attention and reflect on the coherence between the effective, or only formal, implementation of internal control standards and the management assurance of the Union's delegations;

9. Expresses its support for analysing and refining the cost-effectiveness of ex post control by comparing the cost of ex post control activities with the value of detected errors; notes that the unit cost of detecting errors (cost per euro) amounted to 23 cents in 2016; acknowledges that this unit cost is related to the low error rate and hence would be lower if the sum affected by error were higher;

10. Welcomes the introduction of new guidelines for the cycle of inspection visits in 2016, including the following criteria for prioritising the inspections of delegations, such as first-time Union ambassadors, delegations facing particular challenges, the period expired since the previous inspection and the size of delegations, with larger delegations to be inspected every five years; encourages the EEAS to continue defining its inspection cycles on such risk-based grounds, and calls on the EEAS to inform the discharge authority of its experiences and results of using the new guidelines;

11. Notes that the initial budget for 2016 was EUR 633,6 million, i.e. an increase of 5,1 % compared to the preceding financial year, including EUR 18,9 million to compensate for the loss in value of the euro and appropriations for the opening of a delegation in Iran, the transfer of the Somalia delegation from Nairobi to Mogadishu and the end of year salary adjustments; notes that EUR 2,5 million of supplementary appropriations were approved for implementing the security package throughout the network of the Union's delegations, particularly for the recruitment of regional security officers, security works or dedicated training of the EEAS staff, with the final amount of the EEAS budget reaching EUR 636,1 million;

12. Observes that the final EEAS budget of EUR 636,1 million for 2016 was executed at 99,7 % in commitments and 87,5 % in payments as at the year-end;

13. Takes note of the current budget breakdown, namely EUR 222,7 million for EEAS headquarters and EUR 413,4 million for the delegations;

14. Observes that, at the EEAS headquarters, 65,1 % of the budget or EUR 144,2 million was allocated to the payment of salaries and other entitlements of statutory and external staff, 13 % or EUR 30 million for the management of buildings and associated costs, and 14 % or EUR 30,8 million for IT systems (including classified information systems) and equipment;

15. Notes that the Union delegations' budget of EUR 413,4 million was divided between EUR 109,1 million (26,4 %) for remuneration and entitlements of statutory staff, EUR 64,3 million (15,6 %) for external staff and outside services, EUR 25,2 million (6,1 %) for other expenditure related to staff, EUR 169 million (40,9 %) for buildings and associated costs, and EUR 45,7 million (11,1 %) for other administrative expenditure; notes that to cover the administrative cost of Commission staff working in delegations, the EEAS received from the Commission a contribution of EUR 185,6 million (excluding assigned revenues), the latter being split between the Commission's Heading V with EUR 50,4 million, the administrative lines of operational programmes with EUR 89,9 million, and the European Development Fund (EDF) with EUR 45,4 million; notes that in 2016, the EDF paid for the first time a standard amount per person in respect of delegations' overhead costs for those Commission members of staff financed by the EDF;

16. Stresses the importance of having a transparent and effective overview of the EEAS budget; regrets that the fragmentation of its instruments makes it difficult to access the information; calls on the Vice-President of the Commission and High Representative of the Union for Foreign Affairs and Security Policy to provide access to the data related to the costs of her missions;

17. Underlines that the execution of the EEAS administrative budget, particularly for the delegations, should improve in efficiency, since certain delegations have been receiving separate contributions from the Commission from 33 different budget lines regarding the administrative costs of Commission staff in delegations; calls on the Commission to work in cooperation with the Council and the Parliament towards a budgetary simplification in order to improve budget management and provide a transparent overview to Union citizens of the costs;

18. Reminds the EEAS that there is a silver lining between economic diplomacy and lobbying, calls on the EEAS to therefore set up rules on lobbying in order to distinguish between the two and to secure transparency for lobbying both in the headquarters and in the delegations;

19. Notes with appreciation that as of 2016, the common overhead costs of all delegation offices (rent, security and other overheads), including EDF delegations, were financed entirely from the budget lines of the EEAS, which represents a significant step forward in the budget rationalisation; invites the EEAS to further advance towards such simplification of budget sources and arrangements;

20. Supports the EEAS' continuous efforts during the last two years to streamline and rationalise the overall organisation and governance arrangements by looking for deepened services integration and enhanced reporting and communication flows; considers that reinforcing the EEAS culture of service would benefit the performance of the EEAS; notes that in 2016, as a result of efforts over the two last years to reduce a top-heavy organisation, the staff in managerial positions represents 6,4 % of total staff rather than 7,5 % in 2014;

21. Welcomes the priorities set by the Vice-President of the Commission and High Representative of the Union for Foreign Affairs and Security Policy and the EEAS in line with the Union Global Strategy to address global challenges, including the attention dedicated to migration issues, drugs and human trafficking, and the implementation of human rights diplomacy to better address emerging international challenges and political priorities with coordinated responses; highlights, moreover, the increasingly important role of the EEAS in international cooperation regarding peace, security and human development, as shown, among others, by its role as mediator and representative in international organisations such as the UN, the negotiation and preservation of the nuclear deal with Iran, its role as mediator in the Israel-Palestine conflict and the Brussels process for Syria;

22. Emphasises that geographical balance, meaning a proportional relationship between the members of staff of a particular nationality and the size of the relevant Member State, should remain one of the guiding principles of resources management, particularly with respect to the Member States that acceded to the Union in or after 2004; recalls also the commitment that the Vice-President of the Commission and High Representative of the Union for Foreign Affairs and Security Policy made to the Parliament to address the existing overrepresentation of national diplomats in the position of head of delegation;

23. Regrets that out of 136 heads of Union delegations, only 21 come from the 13 Member States that joined the Union after 2004; calls on EEAS to undertake an in-depth assessment of its recruitment policy to allow for better implementation of the geographical balance policy pursued by the EEAS;

24. Remains concerned at continuing imbalances in the staffing profile of the EEAS as regards nationality; notes that at the end of 2016, 31,7 % of the staff of the EEAS came from the Member States compared to 32,9 % in 2015 (25,3 % at the headquarters and 40,8 % in delegations); calls for a more balanced distribution of staff, in line with Council Decision 2010/427/EU ([1]); welcomes the commitment of the Vice-President of the Commission and High Representative of the Union for Foreign Affairs and Security Policy to the Parliament to address the existing overrepresentation of national diplomats in the position of head of delegation;

25. Notes that the 13 Member States that joined the Union since 2004 account for 19,6 % of overall EEAS staff with the status of administrator, approaching their share of Union population (20,6 %); draws attention, nevertheless, to the fact that they only account for 13,28 % of staff in managerial positions and emphasises that, while respecting a merit-based recruitment policy, this imbalance could be taken better into account in future recruitment procedures; notes with concern that the Member States in question are especially underrepresented at the higher levels of administration; and remarks that a progress in this matter is recommended;

26. Asks the EEAS to provide by 30 June 2018 further explanation of the increasing number of seconded national experts, which reached 445 in 2016 (85 % of them located in Brussels) compared to 434 in 2015 and 407 in 2014;

27. Reiterates its concern regarding the gender imbalances in EEAS staff at the higher levels of administration; takes note of the slight increase of women in managerial posts and emphasises that there is still room for improvement in order to raise the current rate (22,7 % of which 14 % in senior management, i.e. 6 posts out of a total of 44, and 25 % in middle management, i.e. 53 posts out of 215); calls on the Member States to encourage more actively female candidates to apply for EEAS posts at management level;

28. Welcomes, in that context, the creation of the task forces on 'Career Development Gender and Equal Opportunities', 'Learning and Development Framework' (LEAD) as well as the creation of the network 'Women and the EEAS' (WEEAS) as important milestones for improving the functioning of the EEAS; believes that these initiatives define more attractive careers paths, streamline recruitment and ensure the appointment of competent individuals, adequacy of competences as well as gender and equal opportunities from the point of view of both gender and ethnic background; calls on Member States to do more to promote qualified female candidates for managerial positions in order to reduce gender imbalances; welcomes the intention of the Vice-President of the Commission and High Representative of the Union for Foreign Affairs and Security Policy to ensure that the frequency of rotation of staff does not undermine the continuity of specific knowledge and competences available both at EEAS headquarters and in the delegations;

29. Regrets that the EEAS Mediation Service was notified of 75 cases of conflict, harassment or poor work environment in 2016 and that 23 cases remained open at year end; notes that 36 out of 65 cases remained open at the end of 2015 and hence that the relative number of open cases at the end of the year decreased in 2016; welcomes the alert system put in place by the EEAS which allows for a systematic follow-up of complaints and acknowledges with satisfaction the

([1]) Council Decision 2010/427/EU of 26 July 2010 establishing the organisation and functioning of the European External Action Service (OJ L 201, 3.8.2010, p. 30).

actions undertaken to tackle this phenomenon by developing support services such as a mediator, confidential counsellors, medical and psychological support, awareness raising and appropriate disciplinary measures; calls on the EEAS to continue improving its policy in this regard in order to prevent any form of psychological and sexual harassment as well as cases of conflict, and to inform the discharge authority on the developments made;

30. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistleblowers use the right channels to disclose their information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;

31. Observes that the EEAS has so far complied with the inter-institutional agreement to reduce staff by 5 % over a period of five years with seventeen posts being removed in 2016, the applied reduction of posts so far being 68, 16 more posts having to be identified for 2017 to reach an overall contribution of 84 posts for the EEAS over the five years period ending in 2017; draws attention to the fact that the effectiveness of the Union action on the ground should not be hampered by an overwhelming workload for staff, especially in small sized delegations or when a delegation is in charge of more than one country; calls on the budgetary authorities to be mindful of the long-term impact of staff cuts when planning the future allocation of financial resources for personnel;

32. Recalls the Ombudsman's recommendation concerning the EEAS' practice of offering unpaid traineeships in Union delegations and underlines the importance of an appropriate allowance being paid to all EEAS trainees in order to provide sufficient reimbursement for the trainees' efforts and not to reinforce discrimination on economical grounds; welcomes therefore the measures taken by the EEAS to restructure its traineeship programme, including by offering scholarships for traineeships in Union delegations; is concerned, however, that the number of scholarships offered is significantly lower than the number of traineeships in delegations offered in 2016; calls on the EEAS to find other ways of offering paid traineeships with a view to ensuring equal opportunities, for instance in cooperation with universities or other public institutions;

33. Is concerned that shortcomings in procurement procedures in Union delegations (calls for tender, proposals and others) affected 87 projects in 2015 and 2016 with a total value of EUR 873 197 910; considers it essential that the heads of delegation continue to be regularly trained and reminded, during pre-posting briefings, ad hoc seminars or the annual conference of the ambassadors, of their key role in the consolidation of the EEAS assurance chain and their overall accountability, both for managing administrative expenditure and portfolios of projects requiring an adequate assessment and for weighing various components likely to trigger the issuance of a reservation, in addition to their political duties;

34. Underlines that 'substantial flaws in the intervention logic, in assumptions or in risk assessment' were the main problems reported in 2015 and 2016 by the heads of delegation, affecting 293 projects with a total amount of EUR 2 574 730 715; calls on the Commission and the EEAS to undertake an in-depth analysis to improve the management of projects, i.e. by properly assessing risks, geographical priorities, the capacity of Union delegations to cope with the workload, and to keep focusing on the areas of support in order to increase the impact of aid;

35. Notes that the annual budget for the EEAS' 185 office buildings and 144 official residences amounts to about EUR 160 million, representing 20 % of the EEAS budget; acknowledges the efforts undertaken by the EEAS since the last discharge procedure to adapt and correct various components of its building policies; reaffirms, however, that the monitoring and recovery of full costs and the selection procedure have to be deepened; stresses the importance to find a balance between security issues, the environmental policy and access for disabled people and the necessity to provide more savings relating to the buildings; stresses the importance of negotiating contracts in order to offer savings and continuity in the building policy; suggests that the EEAS carry out a comprehensive analysis of all Union delegations to determine in which countries it would be more cost-effective for the delegations to buy office or residence buildings instead of renting them;

36. Welcomes the efforts to increase coordinated support to Union delegations regarding the building management provided from headquarters, including inter alia the launch of an updated version of the IT tool for Building Management (IMMOGEST) or the increase of specialised contractual staff at the EEAS headquarters; calls on the EEAS to continue implementing the recommendations of the Court in its special report on the EEAS' management of its buildings around the world ([1]); asks the EEAS to carry out a review of the new measures and to keep the Parliament informed about the results;

([1]) Court of Auditors: Special Report No 7/2016: The European External Action Service's management of its buildings around the world.

37. Is convinced of the importance of a consistent network of regional security officers for the security of staff;

38. Considers that a thorough verification of the rental conditions or purchase options of office buildings and residences have to be ensured in any new building files or transactions to be agreed at the EEAS headquarters; acknowledges that since 2016, the EEAS has improved the system for verifying the purchase of real estate by implementing external financial evaluations and technical audits executed by recognised experts and calls on the EEAS to present the results of those actions; calls on the EEAS to continue monitoring office space to achieve the benchmarks foreseen; welcomes that the average size of delegation buildings was slightly reduced in 2016 but regrets that the fact that the EEAS exceeded the ceiling of 35 m^2 per person for office buildings resulted in additional costs of EUR 7,4 million; acknowledges that the delegations are constrained in their ability to decrease the size of buildings when, for instance, they are bound by existing lease contracts;

39. Invites also the EEAS to identify best practices in real estate management among Member States that could contribute to the reinforcement of its building policy in a cost-effective manner; notes that since 2016, the EEAS has contracted a service provider to systematically monitor market information and to calculate returns on investment against the existing renting options;

40. Welcomes the taskforce with Member States dedicated to the key political issue of co-locating diplomatic premises and its potential extension; notes that 11 new co-locations have been agreed upon during 2016, the total number now standing at 91 such arrangements;

41. Notes with appreciation the inter-institutional arrangements with DG European Civil Protection and Humanitarian Aid Operations (ECHO) and the arrangement with the European Investment Bank (EIB) under preparation for the sharing of buildings and reduction of costs; invites the EEAS as part of the monitoring of costs to expand such memoranda of understanding to other Union entities;

42. Emphasises the need for exposing disinformation, especially in the Eastern Neighbourhood, the Western Balkans and the South, and notes the work of the East Stratcom Task Force in this respect;

43. Welcomes the establishment of the mission support platform to provide centralised administrative support to Common Security and Defence Policy (CSDP) missions; draws attention to the importance of addressing the financing of the platform, with a clear and transparent framework for the allocation and utilisation of its funding, maximising the effect of pre-existing levels of expenditure, in order to ensure a strong and observable effect where it is deployed;

44. Calls on the Council and the EEAS to fulfil their legal obligation to send to the Parliament without delay and without requiring requests all relevant documents related to negotiations on international agreements, including negotiating directives, agreed texts and minutes of each negotiation round in line with Article 218(10) TFEU, according to which the 'European Parliament shall be immediately and fully informed at all stages of the procedure'; reminds the Council and the EEAS that, due to the infringement of Article 218(10) in the past, the Court of Justice of the European Union has already annulled the Council decisions on the signing and conclusion of several agreements and emphasises that the Parliament's consent on new agreements, such as the Comprehensive and Enhanced Partnership Agreement with Armenia, may also be withheld in the future, until the Council and the EEAS fulfil their legal obligation;

45. Notes that the EEAS has not yet followed up on the recommendation made in the Court's Special Report No 14/2013 ([1]) which calls for the preparation of a detailed action plan in order to enhance effectiveness of Union support to Palestine; encourages the EEAS to fully implement that recommendation in cooperation with the Commission;

46. Notes that, according to the current discharge procedure, the EEAS submits annual activity reports to the Court in June, the Court then submits its report to the Parliament in October, and the discharge is voted by Parliament in plenary by May; notes that, unless the discharge is postponed, at least 17 months pass between the closing of annual accounts and the closing of the discharge procedure; points out that auditing in the private sector follows a much shorter timeline; stresses that the discharge procedure needs to be streamlined and sped up; requests that the EEAS and the Court follow best practice in the private sector; proposes in this regard to set a deadline for the submission of annual activity reports of 31 March of the year following the accounting year and a deadline for the submission of the Court's reports of 1 July; proposes also to review the timetable for the discharge procedure as set down in Article 5 of Annex IV to Parliament's Rules of Procedure so that the vote on the discharge would take place in Parliament's plenary part-session of November, thereby closing the discharge procedure within the year following the accounting year in question.

([1]) Special Report No 14/2013 'European Union direct financial support to the Palestinian Authority'.

DECISION (EU) 2018/1329 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section VI — European Economic and Social Committee

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2016 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2016 (COM(2017) 365 — C8-0252/2017) ([2]),

— having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2016, together with the institutions' 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([5]), and in particular Articles 55, 99, 164, 165 and 166 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0097/2018),

1. Grants the Secretary-General of the European Economic and Social Committee discharge in respect of the implementation of the budget of the European Economic and Social Committee for the financial year 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision and the resolution forming an integral part of it to the European Economic and Social Committee, the European Council, the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors, the European Ombudsman, the European Data Protection Supervisor and the European External Action Service, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ L 48, 24.2.2016.
([2]) OJ C 323, 28.9.2017, p. 1.
([3]) OJ C 322, 28.9.2017, p. 1.
([4]) OJ C 322, 28.9.2017, p. 10.
([5]) OJ L 298, 26.10.2012, p. 1.

RESOLUTION (EU) 2018/1330 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section VI — European Economic and Social Committee

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section VI — European Economic and Social Committee,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0097/2018),

A. whereas in the context of the discharge procedure, the discharge authority wishes to stress the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability and implementing the concept of performance-based budgeting and good governance of human resources;

1. Welcomes the conclusion of the Court of Auditors (the 'Court') that, on the basis of its audit work, the payments as a whole for the year ended on 31 December 2016 for administrative and other expenditure of the institutions and bodies were free from material error;

2. Notes that in its 2016 annual report, the Court observed that no significant weaknesses had been identified in respect of the audited topics relating to human resources and procurement for the European Economic and Social Committee (the 'Committee');

3. Notes that, according to the current discharge procedure, the Committee submits annual activity reports to the Court in June, the Court then submits its report to Parliament in October, and the discharge is voted by Parliament in plenary by May; notes that, unless the discharge is postponed, at least 17 months pass between the closing of the annual accounts and the closing of the discharge procedure; points out that auditing in the private sector follows a much shorter timeline; stresses that the discharge procedure needs to be streamlined and sped up; requests that the Committee and the Court follow best practice in the private sector; proposes in this regard to set a deadline for the submission of the annual activity reports of 31 March of the year following the accounting year and a deadline for the submission of the Court's report of 1 July; proposes also to review the timetable for the discharge procedure as set down in Article 5 of Annex IV to Parliament's Rules of Procedure so that the vote on the discharge would take place in Parliament's plenary part-session in November, thereby closing the discharge procedure within the year following the accounting year in question;

4. Welcomes the overall prudent and sound financial management of the Committee in the 2016 budget period; expresses support for the successful paradigm shift towards performance-based budgeting in the Commission's budget planning introduced by Vice-President Kristalina Georgieva in September 2015 as part of the 'EU Budget Focused on Results' initiative; encourages the Committee to apply that method to its own budget-planning procedure;

5. Notes that in 2016 the Committee's budget amounted to EUR 130 586 475 (EUR 129 100 000 in 2015), with a utilisation rate of 97,55 %; notes the increase of the utilisation rate in 2016 when compared to 2015;

6. Stresses that the Committee's 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; notes that the Committee confirmed the importance of applying performance-based budget principles in its daily operations and informed of the update of the key activity performance indicators (KAPIs) in 2017; asks the Committee to continue applying those principles and duly and regularly inform Parliament of the reformed KAPIs;

7. Notes the launching of reflections about the modernisation of the Committee; asks to be informed of the initiative and its developments; asks the Committee to provide the discharge authority with clarifications of expenditure in connection to this modernisation, in order to boost transparency and accountability, and to publish the cost-benefit assessment;

8. Notes that the final appropriations for travel and subsistence allowances for members were EUR 19 561 194; welcomes the detailed breakdown of members' expenditure concerning item 1004 which the Committee submitted to Parliament's Committee on Budgetary Control, and asks the Committee to include this breakdown for the year 2017 in its next annual activity report or in the report on budgetary and financial management; asks the Committee to provide the discharge authority with a cost-benefit assessment of the missions for the Union and visited countries, and the list of the visited countries in 2016; encourages the adoption of appropriate measures in order to make savings and reduce environmental pollution; calls on the Committee members to assess the potential of other instruments which may contribute to economic savings, inter alia on travel expenses;

9. Observes that the Committee declares that there is scope for further developing the cooperation agreement between the Committee and Parliament; trusts that further development of synergies will bring positive results to both parties; takes note of the progress of the cooperation between the Committee and Parliament, namely the contacts between the Committee president and its Bureau and Parliament's Conference of Committee Chairs; calls for further strengthening the contacts between the Committee and the chairs and the rapporteurs of Parliament's committees in order to ensure better follow-up of the Committee's contribution to the Union legislative process;

10. Is of the opinion that a joint assessment of the budgetary savings resulting from the cooperation between the Committee and Parliament is of interest to both institutions and to Union citizens; proposes that this exercise be conducted jointly with Parliament as part of the strategy to strengthen contacts between the two institutions; is aware that the Committee is building up capacity in terms of policy assessment to strengthen its role in the legislative process as a consultative body; asks the Committee to submit to the discharge authority a detailed analysis of the functioning of those activities in its next annual activity report;

11. Welcomes the reopening of the direct access between the RMD and the REM buildings following the decision by Belgian authorities to reduce the threat level for the European institutions; believes that this will facilitate communication and cooperation between the Committee and Parliament; calls on both institutions to inform their members and staff about the reopening of the passage;

12. Welcomes the administrative cooperation agreement between the Committee and the Committee of the Regions, which entered into force in 2016 and provides for shared translation and logistics directorates; considers this a good basis for potential economic savings in both committees; trusts that this agreement will also prompt cooperation in other areas; requests a detailed plan and description of the committees' activities in those areas; believes that this agreement will ensure also further efficiency in both committees' performance and economic savings;

13. Welcomes the Committee's compliance with the targets set by the interinstitutional agreement to reduce staff by 5 % over the period of five years; notes that, as a result of the transfer of staff to the EPRS service in Parliament, the Committee has reduced the number of posts in its establishment plan by 8 %, which corresponds to a decrease of 43 posts in 2016; calls on the budgetary authorities to be mindful of the long-term impact of staff cuts, in particular regarding the Committee's ability to improve gender and geographical balance, as well as the need for building on capacity of experienced officials to take over management posts when planning the future allocation of financial resources for personnel;

14. Notes a general increase of the absence rate due to sickness in the Committee; stresses the importance to put in place measures for improving wellbeing at work and asks for a closer monitoring of absences; welcomes the initiatives taken by the Committee such as the creation of the figure of 'confidential counsellor' to fight against harassment and to foster respect for human dignity in the work place; calls on the Committee to report to the discharge authority on the progress achieved in staff well-being in 2017;

15. Notes with satisfaction that the proportion of women holding middle management positions in the Committee is above 40 %; encourages the Committee to achieve the same results insofar as senior management positions are concerned and to do the necessary to further reduce the geographic imbalance;

16. Is concerned that for 9 out of 22 tenders in 2016 the contracts were awarded without competition to the only company that had applied for the tender; asks the Committee to take the necessary measures to ensure competition among bidders;

17. Welcomes the increase of the Committee media coverage by around 30 % in 2016; observes the establishment of the Committee's presence on social media and looks forward to hearing its achievements;

18. Notes an increase in the unused rate of interpretation services requested from 3,5 % in 2015 to 4 % in 2016 and asks for a closer monitoring of the effective provision of those services;

19. Notes the continued increase of the outsourcing rate of translation (from 9,74 % in 2015 to 16,61 % in 2016) provided for in the cooperation agreement between the Committee and the Committee of the Regions, due to the higher translation output and to the reduction of staffing levels in the directorate (more than 9 % compared to 2015); notes the 2016 internal audit on translation outsourcing and its practical implementation and restrictions, and looks forward to being informed of the internal auditor's recommendations in the next Committee's annual activity report;

20. Notes the Committee's commitment to EMAS and its environmental results, which show a decrease in consumption of gas, water, electricity, paper and cleaning products and in production of waste; encourages the Committee to continue to improve its performance in this regard;

21. Regrets the fact that the Committee is only now preparing draft guidelines on the prevention of conflicts of interest in the context of social dialogue; notes that the draft guidelines are currently being finalised through a dialogue with socio-professional organisations; asks the Committee to speed up the finalisation process, to adopt the guidelines in a timely manner, to include in them a requirement to provide details of membership to any other organisation, and to publish the guidelines on its website;

22. Deplores the fact that neither the President, nor the Vice-Presidents nor the Secretariat of the Committee have published declarations of interest on its website; urges the Committee to publish them by the end of June 2018, listing their membership of any other organisations; deplores the fact that members' declarations of interest are published in various languages and different formats, which limits transparency; urges the Committee to publish them in an unique format and in one of the three most used official languages of the Union by the end of June 2018;

23. Is concerned that pursuant to Article 11 of the Staff Regulations, each new recruit is obliged to provide a statement of absence of conflicts of interest, instead of a declaration of conflicts of interest; underlines that it is not for any person to state her or his absence of conflicts of interest; reiterates that a neutral body should assess the existence of conflicts of interest; urges, therefore, the Committee to put forward a unique and complete form of declaration of conflicts of interest to replace the declaration of absence of conflicts of interest;

24. Welcomes the administrative arrangements agreed between the Committee and the European Anti-Fraud Office (OLAF) in order to facilitate exchange of information;

25. Welcomes the complementary decisions taken by the Committee on internal whistle-blowing rules and stresses the importance of improving this initiative;

26. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistleblowers use the right channels to disclose their information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;

27. Points out the case linked to harassment in the Committee which cost it EUR 55 772; regrets the occurrence of that case but welcomes that it was duly followed up; notes that 20 other staff members contacted the Committee's network of confidential counsellors concerning alleged harassment-related issues; calls on the Committee to improve its policy in this regard in order to further prevent any form of psychological and sexual harassment; asks the Committee to report to the discharge authority on the measures it envisages to tackle those cases;

28. Regrets the decision of the United Kingdom to withdraw from the European Union; observes that at this point no predictions can be made about the financial, administrative, human and other consequences related to the withdrawal, and asks the Committee and the Court to perform impact assessments and inform Parliament of the results by the end of 2018.

DECISION (EU) 2018/1331 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section VII — Committee of the Regions

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2016 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2016 (COM(2017) 365 — C8-0253/2017) ([2]),

— having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2016, together with the institutions' 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([5]), and in particular Articles 55, 99, 164, 165 and 166 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0117/2018),

1. Grants the Secretary-General of the Committee of the Regions discharge in respect of the implementation of the budget of the Committee of the Regions for the financial year 2016;

2. Sets out its observations in the resolution below;

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

The President — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ L 48, 24.2.2016.
([2]) OJ C 323, 28.9.2017, p. 1.
([3]) OJ C 322, 28.9.2017, p. 1.
([4]) OJ C 322, 28.9.2017, p. 10.
([5]) OJ L 298, 26.10.2012, p. 1.

RESOLUTION (EU) 2018/1332 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section VII — Committee of the Regions

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section VII — Committee of the Regions,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0117/2018),

A. whereas in the context of the discharge procedure, the discharge authority wishes to stress the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability and implementing the concept of performance-based budgeting and good governance of human resources;

1. Welcomes the conclusion of the Court of Auditors (the 'Court') on the basis of its audit work that the payments as a whole for the year ended on 31 December 2016 for administrative and other expenditure of the institutions and bodies were free from material error;

2. Notes that in its 2016 annual report, the Court observed that no significant weaknesses had been identified in respect of the audited topics relating to human resources and procurement for the Committee of the Regions (the 'Committee');

3. Notes that, according to the current discharge procedure, the Committee submits annual activity reports to the Court in June, the Court then submits its report to Parliament in October, and the discharge is voted by Parliament in plenary by May; notes that, unless the discharge is postponed, at least 17 months pass between the closing of the annual accounts and the closing of the discharge procedure; points out that auditing in the private sector follows a much shorter timeline; stresses that the discharge procedure needs to be streamlined and sped up; requests that the Committee and the Court follow best practice in the private sector; proposes in this regard to set a deadline for the submission of the annual activity reports of 31 March of the year following the accounting year and a deadline for the submission of the Court's report of 1 July; proposes also to review the timetable for the discharge procedure as set down in Article 5 of Annex IV to Parliament's Rules of Procedure so that the vote on the discharge would take place in Parliament's plenary part-session in November, thereby closing the discharge procedure within the year following the accounting year in question;

4. Welcomes the overall prudent and sound financial management of the Committee in the 2016 budget period; expresses support for the successful paradigm shift towards performance-based budgeting in the Commission's budget planning introduced by Vice-President Kristalina Georgieva in September 2015 as part of the 'EU Budget Focused on Results' initiative; encourages the Committee to apply that method to its own budget-planning procedure;

5. Notes that in 2016 the Committee had an approved budget of EUR 90 500 000 (EUR 88 900 000 in 2015), of which EUR 89 400 000 were commitment appropriations with a utilisation rate of 98,7 %; welcomes the increase of the utilisation rate in 2016;

6. Stresses that the Committee's budget is, despite its political activities, considered as purely administrative, with a large amount being used on expenditure concerning persons working within the institution and relating to buildings, furniture, equipment and miscellaneous running costs; stresses the importance of the Committee applying performance-based budget principles in its daily operations; asks the Committee to inform Parliament on the progress made in this matter regularly;

7. Stresses the importance of deepening the cooperation with Parliament based on the cooperation agreement between the Committee and Parliament, and asks to be kept informed of any developments in this regard; asks that the Committee's strategy strengthen connections first of all with Parliament, but also with other Union institutions in order to increase the involvement of the regions in the Union legislative process;

8. Is of the opinion that a joint assessment of the budgetary savings resulting from the cooperation between the Committee and Parliament is of interest to both institutions and to Union citizens; suggests that the Committee and Parliament consider carrying out this exercise as a complement to the ongoing political strategic dialogue;

9. Welcomes the administrative cooperation agreement between the Committee and the European Economic and Social Committee, which entered into force in 2016 and provides for shared translation and logistics directorates; trusts that this agreement will also prompt cooperation in other areas; requests a detailed plan and description of the committees' activities in those areas; believes that this agreement will ensure also further efficiency in both committees' performance and economic savings;

10. Welcomes the fact that the targets set by the Committee in 2016 to increase the involvement of Parliament and the Council in activities related to the Committee's opinions have been achieved and, in some cases, even surpassed; encourages the Committee and Parliament to seek to improve their cooperation on common files by inviting each other's rapporteurs to present their opinion in Parliament's Committee responsible for the matter in question or in the Committee early in the process;

11. Welcomes the reopening of the direct access between the RMD and the REM buildings following the decision by Belgian authorities to reduce the threat level for European Institutions; believes that this will facilitate the communication and cooperation between the Committee and Parliament; calls on both institutions to inform their members and staff about the reopening of the passage;

12. Calls on the Committee to strive for an overall execution rate for payments of around 90 % at minimum;

13. Notes the inclusion of data on the missions undertaken by the Committee's members in its annual activity report; welcomes the list of events attended by its members in 2016 provided to Parliament's Committee on Budgetary Control in an annex to the answers to the written questionnaire for the discharge 2016, and asks the Committee to provide such a list for 2017 in an annex to its annual activity report for 2017;

14. Notes that in its annual activity report for 2016, the Committee had as a target 15 file notes and studies and that the result was 12; encourages the Committee to keep on working in order to fulfil those targets and invites it to communicate detailed results in this regard in its annual activity report for 2017;

15. Observes the lack of progress concerning the continued shortage of women holding senior and middle management posts; regrets the decrease of women in management positions from 37 % in 2015 to 33 % in 2016 due to the appointment of five officials, out of which only one is a woman; welcomes the adoption of a new five-year equal opportunities strategy foreseeing actions to strive for a more balanced gender representation, particularly in management positions; encourages the Committee to improve its performance in this regard;

16. Welcomes the slight decrease of the number of days of sick leave within the Committee's staff; underlines the importance of putting in place measures for improving wellbeing at work but also of duly verifying absences;

17. Observes that the communication strategy of the Committee is geared towards reconnecting Europe with its citizens, with activities organised in several Member States and online surveys; supports the organisation of citizen dialogues and asks for a regular improvement of those initiatives, in order to duly involve Union citizens, whilst avoiding overlap with the activities of other Union institutions; invites the Committee to communicate detailed results in this regard in its annual activity report for 2017;

18. Notes that the objective of an 10 % increase in subscribers to the Committee's eNewsletter has not been achieved, nor the objective of getting a 5 % increase in enrolments to the Committee's online course for regional and local authorities (MOOC), which saw a decrease of 49 % of participants compared to 2015; notes with concern the 30 % decrease in visitors groups, probably influenced by the terrorist attacks of 2016;

19. Notes with concern that the translation output objective was not achieved and that further rationalisation measures are needed as a result; asks the Committee to include detailed information in this regard in its annual activity report for 2017; notes the increasing outsourcing rate for translation and stresses the need to assess the possibility of further interinstitutional cooperation with regard to translation;

20. Notes that one whistleblowing file was opened in 2016 and has been forwarded to the European Anti-Fraud Office (OLAF); asks the Committee to keep the discharge authority informed of the outcome and possible legal proceedings of this specific case and of any other cases that may arise;

21. Notes a decision by the Civil Service Tribunal in November 2014 concerning the Committee's former internal auditor; acknowledges that the Civil Service Tribunal ruled that the Committee had to indemnify the former internal auditor yet further dismissed the allegations made by him; observes that the Committee complied promptly with the Civil Service Tribunal's decision and paid the indemnities; notes that Article 22b of the Staff Regulations states that a bona fide

whistleblower 'shall not suffer any prejudicial effects' as a result of having reported wrongdoing; recalls that Parliament confirmed this immovable principle of whistleblower protection when it demanded that the Committee's Internal Auditor 'should not suffer any adverse consequences as a result' of having reported wrongdoing; recalls that in January 2004 ([1]) Parliament confirmed that the internal auditor is a bona fide whistleblower; notes that the former internal auditor lodged another case against the Committee in November 2015; notes that a hearing took place in December 2017 and that the Court's ruling is expected in summer 2018; observes that the Committee has no influence either on the plaintiff having lodged a new case nor on the timetable of the Court; calls on the Court to officially recognise the internal auditor's status as a bona fide whistleblower and to ensure that he suffers no prejudicial effects as a result of having reported wrongdoing;

22. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistleblowers use the right channels to disclose their information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;

23. Acknowledges the Committee's commitment to EMAS and its environmental results, which show a decrease in consumption of gas, water, electricity, paper, cleaning products and in production of waste; encourages the Committee to continue to improve its performance in this regard;

24. Notes that following an *ex post* control exercise carried in 2016, the Committee has a recurrent recommendation to update or establish written procedures; urges the Committee to make sure that that recommendation is duly followed up;

25. Notes that the average time for payment to the Committee's creditors has increased from 20 days in 2015 to 26 days in 2016; calls on the Committee to improve the average payment time to its creditors as a matter of urgency, while taking into account that payments need to be made within 30 days; calls on the Committee to report to the discharge authority on the actions undertaken to reverse this negative trend and to present the results achieved in this regard;

26. Regrets the decision of the United Kingdom to withdraw from the European Union; observes that at this point no predictions can be made about the financial, administrative, human and other consequences related to the withdrawal, and asks the Committee and the Court to perform impact assessments and inform Parliament of the results by the end of 2018.

([1]) See Parliament's resolution of 29 January 2004 (OJ L 57, 25.2.2004, p. 8).

DECISION (EU) 2018/1333 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section VIII — European Ombudsman

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2016 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2016 (COM(2017) 365 — C8-0254/2017) ([2]),

— having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2016, together with the institutions' 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([5]), and in particular Articles 55, 99, 164, 165 and 166 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0100/2018),

1. Grants the European Ombudsman discharge in respect of the implementation of the budget for the financial year 2016;

2. Sets out its observations in the resolution below;

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

The President — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ L 48, 24.2.2016.
([2]) OJ C 323, 28.9.2017, p. 1.
([3]) OJ C 322, 28.9.2017, p. 1.
([4]) OJ C 322, 28.9.2017, p. 10.
([5]) OJ L 298, 26.10.2012, p. 1.

RESOLUTION (EU) 2018/1334 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section VIII — European Ombudsman

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section VIII — European Ombudsman,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0100/2018),

1. Notes that in its 2016 annual report, the Court of Auditors (the 'Court') observed that no significant weaknesses had been identified with respect to the audited topics related to human resources and procurement for the European Ombudsman (the 'Ombudsman');

2. Notes that on the basis of its audit work, the Court concluded that the payments as a whole for the year ended on 31 December 2016 for administrative expenditure of the institutions and bodies were free from material error;

3. Welcomes that the Ombudsman submitted its annual activity report to the Court in March; notes that the Court submitted its report to Parliament in October and that the discharge is to be voted on in plenary by Parliament by May; notes that by the time discharge is closed, if not postponed, at least 17 months have passed since the closing of the annual accounts; points out that auditing in the private sector follows a much shorter timeline; stresses that the discharge procedure needs to be streamlined and sped up; requests that the Ombudsman follow the good example given by the private sector and proposes to set a deadline for the submission of the annual activity reports on 31 March of the following year, a deadline for the submission of the Court's reports on the 1st of July and subsequently vote on the discharge by Parliament in the plenary session of November, thereby closing the discharge procedure within the year following the accounting year in question;

4. Welcomes the overall prudent and sound financial management of the Ombudsman in the 2016 budget period; expresses support for the successful paradigm shift towards performance-based budgeting in the Commission's budget planning introduced by Vice-President Kristalina Georgieva in September 2015 as part of the 'EU Budget Focused on Results' initiative; encourages the Ombudsman to apply that method to its own budget-planning procedure;

5. Stresses that the Ombudsman's budget is purely administrative and amounted in 2016 to EUR 10 658 951 (EUR 10 346 105 in 2015);

6. Notes that of the total appropriations, 95,40 % were committed (92,32 % in 2015) and 85,89 % paid (86,19 % in 2015), with a utilisation rate of 95,40 % (92,32 % in 2015); welcomes the increase in the utilisation rate;

7. Stresses the pivotal role of the Ombudsman in promoting good governance and ensuring the participation of civil society in the Union; notes that the Ombudsman closed five strategic inquiries and opened four new ones in 2016 on issues related, inter alia, to transparency and conflicts of interest; encourages the Ombudsman to pursue its strategic work with the aim of promoting good governance of the Union institutions;

8. Welcomes the decision to reduce communication and translation costs linked to the production of publications without undermining their quality; notes that the length of the documents was reduced, and is therefore interested to know if the information now excluded from the publications is nevertheless accessible on demand;

9. Welcomes the fact that the organisation chart of the Ombudsman has been clarified and is available in its website; asks the Ombudsman to ensure that an updated version of its organisation chart is always available on its website;

10. Notes the results achieved in the complaints handling in 2016 and notes the fact that the Union institutions complied with the Ombudsman's decisions at a rate of 84 % (83 % in 2015); notes that this has been the second highest rate of compliance with the Ombudsman's decisions and recommendations so far; recommends that the Ombudsman keep on working and analysing possible solutions to reach at least the 88 % that was achieved in 2014; notes that the rate of follow-up to critical remarks was of 63 % in 2016 (41 % in 2015); welcomes the Ombudsman's report 'Putting it Right', which provides an analysis of how institutions complied with its recommendations and presents a breakdown per institution;

11. Welcomes the introduction of the new fast track procedure for access to document cases as a clear sign that the Ombudsman does its utmost to reach a high level of transparency of Union documents; is of the opinion that there is still room for improvement by almost every other Union institution;

12. Underlines the importance of making Union citizens aware of the possibility to turn to the Ombudsman in case of maladministration; welcomes the Ombudsman's efforts to step up its communication activities and cooperation among ombudsmen to increase public awareness about its work; notes that the Ombudsman has addressed the Parliament's Committee on Budgetary Control repeatedly and encourages further cooperation in its strategic work concerning its inquiries and initiatives;

13. Reiterates its concern at the 'internal revolving door' between the Ombudsman and other institutions, particularly the Commission's directorates which might be under the its scrutiny;

14. Notes that some of the targets set by the Ombudsman to assess its performance through key performance indicators were not reached ([1]); asks the Ombudsman to identify the measures taken to enhance its results;

15. Welcomes the gender balance at management level and within administrators; encourages the Ombudsman to maintain this trend;

16. Notes the persisting geographical imbalance at management level; notes that two of the three managers from the Ombudsman's Member State occupied managerial positions in the Office for many years before the election of the present Ombudsman and are officials, whereas the third joined as a head of Cabinet at the beginning of the present's Ombudsman's term of office; acknowledges that it is therefore difficult to change the situation in the short-term, but encourages the Ombudsman to strive for geographical balance in management positions in the long-term;

17. Observes the Ombudsman's plan to comply with the interinstitutional agreement to reduce staff by 5 % over the period of five years; notes that, according to the follow-up report to the 2015 discharge, the initial 2016 estimates to create five new posts were amended and the final version resulted in the net decrease of one member of staff;

18. Acknowledges that the Ombudsman is experiencing a significant increase in complaints and is aware of its request to Parliament, made in its annual activity report for 2016, for a moderate budget increase to hire extra multi-lingual staff; is concerned that, as a result of the staff reduction, the remaining resources available in each service will not allow for absorption of the increasing workload; calls on the budgetary authorities to be mindful of the long-term impact of staff cuts, in particular regarding the Ombudsman's ability to improve gender and geographical balance, as well as the need for building on the capacity of experienced officials to take over management posts, when planning the future allocation of financial resources for personnel;

19. Notes the Ombudsman's commitment to improving transparency in Union decision-making; notes that in 2016 transparency-related inquiries again accounted for the greatest proportion of cases;

([1]) The impact of compliance; the visibility through visits to the website and use of the interactive guide to contact a member of the ENO (European Network of Ombudsmen); and the proportion of cases in which the admissibility decision is taken in one month — did not reach the target objective established by the Ombudsman.

20. Notes that there is still one ongoing complaint made to the European Data Protection Supervisor (EDPS) concerning the Ombudsman in 2016; notes that the Ombudsman's Office is, in close cooperation with the EDPS, reviewing the Office's procedure for handling personal data of third parties in complaints and inquiries; asks the Ombudsman's Office to keep Parliament's Committee on Budgetary Control informed about the outcome of the review;

21. Welcomes the inclusion of human resources and professional training charts in the Ombudsman's annual activity report for 2016;

22. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistleblowers use the right channels to disclose their information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;

23. Notes that the Ombudsman has provided timely follow-up to the 2015 discharge i.e., before 30 June 2018, in its report to Parliament's Committee on Budgetary Control, in compliance with Article 166 of the Financial Regulation; regrets, however, the lack of data from 2016 in different sections of the Ombudsman's annual activity report for 2016;

24. Regrets the decision of the United Kingdom to withdraw from the European Union; observes that at this point no predictions can be made about the financial, administrative, human and other consequences related to this withdrawal; asks the Ombudsman and the Court to perform impact assessments and inform Parliament of the results by the end of the year 2018.

DECISION (EU) 2018/1335 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section IX — European Data Protection Supervisor

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2016 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2016 (COM(2017) 365 — C8-0255/2017) ([2]),

— having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2016, together with the institutions' 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([5]), and in particular Articles 55, 99, 164, 165 and 166 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0099/2018),

1. Grants the European Data Protection Supervisor discharge in respect of the implementation of the budget for the financial year 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision and the resolution forming an integral part of it to the European Data Protection Supervisor, 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 External Action Service, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ L 48, 24.2.2016.
([2]) OJ C 323, 28.9.2017, p. 1.
([3]) OJ C 322, 28.9.2017, p. 1.
([4]) OJ C 322, 28.9.2017, p. 10.
([5]) OJ L 298, 26.10.2012, p. 1.

RESOLUTION (EU) 2018/1336 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section IX — European Data Protection Supervisor

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section IX — European Data Protection Supervisor,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0099/2018),

A. whereas in the context of the discharge procedure, the discharge authority wishes to stress the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability and implementing the concept of performance-based budgeting and good governance of human resources;

1. Notes the conclusion of the Court of Auditors (the 'Court') that the payments as a whole for the year ended on 31 December 2016 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 that in its 2016 annual report, the Court observed that no serious weaknesses had been identified with respect to the audited topics related to human resources and procurement for the Supervisor;

3. Notes that, according to the current discharge procedure, the Supervisor submits annual activity reports to the Court in June, the Court then submits its report to Parliament in October, and the discharge is voted by Parliament in plenary by May; notes that, unless the discharge is postponed, at least 17 months pass between the closing of the annual accounts and the closing of the discharge procedure; points out that auditing in the private sector follows a much shorter timeline; stresses that the discharge procedure needs to be streamlined and sped up; requests that the Supervisor and the Court follow best practice in the private sector; proposes in this regard to set a deadline for the submission of the annual activity reports of 31 March of the year following the accounting year and a deadline for the submission of the Court's report of 1 July; proposes also to review the timetable for the discharge procedure as set down in Article 5 of Annex IV to Parliament's Rules of Procedure so that the vote on the discharge would take place in Parliament's plenary part-session in November, thereby closing the discharge procedure within the year following the accounting year in question;

4. Welcomes the overall prudent and sound financial management of the Supervisor in the 2016 budget period; expresses support for the successful paradigm shift towards performance-based budgeting in the Commission's budget planning introduced by Vice-President Kristalina Georgieva in September 2015 as part of the 'EU Budget Focused on Results' initiative; encourages the Supervisor to apply that method to its own budget-planning procedure;

5. Notes that in 2016, the Supervisor had a total allocated budget of EUR 9 288 043 (EUR 8 760 417 in 2015) and that the implementation rate was 91,93 % (94,66 % in 2015); notes the decrease of the implementation rate and the Supervisor's forecast for maintaining this trend in the upcoming years; calls on the Supervisor to define its budget estimations prudently, taking into account the foreseeable increase of activity for the coming years;

6. Notes that the creation of the European Data Protection Board continues to be undertaken by the Supervisor; considers that budget estimations should ensure an efficient budgetary performance in the upcoming years;

7. Stresses that the General Data Protection Regulation (GDPR) ([1]) and the Directive for data protection in the police and justice sectors ([2]) will become enforceable in May 2018 and will have to be fully respected and implemented; acknowledges the intention of the Supervisor to keep the GDPR as a reference for its work;

8. Welcomes the ongoing work of the Internet Privacy Engineering Network which is a group composed of IT experts from all sectors providing a platform for cooperation and information exchange on engineering methods and tools which integrate data protection and privacy requirements into new technologies, an essential issue in the implementation of the GDPR;

9. Calls on the Supervisor to provide a detailed list of missions undertaken by its members in 2016, indicating the price, the place and the cost of each mission; calls for the missions undertaken in 2017 to be included in its next annual activity report;

10. Is aware of the adoption of implementing measures to ensure effective internal control of the processes in order to guarantee an economic, efficient and effective achievement of the Supervisor's objectives; calls on the Supervisor to include information on the measures in its annual activity report;

11. Welcomes the launch in 2016 of the Supervisor's Accountability Initiative, designed to equip all the Union institutions, beginning with the Supervisor as a data controller itself, to lead by example in how the institutions comply and demonstrate compliance with data protection rules;

12. Points out that in its Annual Internal Audit report for the 2016, published at the end of March 2017, the internal auditor (IAS) identified five important Internal Control Systems recommendations already made in previous years and that had still not been addressed; regrets that some of those recommendations relate to information security and business continuity policies; notes that the absence of an Information Security Policy increases the risk of information being insufficiently protected, which could lead to leakage of information and could harm the reputation of the Supervisor; welcomes the adoption by the Supervisor of the Information Security Policy on 19 June 2017 despite a delay of more than 14 months; calls on the Supervisor, especially given the nature of its mission and tasks, to lead by example and implement recommendations without undue delay in the future;

13. Calls on the Supervisor to inform Parliament's Committee on Budgetary Control of the amounts paid in 2016 under Service Level Agreements in which fees depend on consumption;

14. Welcomes the adoption in 2016 of an equal opportunities strategy and the consideration of measures to improve wellbeing at work;

15. Welcomes the inclusion of exhaustive information on all the human resources at the Supervisor's disposal in its annual activity report;

16. Calls for an overview in the Supervisor's annual activity report of the sections on procurement and missions' management, to include a comparative table of the last four years;

17. Notes the adoption in 2016 of an Ethics Framework that governs the conduct of members and all staff of the Supervisor in their internal and external relations; notes also that this framework encompasses the already existing codes of conduct, whistleblowing and anti-harassment decisions, disciplinary procedures and administrative investigations; asks for the information on the different topics of the framework to continue to be presented separately in the Supervisor's annual activity report;

18. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistleblowers use the right channels to disclose their information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;

([1]) Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).

([2]) Directive (EU) 2016/680 of the European Parliament and of the Council, of 27 April 2016, on the protection of natural persons with regard to the processing of personal data by competent authorities for the purposes of the prevention, investigation, detection or prosecution of criminal offences or the execution of criminal penalties, and on the free movement of such data, and repealing Council Framework Decision 2008/977/JHA (OJ L 119, 4.5.2016, p. 89).

19. Encourages the growing contribution of the Supervisor to solutions driving innovation and ensuring compliance with privacy and data protection rules, especially by increasing transparency, user control and accountability in big data processing; calls for effective actions maximising the benefits of new technologies while ensuring full respect for fundamental rights;

20. Notes that the Supervisor has published in its annual activity report a chapter about inter-institutional cooperation with other institutions, as requested by Parliament in its discharge resolution of 27 April 2017 ([1]); notes that in 2016 the Supervisor signed two new Single Cooperation Agreements; calls on the Supervisor to continue strengthening inter-institutional cooperation and to provide an update on its achievements in its next annual activity report;

21. Notes that the Supervisor included in its annual activity report a statement on the progress it had made with respect to its 2015-2019 strategy; notes that in March 2015 the Supervisor re-evaluated its key performance indicators so as to monitor and adjust the impact of its work and use of resources; notes with satisfaction that all the key performance indicators set in the Supervisor's 2015-2019 strategy have been met and that the Supervisor had at times exceeded its targets in 2016, which shows that the implementation of the strategy is on track; encourages the Supervisor to keep on working in this direction;

22. Welcomes the aim of the Supervisor, as set out in the strategy concerning its mandate, to make data protection as simple and effective as possible for all involved;

23. Regrets the decision of the United Kingdom to withdraw from the European Union; observes that at this point no predictions can be made about the financial, administrative, human and other consequences related to the withdrawal, and asks the Supervisor and the Court to perform impact assessments and inform Parliament of the results by the end of 2018.

([1]) OJ L 252, 29.9.2017, p. 140.

DECISION (EU) 2018/1337 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the financial statements and revenue and expenditure accounts for the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2016 (COM(2017) 364 — C8-0257/2017),

— having regard to the financial information on the European Development Funds (COM(2017) 299),

— having regard to the Court of Auditors' annual report on the activities funded by the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2016, together with the Commission's replies ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendations of 20 February 2018 on discharge to be given to the Commission in respect of the implementation of the operations of the European Development Funds for the financial year 2016 (05078/2018 — C8-0053/2018, 05079/2018 — C8-0054/2018, 05080/2018 — C8-0055/2018, 05082/2018 — C8-0056/2018),

— 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 (Benin) on 23 June 2000 ([3]) and amended in Ouagadougou, (Burkina Faso), on 22 June 2010 ([4]),

— having regard to Council Decision 2013/755/EU of 25 November 2013 on the association of the overseas countries and territories with the European Union ('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 11 of the Internal Agreement of 17 July 2006 between the Representatives of the Governments of the Member States, meeting within the Council, on the financing of Community aid under the multiannual financial framework for the period 2008 to 2013 in accordance with the ACP-EC Partnership Agreement and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies ([8]),

— having regard to Article 11 of the Internal Agreement of 24 and 26 June 2013 between the Representatives of the Governments of the Member States of the European Union, meeting within the Council, on the financing of European Union aid under the multiannual financial framework for the period 2014 to 2020 in accordance with the ACP-EU Partnership Agreement and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the Treaty on the Functioning of the European Union applies ([9]),

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([1]) OJ C 322, 28.9.2017, p. 281.
([2]) OJ C 322, 28.9.2017, p. 289.
([3]) OJ L 317, 15.12.2000, p. 3.
([4]) OJ L 287, 4.11.2010, p. 3.
([5]) OJ L 344, 19.12.2013, p. 1.
([6]) OJ L 156, 29.5.1998, p. 108.
([7]) OJ L 317, 15.12.2000, p. 355.
([8]) OJ L 247, 9.9.2006, p. 32.
([9]) OJ L 210, 6.8.2013, p. 1.

— 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 ninth European Development Fund ([2]),

— having regard to Article 50 of Council Regulation (EC) No 215/2008 of 18 February 2008 on the Financial Regulation applicable to the tenth European Development Fund ([3]),

— having regard to Article 48 of Council Regulation (EU) 2015/323 of 2 March 2015 on the financial regulation applicable to the eleventh European Development Fund ([4]).

— having regard to Rule 93 and the third indent of Rule 94 of, and Annex IV to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Development (A8-0123/2018),

1. Grants the Commission discharge in respect of the implementation of the budget of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Council, the Commission, 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 — Antonio TAJANI

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.
([4]) OJ L 58, 3.3.2015, p. 17.

RESOLUTION (EU) 2018/1338 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2016,

— having regard to Rule 93 and the third indent of Rule 94 of, and Annex IV to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Development (A8-0123/2018),

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, in line with the objectives of sustainable development and the gradual integration of 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 aid to ACP countries and OCTs;

C. whereas the history of the Member States confers obligations on the Union regarding development in ACP countries and cooperation with OCTs, which are tied to the Union's future due to geopolitics, globalisation and global challenges such as the effects of climate change and demographic change;

D. whereas the Commission, as the implementing body, is accountable for the discharge of the EDFs;

E. whereas the emergence of new global challenges is thoroughly changing the patterns of delivery aid leading all development stakeholders to reflect on a new aid approach and reorientation of the current external aid framework;

F. whereas sustainability, policy coherence and effectiveness principles are crucial for developing a new and cross-cutting Union development approach in view of enhancing the positive impact of its development aid and deliverables;

G. whereas transparency and accountability are prerequisites for both democratic scrutiny and the consistency of Union development action with the objectives of other actors such as Member States, international organisations, international financial institutions or multilateral development banks;

H. whereas effective coordination is central to limiting the risk of aid fragmentation and maximising impact coherence and partners' ownership of development priorities;

I. whereas joint development financing and programmes should be translated into better targeting of objectives, identifying synergies and sharing of information from the various organisations' results frameworks;

J. whereas the design of new modes of intervention such as blending, investment capacities or platforms and dedicated trust funds is a way to leverage financing beyond official development assistance but in compliance with conditions related to transparency, bringing additionality and making a positive impact on the ground;

K. whereas mobilising the private sector and attracting further investments is key, given the funding gap required to reach ambitious development goals, to secure the best building blocks for sustainable development in the recipient countries under their own administrative capability and within their own societal structure;

L. whereas budget support, while being a key driver for change and addressing the main development challenges, carries a significant fiduciary risk and should only be granted if it provides sufficient transparency, traceability and accountability and is accompanied by a clear commitment from partner countries to reform policies;

M. whereas aid development is implemented in a complex and fragile geopolitical context, impacted by issues such as weak governance frameworks, corruption, social and economic instability, armed conflicts, crisis or post-crisis situations triggering migrations or forced displacements, or health crises;

N. whereas Parliament has reiterated its call for inclusion of the EDFs in the general budget of the Union;

Statement of assurance

Key findings in the 2016 financial implementation

1. Welcomes the continuous efforts made by the Commission's services to ameliorate the overall financial management of the EDFs with regard to old outstanding pre-financing commitments and payments;

2. Notes, in particular, that the fixed target of a 25 % reduction has been slightly overridden for the old open commitments by reaching 28 % and 36 % with regard to old unspent commitments;

3. Notes also the actions to diminish and close open expired contracts as delays exceeding the 18 months after the end of their operational period constitute a significant risk for the occurrence of regularity errors insofar as supporting documentation might not be available anymore and staff in charge of the management of those contracts might also not be there anymore to ensure adequate continuity of operations;

4. Observes that the overall share of expired contracts in the portfolio of the Commission's Directorate-General for International Cooperation and Development (DEVCO) represented 15,15 % at the end of 2016 compared to the 15 % target; regrets that 1 058 (or 56 %) out of 1 896 expired contracts are related to the management of EDF operations and that the operational period of 156 EDF expired contracts out of those 1 058 expired more than 5 years ago, the latter representing a financial value of EUR 323 million;

5. Regrets, however, that, according to the Court of Auditors (the 'Court'), the supervisory and control systems were still assessed as only partially effective;

Reliability of the EDF accounts

6. Welcomes the Court's opinion that the final annual accounts of the 8th, 9th, 10th and 11th EDFs for the year 2016 present fairly, in all material respects, the financial position of the EDFs as at 31 December 2016 and that the results of their operations, their cash flows and the changes in net assets for the year then ended are in accordance with the provisions of the EDF financial regulation and with accounting rules based on internationally accepted accounting standards for the public sector;

7. Urges the Commission to act to solve the issue of recoveries of unspent pre-financing incorrectly recorded as operational revenue as this incorrect recording of operational revenue has led to corrections amounting to EUR 3,2 million;

8. Regrets the fact that these encoding errors have been present since 2015 in the context of the management of recovery orders; notes, however, that in 2016 DG DEVCO issued detailed instructions to its staff on the correct encoding of recovery orders of this type;

Legality and regularity of the EDF operations

9. Welcomes the Court's opinion that the revenue underlying the accounts for the year 2016 is legal and regular in all material aspects;

10. Reiterates its concern about the Court's assessment of the legality and regularity of payments underlying the accounts which are materially affected by error;

11. Notes that, according to the Court's estimation in its annual report, the estimated level of error rate for expenditure underlying the accounts from the 8th, 9th, 10th and 11th EDFs is 3,3 %, which indicates a slight decrease compared to 3,8 % in 2014 and 2015, 3,4 % in 2013 and 3 % in 2012;

12. Notes and regrets that 24 % of the transactions under review (35 out of 143) were affected by error; notes the results of the sampling with regard to projects, whereby 35 out of 130 payments (27 %) were affected by error and, in particular, the fact that 26 payments out of those 35 (74 %) were qualified as quantifiable errors, with 9 final transactions authorised after all *ex ante* checks had been performed;

13. Notes with concern that for two cases of quantifiable error, the Commission's services had enough information from its management systems to prevent, detect or correct the error before accepting the expenditure, which had a direct positive effect on the estimated level of error, which would have been 0,7 percentage points lower, and that five transactions with errors were not detected by external auditors or supervisors;

14. Observes that for budget support and for the implementation of multi-donor projects by international organisations, with the application of the notional approach, their nature of funding and modalities of payments limit the extent to which transactions are prone to error; reiterates its recurrent concern both on the pooling of Union funds with other donors' funding, particularly the fact that Union funds are not earmarked for specific identifiable items of expenditure, and on the limits of the Court's audit work arising from the application of the notional approach;

15. Is concerned by the recurrence and persisting typology of errors, in particular in the area of public procurement, despite consecutive corrective action plans, i.e. non-compliance with procurement provisions with a case of services contracts awarded without a competitive selection procedure, expenditure not incurred, ineligible expenditure or lack of supporting documents; observes that those errors were also related to transactions linked to programme estimates, grants and contribution agreements between the Commission and international organisations; calls on the Commission to address the shortcomings in contract management, selection procedures, document management and the procurement system as a matter of urgency;

16. Reiterates that the Commission should intensify its efforts in those specific areas of cooperation by refining its existing corrective action plan, in particular when quantifiable errors point to shortcomings in the checks by international organisations on compliance with contractual provisions, as a part of the general effort to improve risk management methods, the overall reinforcement of the monitoring systems and business continuity;

17. Invites DG DEVCO to pay due attention to the encoding and monitoring of payments in order to respect the set deadlines in the financial circuit and workflows;

Effectiveness of the control framework

18. Welcomes DG DEVCO's continuous efforts to improve the implementation of its control framework, in particular the targeting of high-risk areas related to funds under indirect management through international organisations and development agencies and grants under direct management; notes the extension of the reservation to grants and programme estimates under indirect management;

19. Acknowledges that development aid is often implemented in difficult, unstable or critical contexts which are error-prone;

20. Repeats its call for unwavering attention to be paid to the recurrent weaknesses observed within the running of key control steps, namely the vulnerability of *ex ante* checks carried out before project payments are made and external audit verifications on expenditure; notes that DG DEVCO is currently revising the terms of reference of audits and verifications to obtain information allowing for a quality assessment;

21. Welcomes the fact that a residual error rate (RER) study was carried out for the fifth year in compliance with the RER methodology, thus constituting henceforth a building block of DG DEVCO's assurance building;

22. Welcomes the fact that DG DEVCO addressed all weaknesses reported in 2013 by the Court but notes, however, that the RER-specific estimation method still leaves too wide a margin for individual error rates;

23. Notes with interest that, for the first time, the 2016 RER study estimated the RER at 1,7 %, which is below the materiality threshold of 2 %, confirming a downward trend since 2014, corresponding to an amount at risk of EUR 105 million (or 1,9 % of 2016 expenditure) with a corrective capacity — or estimated future corrections — of EUR 25 million (24 %), while bearing in mind, however, the shortcomings identified in the recording of recovery orders in the accounting system; considers, however, that specific attention should be continuously paid to budget support transactions in view of their high inherent risk;

24. Reiterates its support for the shift from a general reservation to the issuance of differentiated reservations as requested by Parliament in its previous EDF resolutions to progressively reinforce the assurance mapping of the different operational processes, with (i) a reservation based on error rates on the four following highest risks areas identified namely for grants under direct and indirect management, indirect management with international organisations and development agencies and programme estimates and (ii) a specific and renewed reservation for the African Peace Facility (APF); encourages the Commission to continue refining its management processes according to risk and financial volumes and, if appropriate, add additional conditionalities;

25. Supports the fact that the Commission has maintained its reservation concerning the APF related to governance and reporting on corrective measures in the management of funds; reiterates its call on the Commission to continue its efforts within the pillar assessment exercise towards reinforcing the control system for the management and operational monitoring of the APF in view of protecting the EDFs against illegal and irregular expenditure; asks the Commission to continue to reinforce the design and effectiveness of the remedial measures at contract level;

26. Notes that EUR 14,16 million was recovered for the reimbursement of undue payments due to irregularities and errors;

27. Observes that the cost of controls amounted to EUR 280,17 million or 4,26 % of the total payments made by DG DEVCO in 2016; believes, in this regard, that work on the overall effectiveness of the framework of control activities and their complementarity with good governance principles should be regularly carried out to secure sufficient guarantees;

28. Considers it necessary to maintain a consistent control strategy ensuring a balance between the absorption capacity of partner countries, respect for compliance provisions and targets related to performance, which should be duly reflected in the management of the different aid operations and delivery modes;

29. Considers that for infrastructure projects financed through the EDFs, an independent *ex ante* assessment that takes the social and environmental impact of the projects into account, as well as their added value, is essential;

Monitoring and reporting on DG DEVCO's performance towards achieving its objectives

30. Invites DG DEVCO to improve significantly its monitoring and performance reporting arrangements to ensure that key indicators established in the different performance systems are systematically and regularly monitored and that appropriate and reliable information is provided to senior management on a timely basis; reiterates that social and environmental aspects, as well as economic aspects, have to be taken into account when assessing development objectives;

31. Considers that the frequency of the monitoring and reporting should be established taking into account the nature of the objectives to be monitored, the type of indicator and the collection methods as well as the monitoring and reporting needs;

32. Calls on DG DEVCO, along with other external affairs stakeholders, to further develop its communications strategy and tools by highlighting the main results achieved, and to further strengthen the overall visibility of EDF-supported projects in order to reach out to a wider public by providing relevant information on the Union's contribution to global challenges;

33. Considers the 86 progress External Assistance Management Reports (EAMRs) from Union delegations as a useful contribution both to the assurance chain and performance measurement of each Union delegation, while insisting on the reliability of data used in that reporting; notes the positive trend for DG DEVCO for the performance of Union delegations with 21 out of 24 Key Performance Indicators (KPIs) meeting targets in 2016 (compared to 20 in 2015 and 15 in 2014), except for three KPIs related to 'the accuracy of financial forecasts for decisions', 'percentage of payments done within the thirty days deadline' and 'the respect of flexibility arrangements for the use of staff in EU Delegations';

34. Is concerned, however, that 980 projects out of 3 151 (31 %) were qualified as problematic and that six Union delegations are still below the benchmark of 60 % of green KPIs; calls on the Commission's services to closely monitor those Union delegations which have recently reached the target of 60 % or which stand just above the 60 % target in order to refine and consolidate the trend analysis of Union delegations;

35. Invites DG DEVCO to consider the possibility of rescheduling or upgrading the benchmark of 60 %; reiterates that the definition of certain KPIs could also be reviewed, depending on the typology of issues identified or the risk environment of each Union delegation, in order to find new margins of improvement;

36. Points out that it is important to ensure that programmes are calibrated and not overly ambitious, which would jeopardise the expected results of the assistance; invites DG DEVCO, as a result of the monitoring of the performance of Union delegations, to maintain realistic pipelines of projects in Union delegations;

37. Considers it essential that the heads of delegation continue to be regularly reminded, during *ad hoc* or regional seminars, of their key role in the consolidation of the DG DEVCO assurance chain and their overall accountability for managing the portfolios of projects, requiring an adequate assessment and weighting of various components likely to trigger the issuance of a reservation, in addition to their political duties; notes that no Union delegation issued a reservation in its EAMR in 2016;

38. Asks the Commission to report immediately on the specific remedial actions taken when a project has been classified as 'red' for two consecutive years in order to rapidly re-examine the initial design of the project, eventually reallocate funds to more viable projects and needs, or even consider the possibility of stopping the project;

Oversight and management of Union trust funds

Complementarity and impact

39. Stresses that coherence and complementarity of development financial instruments with the EDFs' strategy and overarching objectives of Union development policy should be continuously ensured;

40. Recognises that Union trust funds were designed to provide a rapid political response in the context of a lack of resources to certain critical situations or major crises, such as the migration crisis, or the need to link relief, rehabilitation and development;

41. Understands that, in such circumstances, dedicated Union trust funds offer flexibility and a range of possibilities combining geographic and thematic interventions via different windows;

42. Stresses, however, that the Commission must ensure that such trust funds add value to existing actions, contribute to increased visibility of the Union's external action and soft powers, and avoid duplication of other financial tools;

43. Notes that out of the total pledges for all of the Union trust funds (EUR 5 026 million as of the end of November 2017), EUR 2 403 million comes from the EDFs, with EUR 2 290 million pledged for the Union emergency trust fund for Africa (Africa trust fund) and EUR 113 million for the Union trust fund for the Central African Republic (Bêkou trust fund);

44. Recalls, however, the high inherent risks incurred by those development instruments and, for the time being, the mixed experience in their implementation; reiterates the need for ensuring maximum transparency in, and accountability of, the utilisation of those instruments;

45. Welcomes Special Report No 11/2017 of the Court on the Bêkou trust fund; recognises that despite some shortcomings the Bêkou trust fund was a hopeful beginning and observes that setting up a trust fund was a rapid response to the need to link relief, rehabilitation and development; calls on the Commission to follow the Court's recommendations in order to prepare guidance on the choice of aid vehicle (trust fund or other); is of the opinion that such guidance must reflect the possible risks posed by, and disadvantages of, trust funds and take into account the mixed experience in their use so far; regrets that the Bêkou trust fund has not significantly improved general donor coordination;

46. Calls for the identification of best practices in order to contribute to a better coordination of the various donors' bilateral aid and aid vehicles;

47. Recalls that the scope of Union trust funds is to be anchored to the provision of additionality, particularly to respond appropriately to post-conflict or post-disaster partner countries' needs and priorities while focusing on areas where added value and strategic impact are the highest;

48. Takes the view that both single-country Union trust funds and Union trust funds supporting programmes for multiple countries are more effective when they have a formal and coherent governing structure that can foster stakeholders' voices, values and shared results frameworks;

49. Considers it essential that the Union's trust funds aim at mobilising additional funds from the Member States, private sector and other donors;

50. Highlights the fact that the selectivity, oversight and accountability of results generated by Union trust funds must be deepened within partnership programmes and need to rely on a preliminary assessment of the comparative advantages of Union trust funds compared to other aid channels; points out that it is necessary to ensure full transparency and access to data, as well as to clear rules governing control and monitoring;

The Bêkou trust fund

51. Welcomes the establishment of the Bêkou trust fund and its contribution to the international response to the crisis in the Central African Republic; recognises that this first trust fund can be considered as a major pilot project in a number of ways and that it is necessary to develop more precise guidance on the systemic issues of donor coordination, monitoring and evaluation according to a more systemic approach to obtain guarantees;

52. Is of the opinion that more time is needed to properly evaluate the effectiveness of the Bêkou trust fund and to further learn from its operational implementation;

53. Considers that particular attention should also be paid to the effectiveness and political governance of Union trust funds as well as to a lack of guarantees and oversight of the final use of the allocated funds;

54. Believes that the Bêkou trust fund's limited influence on coordination amongst stakeholders should be given special attention and that the Commission should do everything in its power to use the experience it has gained in the activities of the EDFs in areas such as the implementation and coordination of multi-party investments and result-ownership management;

55. Expresses its concerns that Member States' contributions to the Bêkou trust fund have, to date, been relatively low; calls on Member States to become more involved in order to ensure that the Bêkou trust fund delivers its expected policy objectives;

56. Believes that due care should be devoted to the management of administrative costs against total contributions, to calculating the full management costs and to finding ways to maximise the share of the allocated aid that goes to the final beneficiaries;

57. Calls on the Commission to implement comprehensive control mechanisms to ensure political scrutiny from Parliament on the governance, management and implementation of these new instruments in the context of the discharge procedure; considers it to be important to develop specific supervision strategies for Union trust funds, with specific objectives, targets and reviews;

Implementation of budget support activities

Eligibility and inherent risks

58. Notes that budget support payments financed by the EDFs in 2016 corresponded to EUR 644 million; notes that the number of ongoing budget support operations in the EDFs was 109 in 2016 with 56 disbursements;

59. Acknowledges the Commission's flexibility in assessing whether the general eligibility conditions have been met to make the payments to the partner country (differentiation and dynamic approach to eligibility) due to a broad interpretation of the legal provisions and 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;

60. Urges the Commission to expand result-oriented budget support by better defining the development outcomes to be achieved in each budget support programme and sector, and above all to enhance control mechanisms concerning recipient states' conduct in the areas of corruption, the respect for human rights, the rule of law and democracy; expresses deep concern about the potential use of budget support in countries lacking democratic oversight, either due to the lack of a functioning parliamentary democracy or freedoms for civil society and the media or due to a lack of capacity of oversight bodies; calls for a corruption-free expenditure chain to be set up; considers it a priority to tie this support to corruption being fought effectively in countries benefiting from budget support;

61. Recalls that the risks that resources are diverted away remain high and risks of corruption and fraud are often linked to public financial management and reforms; reiterates that deeper attention should be paid to those risks in the framework of the policy dialogue and strategy design for future budget support contracts, in particular to assess a government's responsiveness and ability to enforce reforms; points out that the risks and results of *ex ante* and *ex post* controls need to be carefully followed;

62. Calls on the Commission, however, to ensure that budget support and disbursement of funds is revised, withheld, reduced or cancelled when clear and initial objectives and commitments are not achieved and/or when the Union's political and financial interests are at stake;

63. Recalls the need for the EDFs to offer maximum openness and transparency; supports the public disclosure of relevant budget information related to budget support programmes in order to enhance transparency and accountability of and towards all the stakeholders, including citizens;

Budget support to improve domestic revenue mobilisation in Sub-Saharan Africa

64. Stresses the importance of domestic revenue mobilisation in less-developed countries as it reduces dependence on development aid, leads to improvements in public governance and plays a central role in state-building; calls for the use of disbursement conditions specific to domestic revenue mobilisation to be strengthened in good governance and development contracts;

65. Points out that the Commission has not yet effectively used budget support contracts to support domestic revenue mobilisation in low and lower-middle income countries in Sub-Saharan Africa; notes, however, that the Commission's new approach increased the potential of this form of aid to effectively support domestic revenue mobilisation; invites the Commission to provide more information in its budget support reports concerning the use of budget support contracts for domestic revenue mobilisation;

66. Underlines the fact that strengthening tax systems contributes not only to raising more predictable revenue but also to the accountability of governments by creating a direct link between taxpayers and their government; supports the explicit inclusion of domestic revenue mobilisation improvement on the Commission's list of key development challenges addressed through budget support;

67. Points out challenges related to tax avoidance, tax evasion and illicit financial flows; calls on the Commission to adhere to its guidelines when conducting macroeconomic and public financial management assessments of aspects related to domestic revenue mobilisation in order to obtain a better overview of the most problematic issues, e.g. the scale of tax incentives, transfer pricing and tax evasion;

68. Further invites the Commission to increase its commitment in the fight against tax evasion and tax abuse by decreasing its financial support for blacklisted tax havens through the means of the EDFs in order to create an incentive for those listed countries that encourage abusive tax practices to comply with the Union's fair tax criteria;

69. Points out that there is a lack of appropriate monitoring tools to assess the extent to which budget support contributed to overall improvements in domestic revenue mobilisation;

70. Believes that it is crucial to continue promoting fair and transparent domestic tax systems in the field of tax policy, to scale up its support for oversight processes and bodies in the area of natural resources, and to continue backing governance reforms that promote the sustainable and transparent exploitation of natural resources;

71. Emphasises the need to apply conditions specific to domestic revenue mobilisation more often as they clearly associate the disbursement of budget support payments with the partner country's progress in domestic revenue mobilisation reforms;

72. Encourages the Commission to extend the capacity building component of budget support as it lays firm foundations for a long-term economic and social transformation and addresses major obstacles to the efficient collection of public revenue;

73. Invites the Commission, for all existing and future budget support contracts with a capacity development component earmarked for domestic revenue mobilisation, to increase partner countries' awareness of the availability of this support and facilitate its use, in particular to address capacity development needs not yet covered by other donors;

Need for increased cooperation with international organisations

74. Observes that EDF payments to multi-donor projects implemented by international organisations in 2016 amounted to EUR 914 million;

75. Believes that multilateral financial institutions for development should work to make the use of blended finance more effective, particularly with regard to additionality;

76. Emphasises that multilateral development banks should contribute in a coordinated and harmonised way to achieve the sector funding of the United Nations' ambitious Sustainable Development Goals set for 2030, in particular by using effectively blended finance and leveraging private finance to increase the efficiency and impact of aid financing;

77. Encourages the Commission to make an increased use of the micro financing instrument, which is considered to be a significant and effective tool in the fight against poverty and in lifting up local economies;

78. Recalls the need for EDF financial tools to attract further investments from the private sector; encourages the Commission to draw up an action plan that would address this need and to inform the discharge authority on the progress made;

79. Calls on the Commission to provide for the double purpose of transparency and Union visibility and to provide further information on projects managed with Union funds in the next Commission' reporting; believes that deepening the dialogue with the United Nations and the World Bank Group should be intensified for the purpose of enhanced transparency and simplification of joint cooperation instruments;

80. Calls on the Commission to make available to the public not only the data concerning the financing of NGOs but also detailed reports on the projects funded; expresses concern about the recent allegations of misconduct made against certain NGOs; calls on the Commission to monitor actively the development of the situation and, where necessary, to reassess the funding granted;

Addressing new global development priorities

Operational challenges and new drivers

81. Recognises the necessity to develop new patterns for designing development assistance instruments and related conditionalities, in line with the commitments of the Sustainable Development Goals and the new European Consensus on Development, in order to respond to new critical features such as the development and humanitarian nexus, the development, migration and mobility nexus, the climate change nexus and the peace and security nexus;

82. Stresses that, given the funding gap required to reach the ambitious Sustainable Development Goals, the private sector might play a crucial role; notes that blending might be a useful vehicle for leveraging additional resources, provided that its use is duly justified, its added value is demonstrated and it meets development effectiveness principles;

83. Underlines, however, that the EDFs should not go beyond their scope and that the creation of a new nexus to face new challenges should not undermine the achievement of other development goals and their establishment must be accompanied by accurate, clear and transparent rules laid down on the basis of objective and non-discriminatory criteria set by the Commission;

84. Considers that improved coordination and synergies of support by different donors and aid instruments is crucial; calls on various stakeholders to improve the quality of operations results frameworks and development results on the ground;

85. Recognises the operational difficulties or challenges encountered, in particular for the purpose of consensus building especially when the coordination of a large number of donors is at stake in an evolving, complex context and in light of changing needs;

86. Considers that investing in fragile countries remains a key priority of Union intervention, while maintaining a sober monitoring approach could lead, when required, to the cessation of financing; believes that the practice of outcome ratings and their sharing in relation to fragile or conflict countries must be strengthened;

87. Supports the efforts to tackle the issues of sustainability of development results when domestic revenue mobilisation, ownership and political economy is at stake;

88. Recalls the fact that climate change is one of the greatest challenges facing the Union and governments across the globe; strongly calls on the Commission to fulfil its commitments based on the Paris Agreement to strengthen the climate conditionalities of Union funding to finance only climate-compatible projects reflecting the Union's climate objectives, which will require an increased consistency in selection criteria;

89. Is worried by the Court's finding that the Union certification system for the sustainability of biofuels is not completely reliable ([1]); underlines the potentially negative consequences for developing countries since, as stated by the Court, 'the Commission did not require voluntary schemes to verify that the biofuel production they certify does not cause significant risks of negative socioeconomic effects, such as land tenure conflicts, forced/child labour, poor working conditions for farmers and dangers to health and safety', and therefore requests the Commission to address this issue;

90. Encourages the integration of the ethical dimension in the design of policy interventions;

91. Insists that educational material financed by Union funds, including PEGASE (Mécanisme Palestino-européen de Gestion de l'Aide Socio-économique), comply with the common values of freedom, tolerance and non-discrimination through education adopted by education ministers of the Union in Paris on 17 March 2015; asks the Commission to ensure that Union funds are spent in line with Unesco-derived standards of peace and tolerance in education;

Operationalising the development-migration nexus

92. Observes that 106 projects worth a total of EUR 1 589 million were approved, with EUR 594 million contracted and EUR 175 million of paid amounts in 2016 for the better management of migration flows and to address the root causes of irregular migration through the Africa trust fund and related regional windows; notes that one of the agreed targets refers to 'well-managed migrations policies';

93. Invites the Commission to report in a structured manner on the impact of the programmes launched under the Africa trust fund, particularly on the basis of Union result-oriented monitoring and the Africa trust fund results framework to highlight the collective achievements;

94. Notes also in that context that the new European Fund for Sustainable Development, as part of the European External Investment Plan, will target Sub-Saharan African countries, with EUR 400 million provided by the EDFs;

95. Supports increasing the ACP impact financing envelope, a separate window of the ACP investment facility, by EUR 300 million to reach a total capacity amount of EUR 800 million to deal with targeted projects directly tackling the root causes of migration, and turning it into a revolving fund;

96. Notes that the European Investment Bank (EIB) with the ACP investment facility mainly supports projects promoting the development of the private sector while eligible public sector projects are also considered under the ACP migration package; welcomes the development of new partnerships in the context of the ACP investment facility managed by the EIB; calls on the EIB, however, to provide further information on the components of the leverage effect, namely the respective parts coming from the equity part and from Union public funding or other multilateral development banks as well as the reflows reinvested in the functioning of the ACP investment facility;

97. Supports the Commission in the creation of a migration code within the Development Assistance Committee of the Organisation for Economic Cooperation and Development in order to increase the effective use and traceability of the related funding;

Towards a new partnership ACP

98. Looks forward to being fully informed and consulted on the mid-term review of the 11th EDF, which is supposed to take into account Agenda 2030 and a new European Consensus on Development but which should also fully respect the principles of development effectiveness reconfirmed at the Nairobi High Level Forum of the Global Partnership, in particular ownership of priorities by recipient countries;

99. Reiterates its call for the inclusion of the EDF Funds in the general budget.

([1]) Special report No 18/2016: The EU system for the certification of sustainable biofuels.

DECISION (EU) 2018/1339 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the financial statements and revenue and expenditure accounts for the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2016 (COM(2017) 364 — C8-0257/2017),

— having regard to the financial information on the European Development Funds (COM(2017) 299),

— having regard to the Court of Auditors' annual report on the activities funded by the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2016, together with the Commission's replies ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendations of 20 February 2018 on discharge to be given to the Commission in respect of the implementation of the operations of the European Development Funds for the financial year 2016 (05078/2018 — C8-0053/2018, 05079/2018 — C8-0054/2018, 05080/2018 — C8-0055/2018, 05082/2018 — C8-0056/2018),

— having regard to the Commissions' report on the follow-up to the discharge for the 2015 financial year (COM(2017) 379),

— 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 (Benin) on 23 June 2000 ([3]) and amended in Ouagadougou, Burkina Faso, on 22 June 2010 ([4]),

— having regard to Council Decision 2013/755/EU of 25 November 2013 on the association of the overseas countries and territories with the European Union ('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 11 of the Internal Agreement of 17 July 2006 between the Representatives of the Governments of the Member States, meeting within the Council, on the financing of Community aid under the multiannual financial framework for the period 2008 to 2013 in accordance with the ACP-EC Partnership Agreement and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies ([8]),

— having regard to Article 11 of the Internal Agreement of 24 and 26 June 2013 between the Representatives of the Governments of the Member States of the European Union, meeting within the Council, on the financing of European Union aid under the multiannual financial framework for the period 2014 to 2020 in accordance with the ACP-EU Partnership Agreement and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the Treaty on the Functioning of the European Union applies ([9]),

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([1]) OJ C 322, 28.9.2017, p. 281.
([2]) OJ C 322, 28.9.2017, p. 289.
([3]) OJ L 317, 15.12.2000, p. 3.
([4]) OJ L 287, 4.11.2010, p. 3.
([5]) OJ L 344, 19.12.2013, p. 1.
([6]) OJ L 156, 29.5.1998, p. 108.
([7]) OJ L 317, 15.12.2000, p. 355.
([8]) OJ L 247, 9.9.2006, p. 32.
([9]) OJ L 210, 6.8.2013, p. 1.

— 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 ninth European Development Fund ([2]),

— having regard to Article 50 of Council Regulation (EC) No 215/2008 of 18 February 2008 on the Financial Regulation applicable to the tenth European Development Fund ([3]),

— having regard to Article 48 of Council Regulation (EU) 2015/323 of 2 March 2015 on the financial regulation applicable to the eleventh European Development Fund ([4]),

— having regard to Rule 93 and the third indent of Rule 94 of, and Annex IV to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Development (A8-0123/2018),

A. whereas in the context of the discharge procedure, the Parliament wishes to stress the special importance of further strengthening of the democratic legitimacy of the EU institutions through improving on transparency and accountability, implementing the concept of the Performance-Based Budgeting (PBB) and good governance of human resources;

1. Approves the closure of the accounts of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2016;

2. Instructs its President to forward this decision to the Council, the Commission, 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 — Antonio TAJANI

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.
([4]) OJ L 58, 3.3.2015, p. 17.

DECISION (EU) 2018/1340 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the Agency for the Cooperation of Energy Regulators for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2016, together with the Agency's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0084/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 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]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0074/2018),

1. Grants the Director of the Agency for the Cooperation of Energy Regulators discharge in respect of the implementation of the Agency's budget for the financial year 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 25.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 211, 14.8.2009, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2018/1341 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Agency for the Cooperation of Energy Regulators for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the Agency for the Cooperation of Energy Regulators for the financial year 2016,

— having regard to Rule 94 of, and Annex IV to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0074/2018),

A. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of the performance based budgeting and good governance of human resources;

B. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the Agency for the Cooperation of Energy Regulators (the 'Agency') for the financial year 2016 was EUR 15 872 582, representing an increase of 40,89 % compared to 2015; whereas the budget of Agency derives mainly from the Union budget; whereas the increase was due to new additional tasks expanding its mandate, including the completion of the internal energy market;

C. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Agency for Cooperation of Energy Regulators for the financial year 2016 (the 'Court's report'), states that it has obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Follow-up of the 2014 discharge

1. Recalls that, according to the Seat Agreement between the Agency and the Slovenian government, a European School is to be established in Slovenia; regrets however that, more than four years after the agreement, no European School has been set up;

Budget and financial management

2. Notes that budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 98,11 %, reaching the Agency's planned target and representing an increase of 3,02 % compared to 2015; notes furthermore that the payment appropriations execution rate was at 59,95 %, representing a decrease of 14,93 % compared to 2015;

Commitments and carryovers

3. Notes from the Court's report that the carry-overs for Title III (operational expenditure) were very high at EUR 4 900 000 (86 %) of its committed appropriations, compared to EUR 1 400 000 (59 %) in 2015; notes furthermore that those carry-overs were predominantly related to the long-term nature of the implementation of Regulation (EU) No 1227/2011 of the European Parliament and of the Council ([2]) with EUR 4 700 000 in 2016, compared to EUR 1 100 000 in 2015;

4. Notes from the Agency's reply that the high level of carry-overs is due to the timing of the annual contractual cycle which was established in 2013, when a substantial additional budget for the REMIT project was received by the Agency at the end of the year; notes however that the commitment appropriation for the financial year 2016 under the budget Chapter of REMIT expenditure was implemented at the maximum 100 % level; notes that the Agency will analyse the implementation of differentiated budget appropriations for Title III; calls on the Agency to inform the discharge authority about the decision taken on this matter;

([1]) OJ C 113, 30.3.2016, p. 169.
([2]) Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (OJ L 326, 8.12.2011, p. 1).

5. Notes that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes, and do not necessarily indicate weaknesses in budget planning and implementation nor are they always at odds with the budgetary principle of annuality, in particular if they are planned in advance by the Agency and communicated to the Court; points out, however, that the high share of cancelled carry-overs (9,8 %) could be considered to be a sign of inaccurate budget planning;

Staff policy

6. Notes that the Agency employed 112 staff, 60 temporary staff (out of 69 posts authorised under the Union budget), 26 contract staff, 4 seconded national experts, 12 trainees, 8 interim staff and 2 experts from the US Federal Energy Regulatory Commission at the end of 2016; notes that the Agency received 15 additional temporary agents' positions in 2016; notes that the gender balance ratio was 38 % female to 62 % male staff;

7. Observes that, according to the job screening exercise, 75,20 % of the Agency's jobs are operational, 19,01 % are in the area of administrative support and coordination and 5,79 % are neutral;

8. Stresses that the work-life balance should be part of the staff policy of the Agency; notes that the budget spent per staff on well-being activities amounts to EUR 133,12 and that a staff away day was organised in 2016; observes that the average number of sick leave per staff is six days;

9. Welcomes the decision adopted in 2017 of the administrative board on preventing psychological and sexual harassment; supports the training and information sessions organised to increase the awareness of the staff;

10. Notes with appreciation the fact that the Agency did not receive any complaints, law-suits or reported cases linked to hiring or firing of staff in 2016;

Prevention and management of conflicts of interests, transparency and democracy

11. Acknowledges that the Agency continued in 2016 to implement its policies related to ethics and integrity, such as the policy on the prevention and management of conflicts of interest, as well as its anti-fraud and whistleblowing policies; notes that there were no whistleblowing cases in the Agency in 2016;

12. Notes that the Agency published all the declarations of interest and CVs of the Board of Regulators members and alternates on its website;

13. Welcomes the decision, which came into effect in November 2017, regarding the introduction of a register of meetings of the Director of the Agency with external stakeholders; calls on the Agency to speed up the process to be assessed in the 2017 discharge procedure;

14. Notes the resignation from the Administrative Board of a member, for whom a potential conflict of interests was identified;

15. Notes the grounds for refusal to access to documents; expects the Agency to use in the most lawful and regular manner the possibility to refuse access to document while protecting confidential or personal data;

Main achievements

16. Welcomes the three main achievements identified by the Agency in 2016, namely that it:

— began to fully monitor trading in wholesale energy products across the Union in line with Regulation (EU) No 1227/2011;

— adopted a decision requiring the introduction of capacity allocation on the Austrian–German border;

— issued its annual Market Monitoring Report on the remaining barriers to the Internal Energy Market;

17. Welcomes the fact that the Agency uses impact indicators and outcome indicators to measure its performance; regrets, however, that there are no systematic *ex-ante* assessments for planning and controls, and no systematic *ex-post* evaluations to measure performance;

Internal controls

18. Notes that an assessment of the effectiveness of the 16 internal control standards (ICS) was performed in 2016; notes that, with a view to strengthening the control environment, the following areas were identified: IT governance and security, business continuity, document management; observes that the Agency is compliant with the minimum requirements underlying each control standard; calls on the Agency to inform the discharge authority about the implemented measures;

19. Notes with appreciation that no significant or material weaknesses in the Agency's ICS became evident in 2016;

Internal audit

20. Notes from the Court's report that the Commission's Internal Audit Service (IAS) conducted an audit report in May 2016 which highlighted a strong need to clarify roles and responsibilities and to analyse workload in the procurement cell in order to achieve more efficient processes and procedures and to significantly improve the procurement planning and monitoring; notes that the Agency and the IAS agreed on a plan to take corrective action; acknowledges from the Agency that, out of the six recommendations, two 'very important' and three 'important' have already been closed and that the Agency planned to close the last recommendation by October 2017; calls on the Agency to inform the discharge authority about the measures taken;

21. Note that the IAS conducted a full risk assessment and an IT risk assessment in February 2016; notes that that assessments resulted in a new strategic audit plan for the Agency for the period 2017 to 2019, formulating the audit topics for the next planning period and led to five actions that were required to be completed by the end of 2017; looks forward to the Agency's reporting on the IAS audits in its 2017 annual activity report;

22. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2018)0133 (see page 393 of this Official Journal).

DECISION (EU) 2018/1342 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2016, together with the Agency's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0084/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 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]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0074/2018),

1. Approves the closure of the accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2016;

2. Instructs its President to forward this decision to the Director of the 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 25.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 211, 14.8.2009, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2018/1343 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the Office of the Body of European Regulators for Electronic Communications for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Office of the Body of European Regulators for Electronic Communications for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the Office of the Body of European Regulators for Electronic Communications for the financial year 2016, together with the Office's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Office in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0085/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 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]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0069/2018),

1. Grants the Management Committee of the Office of the Body of European Regulators for Electronic Communications discharge in respect of the implementation of the Body's budget for the financial year 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Management Committee of the Office 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 31.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 337, 18.12.2009, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2018/1344 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Office of the Body of European Regulators for Electronic Communications for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the Office of the Body of European Regulators for Electronic Communications for the financial year 2016,

— having regard to the report of the Court of Auditors on the rapid case review on the implementation of the 5 % reduction of staff posts published on 21 December 2017,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0069/2018),

A. whereas in the context of the discharge procedure, the discharge authority wishes to stress the particular importance of further strengthening of the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of the performance-based budgeting and good governance of human resources;

B. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the Office of the Body of European Regulators for Electronic Communications (the 'Office') for the financial year 2016 was EUR 4 246 000, representing an increase of 5,69 % compared to 2015; whereas the Office's entire budget derived from the Union budget for 2016;

C. whereas the Court of Auditors (the 'Court'), in its report on the Office's annual accounts for the financial year 2016 (the 'Court's report'), states that it has obtained reasonable assurances that the Office's annual accounts were reliable and that the underlying transactions were legal and regular;

Comments on the legality and regularity of transactions

1. Notes that, according to the Court's report, in March 2016, the Office launched a procurement procedure with the aim to sign a single framework contract (FWC) with the two existing international schools in Riga for the children of its staff; notes that while the technical specifications of the tender state that the Office would establish one multiple framework contract in cascade with two economic operators, the award criteria stated that the choice of the school lies with the parents; observes that, consequently, the FWC for EUR 400 000, which was signed in July 2016, is based on contradicting concepts, causing legal uncertainty to the Office and the schools; notes moreover, that a FWC was unnecessary in this case; welcomes the Office's reply stating that in future it will use direct service agreements with the schools, without procurement;

Budget and financial management

2. Notes that budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 96,20 %, representing an increase of 0,55 % compared to the year 2015; notes that the payment appropriations execution rate was at 77,19 %, representing a decrease of 3,12 % compared to 2015;

3. Notes that, according to the Court's report, the Office signed a EUR 60 000 contract for the provision of human resources related professional support and consultancy services in March 2016; is concerned by the fact that the procurement procedure was exclusively based on price; stresses that the engagement of a consultant without considering competence and expertise as award criteria does not ensure best value for money; welcomes the Office's reaction to terminate the FWC and to put in place a different strategy to obtain the necessary services;

4. Notes that, according to the Court's report, the 2014 budget provision for contributions from the European Free Trade Association's (EFTA) national regulatory authorities having observer status at the Office did not materialise in the absence of agreements with EFTA countries;

([1]) OJ C 113, 30.3.2016, p. 159.

Commitments and carry-overs

5. Notes that, according to the Office, the total carry-over of commitment and payment appropriations to 2016 amounted EUR 615 957,25; points out that EUR 44 896,19 (7,29 %) of the carried-forward appropriations were cancelled;

6. Notes that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance by the Office and communicated to the Court;

Staff policy

7. Notes that at the end of 2016, the Office employed 27 staff members (including temporary agents, contract agents and seconded national experts); notes that following the cut implemented in 2015, when the number of posts was reduced by one, the Office had to implement an additional cut, as it was also requested to contribute a post to the redeployment pool of Agencies;

8. Notes with concern that the Office was negatively affected with the highest possible rate of cuts according to the Court's report on the implementation of the 5 % reduction of staff posts published on 21 December 2017, namely a cut of 12,5 %, irrespectively of the fact that Regulation (EU) 2015/2120 assigned additional tasks to the Body of European Regulators for Electronic Communications without adjusting the resources of the Office accordingly; stresses the need for adequate human resources to ensure carrying out the mandate of the Office, while maintaining its smooth day-to-day operation;

9. Observes from the Establishment plan that 14 posts (out of a total of 15 posts authorised under the Union budget) were occupied on 31 December 2016, as in 2015;

10. Notes that on 30 May 2017 the gender ratio was 42,31 % female to 57,69 % male staff; notes with concern, however, that the gender ratio of the management board was 28 % to 72 %;

11. Notes that, according to the Court's report, in 2016, the average employment period in the Office was 2,58 years and staff turnover was high with 25 %; notes that this situation affects the Office's efficiency and presents risks for the implementation of its work programmes; acknowledges that a possible reason for the high staff turnover is the salary correction coefficient applied in the host state (73 % as at 1 July 2016); notes that the Office recognises that the high staff turnover is a risk factor, which has been recorded in the risk register as a significant risk and the management is continuously working on the introduction of mitigation techniques; calls on the Office to report to the discharge authority on the actions taken or planned to mitigate the risk and to properly tackle the issue of the retention of staff;

12. Stresses that work-life balance should be part of the staff policy of the Office; stresses that the budget spent on well-being activities amounts to approximately EUR 827,60 corresponding to two days; observes that the average number of sick days is 2,82 per member of staff in the administration and finance unit and 6,23 per member of staff in the programme management unit; calls on the Office to explain the reasons behind such a difference;

13. Appreciates the fact that the Office adopted new implementing rules on the policy on protecting dignity of the person and preventing harassment; supports the training session organised to increase the awareness of the staff and suggests to regularly organise training and information session on the matter;

14. Notes with satisfaction the fact that the Office did not receive any complaints, law-suits or reported cases linked to hiring or dismissal of staff in 2016;

Prevention and management of conflicts of interests, transparency and democracy

15. Notes that a draft internal whistleblowing policy has been developed and notified to the European Data Protection Supervisor as required by the provisions of Regulation (EC) No 45/2001 ([1]); notes with appreciation that the Office organised an in-house training on ethical values, conflicts of interest, fraud prevention and whistleblowing;

16. Welcomes the fact that the Office included a chapter related to the transparency and accountability in its Consolidated Annual Activity Report 2016;

([1]) OJ L 8, 12.1.2001, p. 1.

Main achievements

17. Welcomes the Office's three main achievements in 2016 in support to the Body of European Regulators for Electronic Communications (BEREC), namely:

— supporting BEREC in the adoption of Guidelines on net neutrality, including in processing the unprecedented high number of contributions (close to 500 000) received during the public consultation held in the period from 6 June to 18 July 2016 and in the field of roaming, thus bringing further benefits to the end user of electronic communication services;

— commissioning two studies on net neutrality and mergers and acquisitions;

— further expanding its transparency policy, including by means of the implementation of BEREC's up-dated communication strategy and communication plan;

Internal controls

18. Acknowledges that the Office's efforts to achieve full compliance with the Internal Control Standards (ICS) framework continued in 2015 and at the beginning of 2016 the Internal Audit Service (IAS) closed all recommendations on the implementation of the ICSs; appreciates that in 2016 the Office commissioned an independent consultant to undertake an ICS assessment which was performed in November and December 2016; welcomes the fact that the independent consultant concluded that in general the ICSs are effectively implemented;

Internal audit

19. Notes, that the IAS performed a full risk assessment exercise covering the Office's major processes, both operational — according to its mission — and administrative — to support the operational tasks; notes that based on the results of the risk-assessment and considering the current risk profile of the Office, the IAS lowered its number of audit missions for the future and intends to perform one or two assurance engagements in the three-year period;

20. Notes with satisfaction that by the end of 2016, the Office had taken all the necessary steps and submitted replies for all the open recommendations deriving from 2015 audit mission and consequently, the IAS auditors recommended the closure of the open items;

Other Comments

21. Notes that, according to the Court's report, the Office should, together with the Commission, consider commissioning a periodical external performance evaluation at least every five years, as is the case for most of the other agencies; notes with appreciation that the Office is ready to cooperate with the Commission in future evaluations;

22. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2018)0133 (see page 393 of this Official Journal).

DECISION (EU) 2018/1345 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the Office of the Body of European Regulators for Electronic Communications for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Office of the Body of European Regulators for Electronic Communications for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the Office of the Body of European Regulators for Electronic Communications for the financial year 2016, together with the Office's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Office in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0085/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 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]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0069/2018),

1. Approves the closure of the accounts of the Office of the Body of European Regulators for Electronic Communications for the financial year 2016;

2. Instructs its President to forward this decision to the Management Committee of the Office 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 31.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 337, 18.12.2009, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2018/1346 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

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 2016

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 2016,

— 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 2016, together with the Centre's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0063/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 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]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Culture and Education (A8-0106/2018),

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 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 37.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 314, 7.12.1994, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2018/1347 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the 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 2016

THE EUROPEAN PARLIAMENT,

— having regard to 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 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Culture and Education (A8-0106/2018),

A. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability and implementing the concept of performance-based budgeting and good governance of human resources;

B. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the Translation Centre for the Bodies of the European Union ('the Centre') for the financial year 2016 was EUR 50 576 283, representing an increase of 2,0 % compared to 2015;

C. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the Translation Centre for the Bodies of the European Union for the financial year 2016 (the 'Court's report'), has stated that it has obtained reasonable assurances that the Centre's annual accounts are reliable and that the underlying transactions are legal and regular;

Follow-up of the 2015 discharge

1. Strongly regrets that the Centre does not yet have a business continuity plan in place according to the Court's comment and thus is not complying with Internal Control Standard 10; urges the Centre to inform the discharge authority about further action;

Budget and financial management

2. Notes that the budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 89,37 %, representing an increase of 1,21 % compared to the previous year; observes that the payment appropriations execution rate was at 82,19 %, representing an increase of 3,66 % compared to the previous year;

3. Notes that, according to the Court's report in 2016, cash and short term deposits held by the Centre decreased to EUR 34 200 000 (compared to EUR 38 300 000 at the end of 2015) and reserves decreased to EUR 31 100 000 (compared to EUR 34 000 000 at the end of 2015); notes that this decrease results from a budgetary approach which intends to reduce the accumulated surplus from previous years; acknowledges that, according to the Centre, it envisages that the decrease of the budgetary surpluses will be further accelerated in 2017 as a result of the implementation of the new pricing structure that will decrease the average price for translation paid by the Centre's clients;

Commitments and carry-overs

4. Notes that the Centre slightly reduced the overall rate of committed appropriations carried over to the following year from 9,63 % in 2015 to 7,56 % in 2016, representing a 2,07 % decrease; takes note that the high execution of expenses is largely due to the expenditure in Title 1, where 97,80 % of the budget was used;

5. Notes out that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annularity, in particular if they are planned in advance by the Centre and communicated to the Court; points out, however, that the high share of cancelled carry-overs (10 %) could be considered a sign of inaccurate budget planning;

([1]) OJ C 443, 29.11.2016, p. 10.

Staff policy

6. Observes that, according to the establishment plan, 195 posts (out of 197 posts authorised under the Union budget) were occupied in 2016, the same figure as it was in 2015; notes with concern that, based on the number of posts occupied on 31 December 2016, the gender imbalance was 61,64 % female to 38,36 % male in 2016, a ratio imbalance of almost two to one; recommends that this imbalance should be addressed and redressed as soon as possible;

7. Notes that the Centre has so far complied with the target of a 5 % staff reduction (plus 5 % as a 'cruising speed' agency) from 2014 to 2018; insists that the Centre must have the resources required to deliver a first-class translation and language service; advises against future cuts to the Centre's budget or establishment plan;

8. Stresses that the work-life balance should be part of the staff policy of the Centre; notes that the budget spent on well-being activities amounts to EUR 13 754; observes that the average number of sick leave days taken per staff was 13,04 days in 2016;

9. Recalls that the Centre adopted a decision concerning psychological and sexual harassment in 2009; supports trainings and information sessions organised to increase the awareness of psychological and sexual harassment amongst staff;

10. Notes with satisfaction that the Centre did not receive any complaints, law-suits or reported cases linked to the hiring or dismissal of staff in 2016;

Prevention and management of conflicts of interest, transparency and democracy

11. Acknowledges that the Centre's anti-fraud strategy was adopted by its management board in October 2016 and that the Centre will include a chapter regarding transparency, accountability and integrity in its 2017 annual report;

12. Notes with concern that the Centre opted to publish the declarations of interest without curricula vitae due to management problems associated pertaining to the size of its management board (approximately 130 members and alternate members); notes that the director's declaration of interests and curricula vitae are published on the Centre's website;

13. Appreciates that the Centre had no conflict of interest case in 2016;

14. Notes with satisfaction that the Centre has adopted internal rules on whistleblowing in 2008 and modified them in 2014; notes that there were no whistleblower cases in the Centre in 2016;

15. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistleblowers use the right channels to disclose their information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;

16. Regrets that the Centre does not make the minutes of its management board meetings public; calls on the Centre to change its policy;

17. Takes note of the Centre's grounds for refusal to access documents; expects the Centre to use in the most lawful and regular manner the possibility to refuse access to documents while protecting confidential or personal data confidential;

Main achievements

18. Welcomes the three main achievements identified by the Centre in 2016, namely:

— the Centre developed its Strategy 2016-2020 which was adopted by its management board;

— the Centre's new workflow management system (eCdT) was successfully deployed to the Centre's clients;

— the Centre developed a new pricing structure for the translation of documents which resulted in the Centre's clients achieving savings based on the reuse of content stored in the Centre's translation memories;

19. Strongly regrets however that the Centre does not use impact indicators, outcome indicators, or input indicators for its programming documents; notes that the Centre does not perform systematic ex ante assessments for planning and controls, and furthermore calls on the Centre to use systematic ex-post evaluations to measure its performance;

Internal Audit

20. Notes from the Centre that the Commission's Internal Audit Service (IAS) performed a follow-up audit on the Centre's business continuity management and the management of the workflow for translation of documents; observes that all recommendations, except for three, which were to be dealt with in 2017, were adequately and effectively implemented; notes that significant progress was made with the establishment of the business continuity plans which partially mitigate the risks identified and therefore downgraded the level of importance of the recommendation from 'very important' to 'important'; notes furthermore that the IAS acknowledged the ongoing development of the new translation workflow management system, eCdT, but considered that several elements still needed to be finalised before that 'important' recommendation could be considered fully implemented; calls on the Centre to report to the discharge authority on the implementation of the IAS recommendations;

Performance

21. Notes the review of the client satisfaction system in order to develop a more effective process for engaging with clients; welcomes the new approach which was presented to six clients in September 2016, namely the European Union Intellectual Property Office, the European Medicines Agency, the European Chemicals Agency, the European Union Agency for Fundamental Rights, the European Banking Authority and the European Agency for Safety and Health at Work; looks forward to see the streamlined solution that will be fine-tuned and deployed in eCdT during 2017;

22. Expresses its satisfaction that new agreements were signed between the Centre and three entities in 2016, bringing the Centre's total number of clients to 64; calls on Union agencies and bodies to avoid the duplication of translation services wherever possible by making greater use of the Centre's services;

23. Notes from the Centre's annual activity report that on the basis of the end-of-year review performed by the Centre's management, and applying some weighting factors, the overall implementation of the Centre's amended work programme for 2016 is 79,2 % based on the initial budget and 85 % based on the amending budget;

24. Notes with satisfaction that the Centre adopted a new translation quality assurance action plan (TQAAP) for 2015-2016; takes note that the achievement rate target for the TQAAP in the Centre's amended work programme for 2016 was set at 100 % and that, by the end of 2016, 98,2 % of the plan was implemented; acknowledges that the focus was placed on the implementation of a new corpus management tool (MultiTrans) and the automation of the information flow on related translation requests via the new workflow tool, eCdT; welcomes the further progress made with the tests carried out with the Centre-specific machine translation engines;

25. Endorses the Centre's clear commitment to quality, as evidenced through its tough stance on 'repeatedly unsatisfactory' translations from external contractors; welcomes its approach to providing ongoing thematic training both for the Centre's in-house translators and for external contractors as this helps to maintain high quality standards;

Other comments

26. Reiterates its unwavering commitment to multilingualism in the Union as a key platform for engaging with citizens and, as such, as an essential condition for the success of the Union's democratic system; in this regard, suggests that Parliament follow the example of the Council and of the Committee of the Regions and allow translation and interpretation in those languages that have constitutional status at national level ([1]); welcomes the role that the Centre plays in facilitating the work of the Union's agencies and bodies by delivering high-quality translation and language services;

([1]) The Council and the Committee of the Regions entered into an administrative agreement with the Spanish and the UK government to the effect those languages that have constitutional status at national level such as Catalan, Galician, Basque, Welsh and Scottish Gaelic could be used for a variety of purposes, including translation and interpretation. The budgetary implication for the institutions of the Union is, actually, zero, since all costs resulting from its implementation are assumed by the national level. So far, neither the Council nor the Committee of the Regions have reported problems in implementing the agreement.

27. Notes from the Court's report that the Centre's task is to provide the Union agencies and bodies with the translation services necessary for their activities in addition to doing so for the Union institutions which may call on its services; notes moreover that the founding Regulations of most of the agencies and bodies require them to use the Centre's translation services; notes however that several of them (counting for more than half of the Centre's revenue) make increasing use of in house and other alternative solutions, which means that the Centre's capacity is not used to the greatest possible extent and that there is a duplication of systems development and running costs at Union level and that the Centre's business model and continuity could be at risk;

28. Urges the Centre to pursue its efforts to explore innovative language technologies as an aid to its core work; considers that, in developing multilingual terminology sources, such as the IATE database, the Centre helps to ensure that all the official languages of the Union keep pace with emerging concepts;

29. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2018)0133 (see page 393 of this Official Journal).

DECISION (EU) 2018/1348 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the Translation Centre for the Bodies of the European Union for the financial year 2016

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 2016,

— 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 2016, together with the Centre's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0063/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 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]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Culture and Education (A8-0106/2018),

1. Approves the closure of the accounts of the Translation Centre for the Bodies of the European Union for the financial year 2016;

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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 37.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 314, 7.12.1994, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2018/1349 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the European Centre for the Development of Vocational Training for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2016,

— 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 2016, together with the Centre's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0057/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 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]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0068/2018),

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 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 42.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 39, 13.2.1975, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2018/1350 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the 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 2016

THE EUROPEAN PARLIAMENT,

— having regard to 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 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0068/2018),

A. whereas in the context of the discharge procedure, the discharge authority wishes to stress the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;

B. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Centre for the Development of Vocational Training (the 'Centre') for the financial year 2016 was EUR 18 019 949, representing a decrease of 1,83 % compared to 2015; whereas the Centre's budget derives mainly from the Union budget;

C. whereas the Court of Auditors (the 'Court'), in its report on the Centre's annual accounts for the financial year 2016 (the 'Court's report'), states that it has obtained reasonable assurances that the Centre's annual accounts are reliable and that the underlying transactions are legal and regular;

Follow-up of 2015 discharge

1. Notes with satisfaction that the Court's comment on the building, repair work, structural strengthening and various safety issues is now marked as 'completed';

Budget and financial management

2. Notes with satisfaction that the budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 99,99 %, representing an increase of 1,43 % compared to the previous year; furthermore welcomes that the payment appropriations execution rate was at 94,55 %, representing a significant increase of 11,55 % compared to the previous year;

Commitments and carry-overs

3. Notes that the Centre was able to utilise additional savings resulting from the downward adjustment in the salary weighting factor from 79,9 % to 79,3 %; notes with satisfaction that the Centre transferred the ensuing savings in personnel costs to operational activities and successfully managed to commit them before the year end;

4. Notes that carry-overs may often be partly or fully justified by the multiannual nature of the Centre's operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annularity, in particular if they are planned in advance by the Centre and communicated to the Court;

Transfer

5. Notes that the Centre made transfers in 2016, totalling EUR 309 187 from Title I (staff expenditure) and Title II (administrative expenditure) to Title III (operational expenditure); notes with satisfaction that the level and nature of transfers in 2016 remained within the limits of the financial rules;

Procurement

6. Notes that the Centre processed 46 procurement procedures in 2016, of which 46 % were open procedures, 48 % were negotiated procedures and 6 % were restricted procedures;

([1]) OJ. C 113, 30.3.2016, p. 1.

Staff policy

7. Notes that on 31 December 2016 the occupation rate of the establishment plan was 98 %, namely 92 posts filled in the establishment plan which had 94 authorised posts;

8. Notes with appreciation the fact that the Centre remained committed to supporting equal opportunities in recruitment and employment; notes that there was a gender balance of 60 % female to 40 % male staff, which could be improved; welcomes the fact, however, that women are well represented at all grades, including at management level, which is noteworthy for not always being the case;

9. Stresses that work-life balance should be part of the Centre's staff policy; notes that the budget spent on well-being activities amounts to approximately EUR 46 000, corresponding to 0,5 day per staff; calls on the Centre to provide a more thorough breakdown of those expenses to the discharge authority; observes that the average number of sick leave is 7,9 days per staff;

10. Recalls that the Centre adopted a decision concerning the psychological and sexual harassment in November 2011; calls on the Centre to support the organisation of training and information sessions to increase the awareness of the staff;

11. Notes with satisfaction that the Centre did not receive any complaints, law-suits or reported cases linked to hiring or dismissal of staff in 2016;

Prevention and management of conflicts of interests, transparency and democracy

12. Welcome the fact that the Centre has obtained all missing declarations of conflicts of interests from newly appointed board members and that they are now published on its website;

13. Recalls that the Centre adopted its anti-fraud strategy on 22 October 2014, together with its policy on the prevention and management of conflicts of interests; welcomes the fact that the Centre organised regular training sessions in order to raise awareness among its staff on the correct implementation of the strategy and policy;

14. Notes that the Centre adopted guidelines on whistleblowing on 9 February 2017, which are based on the Commission's Guidelines and which satisfy the requirements as set out in Article 22c of the Staff Regulations; notes that the Centre had no whistleblowing case in 2016;

15. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistle-blowers use the right channels to disclose their information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;

16. Regrets the fact that the Centre does not make public the minutes of its management board meetings; calls on the Centre to change its policy in this regard;

Main achievements

17. Welcomes the three main achievements identified by the Centre in 2016, namely that it:

— released the outcome of its three-year project on the role that vocational education and training (VET) can play in addressing early leaving from education and training;

— designed a toolkit that provides practical guidance, tips, good practices and tools drawn from VET to feed into activities and policies which help young people at risk of becoming early leavers to remain in education and training and qualify and to help early leavers to reintegrate into education or training and the labour market;

— published an updated skills and demand forecast projecting trends in employment up to 2025;

18. Regrets, however, that the Centre did not use the impact indicators to monitor the success of those achievements;

Internal audit

19. Acknowledges the fact that all recommendations stemming from the agreed action plan which resulted from the internal audit service (IAS) audit on procurement, including fraud prevention and legal advice at the Centre — carried out in 2015 — were implemented and sent for review by the end of 2016; notes that four out of five recommendations were closed and one was recommended by the IAS to be closed; notes, moreover, that the IAS carried out a risk assessment exercise at the Centre in March 2016 in order to prepare the Strategic Audit Plan for 2017 to 2019;

Performance

20. Notes the Centre's close cooperation with the European Training Foundation and with the European Foundation for the Improvement of Living and Working Conditions, formalised in collaboration agreements;

21. Acknowledges the fact that the Centre actively contributed to a number of activities of the EU Agencies' Performance Development Network, such as the revision of the Commission's Roadmap, while sharing its experience with other Union agencies on developing key performance indicators for Union Agency Directors; notes that the Centre's performance measurement system is an integral part of its planning and reporting processes;

22. Notes the ongoing external evaluation of the Centre, required by the financial regulation, which started in April 2017;

23. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2018)0133 (see page 393 of this Official Journal).

DECISION (EU) 2018/1351 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the European Centre for the Development of Vocational Training for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2016,

— 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 2016, together with the Centre's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0057/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 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]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0068/2018),

1. Approves the closure of the accounts of the European Centre for the Development of Vocational Training for the financial year 2016;

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	*The Secretary-General*
Antonio TAJANI	Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 42.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 39, 13.2.1975, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2018/1352 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the European Union Agency for Law Enforcement Training (before 1 July 2016: European Police College) (CEPOL) for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Law Enforcement Training for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Union Agency for Law Enforcement Training for the financial year 2016, together with the Agency's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0073/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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) and repealing Decision 2000/820/JHA ([4]), and in particular Article 16 thereof,

— having regard to Regulation (EU) 2015/2219 of the European Parliament and of the Council of 25 November 2015 on the European Union Agency for Law Enforcement Training (CEPOL) and replacing and repealing Council Decision 2005/681/JHA ([5]), and in particular Article 20 thereof,

— 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 94 of and Annex IV 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 (A8-0098/2018),

1. Grants the Executive Director of the European Union Agency for Law Enforcement Training discharge in respect of the implementation of the Agency's budget for the financial year 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Union Agency for Law Enforcement 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 47.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 256, 1.10.2005, p. 63.
([5]) OJ L 319, 4.12.2015, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2018/1353 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Union Agency for Law Enforcement Training (before 1 July 2016: European Police College) (CEPOL) for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Union Agency for Law Enforcement Training for the financial year 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0098/2018),

A. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;

B. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Police College (the 'College') for the financial year 2016 was EUR 10 291 700, representing an increase of 17,34 % compared to 2015 due to the grant agreement with the Commission on the EU/MENA Counter-Terrorism Training Partnership; whereas the entire budget of the College derives from the Union budget;

C. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the College for the financial year 2016 (the 'Court's report'), has stated that it has obtained reasonable assurances that the College's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes that the budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 95,95 %, representing an increase of 0,44 % compared to 2015; notes that the payment appropriations execution rate was 78,85 %, representing a slight decrease of 0,15 % compared to 2015;

2. Notes that following signature of the grant agreement with the Commission in 2005 on EU/MENA Counter-Terrorism Training Partnership, a budget of EUR 2 490 504 was agreed, out of which a second instalment of EUR 1 243 891 became available for commitments and payments; notes furthermore that 89 % of the available credits have been committed and 48 % of the available credits have been paid; calls on the College to report to the discharge authority on the external evaluation of that Partnership via its 2017 annual activity report;

3. Acknowledges that, at year-end, the College had paid 91 % of all its financial commitments on time, thereby exceeding the objective of 85 % of all payments being paid within the legally set timeframe; notes that no interest was charged by suppliers for late payments;

4. Notes that a number of staff brought a legal claim against the College disputing the conditions in which the relocation was carried out and its financial impact on their income; notes that an amicable settlement has been reached with some members of staff and the payments were made to this end in 2015 and 2016; notes furthermore that some members of staff appealed the court judgement, which is expected in 2018; calls on the College to report to the discharge authority on the outcome of the appeal;

Commitments and carry-overs

5. Observes that a total of EUR 1 477 288 was carried over to 2017, amounting to 17 % of the overall 2016 budget; notes that, according to the Court's report, the level of carry-overs of committed appropriations was high for Title II (expenditure for support activities) at EUR 140 055, i.e. 30 % (compared to EUR 212 456, i.e. 49 %, in 2015); acknowledges that these carry-overs mainly refer to IT consulting and IT related goods and services ordered late in the year;

([1]) OJ C 113, 30.3.2016, p. 107.

6. Notes that carry-overs are often partly or fully justified by the multiannual nature of the agencies' operational programmes, and do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance and communicated to the Court;

7. Notes that at the end of December 2016, the total 2015 budget implementation, including funds carried forward from 2015-2016, had reached 93 %;

Transfer

8. Notes that the College carried out nine budgetary transfers for the standard operational and administrative budget and two transfers on the authority of the executive director using the flexibility clause according to Article 27.1 (a) of the College's Financial Regulation;

Staff policy

9. Observes from the establishment plan that 25 posts (out of 28 posts authorised under the Union budget) were occupied on 31 December 2016, compared to 26 in 2015;

10. Notes with satisfaction the gender balance achieved by the posts occupied in 2016, since the ratio is 50 % female to 50 % male; notes, however, the gender balance ratio of 69 % to 31 % in the management board;

11. Observes that, as a consequence of the College's relocation from the United Kingdom to Hungary, and due to the significantly lower correction coefficient applied to staff salaries in the new location, the number of resignations has increased; notes that a number of mitigating actions have been implemented; notes, however, that the low grading of posts combined with low correction coefficient does not encourage foreigners (especially from West and Northern Europe) to move to Hungary, and that as a result, the geographical balance of staff is not ensured; observes in this regard that in 2016, 30 % of all College staff were Hungarian, which is a disproportionate number; notes with concern from the Court's report that the high staff turnover may impact business continuity and the College's ability to implement the activities foreseen in its work programme and points out this problem needs to be addressed; notes furthermore that the geographical balance of staff has an impact on staff cost, which led to the decision to transfer unused funds from Title 1 to Title 3 allowing the implementation of additional operational activities;

12. Notes that on average the staff of the College was on sick leave for 4,3 days in 2016; observes with some concern that staff did not spend even one day on well-being activities in 2016 and the only such event was organised after working hours; notes nevertheless that the College has in its answers to the discharge authority indicated that they have spent EUR 3 900 on well-being activities; calls on the College to further explain how this amount was spent;

13. Notes with satisfaction that the College has established a network of confidential counsellors, organised their training and also offered training on prevention of harassment to the staff; notes with satisfaction that there have been no harassment cases reported in 2016;

14. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistleblowers use the right channels to disclose their information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;

15. Notes that the College doesn't use official vehicles;

Prevention and management of conflicts of interest, transparency and democracy

16. Acknowledges that the declarations of interest of senior management and of the Management Board Members have been published on the College's website; acknowledges from the College that its staff and other individuals directly collaborating with the College were requested to fill in a declaration of interest;

17. Notes that with regard to external remunerated experts, the College publishes on its website, as part of the annual list of contractors, the expert contracts awarded by the College; notes, however, that the declarations on conflicts of interest and confidentiality for the remunerated experts are not published on the website; acknowledges that the College will revisit its arrangements on the publication of such declarations; calls on the College to report to the discharge authority on the measures taken;

18. Notes that the College does not publish minutes of management meetings; calls on the College to make such minutes available on its website;

19. Notes that in 2016 the College received one request for access to documents, in response to which the College granted full access to the requested documents;

Main achievements

20. Welcomes the three main achievements identified by the College in 2016, namely:

— its receipt of ISO 9001 certification for two core business areas: residential activities and CEPOL Exchange Programme;

— its completion of the necessary preparations for the implementation of its new mandate that came into effect on 1 July 2016;

— its successful implementation of the EU/MENA Counter-Terrorism Training Partnership project;

Anti-fraud strategy

21. Notes with satisfaction that rules on fraud reporting and the protection of whistleblowers are embedded in the College's anti-fraud strategy;

22. Notes that a revised anti-fraud strategy is scheduled to be adopted by the Management Board in November 2017; calls on the College to report to the discharge authority on the revision of this strategy;

Internal Audit

23. Notes that in November and December 2016 the Internal Audit Service audited the College on 'Training Needs Assessment, Planning and Budgeting' with a focus on its core business activities; notes, moreover, that the draft audit report of March 2017 concludes that while the audit did not result in the identification of any critical or very important issues, the Internal Audit Service considers that there is room for improvement in the utilisation of the Justice and Home Affairs Training Matrix to avoid overlaps with training courses organised by other justice and home affairs agencies; considers that this issue should be addressed as soon as possible;

Performance

24. Notes that in 2016 the College's training portfolio encompassed 174 training activities, of which 87 residential activities and 87 webinars, 492 exchanges in the frame of the European Police Exchange Programme, 27 online modules, one online course; notes with satisfaction that for the sixth year in a row the outreach of the College has increased, resulting in the College training 18 009 law enforcement professionals in 2016 compared to 12 992 in 2015, representing an increase of over 38 %;

25. Notes that the College has a comprehensive assessment system in place to ensure the quality of its training portfolio; notes moreover that the course evaluation aims at assessing training efficiency, but also at measuring participants' satisfaction rates; notes that the overall satisfaction remained high, with 95 % of the participants stating they were very satisfied or satisfied with the College's activities;

26. Points out that the College has effectively delivered the expected products and services in accordance with its 2016 Work Programme;

Other comments

27. Notes that the five-year external evaluation of the College (2011-2015) was completed by the external evaluator in January 2016; notes with satisfaction that the external evaluator has assessed the College as being efficient and that his conclusion is supported by evidence of an increased number of activities implemented by the College over the evaluation period, against a relatively stable number of resources put at its disposal for the same period; notes, however, that the College's five-year evaluation report incorporated 17 recommendations; observes that the action plan was elaborated to address those recommendations and identified 31 actions to be implemented between mid-2016 and end-2018; is concerned that, based the five-year evaluation, there is a clear need for a significant reinforcement of the College with both human and financial resources;

28. Notes with satisfaction that the College has motion-sensor operated lights in the corridors to enable some energy saving, disagrees with the College that while in 2016 premises were made available to the College by the Hungarian authorities they were not involved in the running of the building and had no direct possibility to implement cost-effective or environment-friendly measures;

29. Notes with concern — given that time is increasingly short — that for the time being the College does not have sufficient information to allow a thorough preparation for carrying out future activities after Brexit; notes that Brexit will limit the College's access to United Kingdom law enforcement expertise and its ability to organise training with United Kingdom officials; notes that these aspects might negatively impact the development of common practices, information exchange and ultimately cross-border cooperation on fighting and prevention of crime; recommends that measures be implemented to maintain — at the least — the current level of cooperation; calls on the Commission and the College to update the discharge authority on Brexit-related risk management;

30. Notes that 2016 was the first full year of implementation of the 'EU/MENA Counter-Terrorism Training Partnership project'; welcomes the recognition of this project as a flagship project in the Union's cooperation with MENA countries on Counter-Terrorism;

31. Calls upon the College to implement without delay its aims to increase its online visibility and to further improve its website in order to make it even more relevant to its stakeholders and to better support the work of the College; recommends that the College better report on the impact of its activities, in particular on the security of the Union; recognises the efforts of the College in this direction;

32. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2018)0133 (see page 393 of this Official Journal).

DECISION (EU) 2018/1354 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the European Union Agency for Law Enforcement Training (before 1 July 2016: European Police College) (CEPOL) for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Law Enforcement Training for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Union Agency for Law Enforcement Training for the financial year 2016, together with the Agency's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0073/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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) and repealing Decision 2000/820/JHA ([4]), and in particular Article 16 thereof,

— having regard to Regulation (EU) 2015/2219 of the European Parliament and of the Council of 25 November 2015 on the European Union Agency for Law Enforcement Training (CEPOL) and replacing and repealing Council Decision 2005/681/JHA ([5]), and in particular Article 20 thereof,

— 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 94 of and Annex IV 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 (A8-0098/2018),

1. Approves the closure of the accounts of the European Union Agency for Law Enforcement Training for the financial year 2016;

2. Instructs its President to forward this decision to the Executive Director of the European Union Agency for Law Enforcement 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	*The Secretary-General*
Antonio TAJANI	Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 47.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 256, 1.10.2005, p. 63.
([5]) OJ L 319, 4.12.2015, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2018/1355 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the European Aviation Safety Agency for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Aviation Safety Agency for the financial year 2016, together with the Agency's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0068/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 216/2008 of the European Parliament and of the Council of 20 February 2008 on common rules in the field of civil aviation and establishing a European Aviation Safety Agency, and repealing Council Directive 91/670/EEC, Regulation (EC) No 1592/2002 and Directive 2004/36/EC ([4]), and in particular Article 60 thereof,

— 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 ([5]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0066/2018),

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 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 68.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 79, 19.3.2008, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2018/1356 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Aviation Safety Agency for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Aviation Safety Agency for the financial year 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0066/2018),

A. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening of the democratic legitimacy of the Union institutions through improving on transparency and accountability, implementing the concept of the performance-based budgeting and good governance of human resources;

B. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Aviation Safety Agency (the 'Agency') for the financial year 2016 was EUR 193 398 000, representing an increase of 4,30 % compared with 2015; whereas EUR 36 370 000 of the budget of the Agency derives from the Union budget and EUR 95 926 000 is revenue from fees and charges;

C. whereas the Court of Auditors (the 'Court'), in its report on the Agency's annual accounts for the financial year 2016 (the 'Court's report'), has stated that it has obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Comments on the legality and regularity of transactions

1. Notes that, according to the Court's report, although in 2016 industry financed activities resulted in a deficit of EUR 7 600 000, budgetary results fluctuate over the years and the Agency has accumulated EUR 52 000 000 surplus from this category of activity; recalls that the Agency's founding Regulation establishes that industry fees levied should be adequate to cover the Agency's cost for the related certification activities and thus does not foresee an accumulated surplus;

Budget and financial management

2. Notes that the budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 99 %, representing an increase of 1 % compared to 2015; notes, furthermore, that the payments appropriations execution rate was stable at 91 %;

3. Notes that the commitments for other administrative expenditure increased by EUR 2 140 000 in absolute terms to EUR 24 060 000, representing 16,5 % of the overall percentage of the Agency's budget; notes that this increase is largely due to the costs of the Agency's move to its new premises on 6 June 2016;

Commitments and carry-overs

4. Notes that the budget implementation rate in relation to the execution of payments against amounts carried over to 2016 was above 96 % (compared to 97 % in 2015), above the Commission target of 95 %;

5. Notes that carry-overs are often partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance and communicated to the Court;

Staff policy

6. Observes that in 2016 the Agency filled all available posts authorised in its establishment plan, namely 676 AST and AD posts;

([1]) OJ C 333, 9.9.2016, p. 16.

7. Appreciates a continuous transfer of posts from the Administration categories (Administration and Support, Coordination and Neutral) to Operational, namely 81 %;

8. Stresses that the work-life balance should be part of the staff policy of the Agency; notes that the budget spent for team building and social and sport activities amounts to EUR 176 207,54; notes that the Agency organised 14,5 days of team building events in total; observes that the average number of sick leave is 8 days per staff;

9. Reminds that the Agency already put in place procedures concerning the psychological and sexual harassment; suggests to organise training and information sessions to increase the awareness of the staff; notes that there was no case reported in 2016;

10. Appreciates the fact that the Agency did not receive any complaints, law-suits or reported cases linked to hiring or firing of staff in 2016;

11. Observes that, in order to cope with the challenges of the aviation industry, the Agency decided to operate a dual career system aiming at maintaining and growing competences required by the European Aviation Safety Strategy; looks forward to the implementation of this new career system over the following years until reaching full maturity; calls on the Agency to report to the discharge authority on the results of this new career system;

12. Notes with satisfaction a new initiative launched aiming at recruiting junior talents directly from Universities ('Junior Qualification Programme'); notes that this pilot project aims to bring-in expertise from recent graduates with a high level of academic qualifications, in order to establish a talent pipeline for jobs in the technical domains of the Agency;

13. Welcomes the fact that the Agency was gradually changing the recruitment approach from reactive (identification of needs linked to filling gaps, automatically replacing leavers) to proactive (forward planning, prioritisation and redeployment, and aligning resource needs to overall strategic objectives);

14. Regrets the gender imbalance within the Agency management board members, with a ratio of 78 % to 22 %; acknowledges from the Agency that the representatives are nominated directly and independently by the Member States and the industry and are therefore not under the control of the Agency itself; notes with concern that by reference to the number of all posts occupied on 31 December 2016, gender balance has not been met since the ratio was 34 % female to 66 % male; regrets furthermore, that all five senior management posts were occupied by people of the same gender; calls on the Agency to address and redress this imbalance at every level as a matter of urgency;

Procurement

15. Notes that in 2016 the Agency managed over 40 procurement procedures with the value over EUR 60 000; notes moreover that approximately 400 specific contracts under framework contracts and 150 low value contracts were concluded;

16. Welcomes the corrective measures that have been taken to improve the overall procurement planning in the Agency, such as the signature of Service Level Agreements (SLAs) with operational departments, training of contract managers and awareness to reduce delays as well as unplanned procedures;

Prevention and management of conflict of interest, transparency and democracy

17. Acknowledges that the Agency adopted an anti-fraud strategy in November 2014 to enhance the effective prevention and detection of fraud, as well as to develop counter-procedures; notes that at the end of 2016, all actions foreseen, in particular the delivery of a training course to at least 80 % of the staff, have been completed;

18. Notes that the Agency set up and implemented internal rules on whistleblowing;

19. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistle-blowers use the right channels to disclose their information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;

20. Notes that in 2016, the Agency has produced a specific code of conduct for external experts supporting the work of the Agency including a policy on conflict of interest and a declaration of acknowledgement of the code;

21. Acknowledges from the Agency that it is currently in the process of reviewing its staff 'Policy on impartiality and independence: prevention and mitigation of Conflict of Interest', in order to further improve the internal process for the completion, review and update of declarations of interest; calls on the Agency to report to the discharge authority on the progress made;

22. Welcomes the fact that the Agency published the declarations of absence of conflicts of interests and the CVs of their respective management board members on its website, taking into account remarks made by the Parliament;

Main achievements

23. Welcomes the three main achievements identified by the Agency in 2016, namely:

— the Germanwings action plan was implemented: the Agency proposed measures in the Air Operations and Aircrew Medical domains, as well as a working paper on the issue of balancing patient confidentiality and public safety;

— more than 3 000 certificates were issued, including 18 new Type Certificates;

— a Conflict Zone Alerting System was developed responding to a new area of activity, in close cooperation with the Commission (DG MOVE and DG HOME);

Internal audits

24. Notes that the Commission's Internal Audit Service (IAS) performed two audit engagements in 2016 whereby they assessed the design and the effective and efficient implementation of the management and internal controls systems of the Rulemaking and the European Plan for Aviation Safety (EPAS) activities; notes with satisfaction that during the audit of rulemaking, no findings classified as 'critical' or 'very important' were raised by the IAS;

25. Notes that the Internal Audit Capability (IAC) performed three audit assurance engagements across the Agency in 2016, including Social Committee accounts, Air Traffic Management/Air Navigation Services (ATM/ANS) & Aerodromes, and Mission Management; points out that the main recommendations resulting from the IAC audit work in 2016 were to be implemented in 2017; calls on the Agency to report to the discharge authority on their implementation;

Internal Control

26. Notes that the internal control standards of the Agency include both the 16 internal control standards of the European Commission and the international quality standards (ISO 9001) resulting in 24 EASA Management Standards; notes that these standards were revised and adopted by the Management Board in 2016 to align them with the latest version of the ISO 9001:2015 standards;

27. Notes that in 2016 the Agency performed an annual assessment of the 'EASA management standards', which integrate both the internal control standards and the international standards organisation standards; acknowledges that, as a conclusion of the assessment, the Agency's management system complies with the management standards, thanks to the robust monitoring system which has been established at both management and process level; observes that some potential enhancements were identified regarding the business continuity; acknowledges from the Agency that the business continuity management project is under the second year of development, with all business impact assessments performed and with most of the of the business continuity plans already finished for the identified critical processes;

28. Welcomes the Agency's 2018-2022 European Plan for Aviation Safety (EPAS), with the purpose to provide a transparent framework for safety aviation and to identify major risks and defining the actions to be taken; furthermore calls upon the Member States to develop and implement increased safety programs and share best practices;

29. Notes that 18 ex-post control exercises were performed during 2016, covering the areas of yearly ex-post on school allowances, mission reimbursements to external experts, completed procurement procedures and mission expenditure reimbursements; welcomes the fact that overall all transactions verified were legal and regular;

Other comments

30. Notes with satisfaction that the Agency completed its move to a new, purpose-designed premises during 2016 without any disruption to business;

31. Notes that, according to the Court's report, over the period 2014 to 2016 the Agency spent EUR 9 400 000 (compared to EUR 4 400 000 in 2016) from its accumulated surplus in financing the EUR 12 400 000 refurbishment and removal cost for the Agency's relocation to a new building; notes that the Commission also contributed EUR 3 000 000 from the Union budget for this purpose; notes moreover that this financing split between industry and Union contributions was in line with the standard cost allocation methodology employed by the Agency and resulted in these works being financed, in large part from industry fees;

32. Acknowledges from the Agency that it intends to amend both its Financial and Fees and charges regulations to better formalise the treatment of an accumulated surplus; calls on the Agency to report to the discharge authority on that revision;

33. Stresses that concerning the seat of the Agency, the headquarters agreement between the Agency and the host Member state has been finalised and came into effect on 17 August 2017;

34. Highlights that, according to the Court's report, 70 % of the Agency's 2016 budget was financed by fees from the aviation industry and 30 % from the Union funds; stresses that a future decrease of the Agency's revenue resulting from the United Kingdom's decision to leave the Union is likely and might have a considerable impact on the Agency business plan; appreciates the establishment of a working group to look into this matter, which has already performed a first analysis on the potential risks and impact of Brexit; calls on the Agency to work in close cooperation with other European Institutions, and particularly with the Commission, regarding Brexit negotiations in order to be sufficiently prepared to minimize any negative operational or financial impact that may occur; proposes that the Agency presents the outcomes of this working group to the European Parliament in due time;

35. Reiterates that the revision of Regulation (EC) No 216/2008 of the European Parliament and of the Council ([1]) envisages broadening the scope of competence of the Agency and that, accordingly, the role played by new technologies, such as remotely piloted aircraft systems, must be taken fully into consideration when new competences are assigned; stresses the importance of allocating adequate funding to the Agency to ensure the successful uptake of these new responsibilities and adequate staffing with qualified personnel in order to fulfil additional tasks;

36. Hopes to see an acceleration of the entry into force of the European regulation on drones; highlights the Agency's vital role in ensuring the highest possible level of aviation safety throughout Europe; stresses that, in the context of fast-developing civil aviation services, exemplified by the increasingly widespread use of drones, the Agency should be given the necessary financial, material and human resources to successfully perform its regulatory and executive tasks in the fields of safety and environmental protection, but without compromising its independence and impartiality;

37. Welcomes the political agreement on the revision of the common rules in the field of civil aviation and establishing a European Union Aviation Safety Agency ([2]), as agreed in November 2017 by the Parliament, the Council and Commission; urges the Commission and Member States to provide necessary resources for the new and reinforced competences concerning, among others, risks to civil aviation arising from conflict zones, environmental related topics and the certification and registration of unmanned aircraft;

38. Welcomes the active role of the Agency in the call for proposals under the Horizon 2020 programme; urges the Agency to remain active in the field of research and development;

39. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018 ([3]) on the performance, financial management and control of the agencies.

([1]) Regulation (EC) No 216/2008 of the European Parliament and of the Council of 20 February 2008 on common rules in the field of civil aviation and establishing a European Aviation Safety Agency, and repealing Council Directive 91/670/EEC, Regulation (EC) No 1592/2002 and Directive 2004/36/EC (OJ L 79, 19.3.2008, p. 1).

([2]) See COM(2015) 613: Proposal for a regulation of the European Parliament and of the Council on common rules in the field of civil aviation and establishing a European Union Safety Agency, and repealing Regulation (EC) No 216/2008 of the European Parliament and of the Council.

([3]) Texts adopted, P8_TA(2018)0133 (see page 393 of this Official Journal).

DECISION (EU) 2018/1357 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the European Aviation Safety Agency for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Aviation Safety Agency for the financial year 2016, together with the Agency's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0068/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 216/2008 of the European Parliament and of the Council of 20 February 2008 on common rules in the field of civil aviation and establishing a European Aviation Safety Agency, and repealing Council Directive 91/670/EEC, Regulation (EC) No 1592/2002 and Directive 2004/36/EC ([4]), and in particular Article 60 thereof,

— 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 ([5]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0066/2018),

1. Approves the closure of the accounts of the European Aviation Safety Agency for the financial year 2016;

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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 68.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 79, 19.3.2008, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2018/1358 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the European Asylum Support Office for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Asylum Support Office for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Asylum Support Office for the financial year 2016, together with the Office's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Office in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0087/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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]), in particular Article 36 thereof,

— 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 ([5]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0083/2018),

1. Postpones its decision on granting the Executive Director of the European Asylum Support Office discharge in respect of the implementation of the Office's budget for the financial year 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 79.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 132, 29.5.2010, p. 11.
([5]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2018/1359 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Asylum Support Office for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Asylum Support Office for the financial year 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0083/2018),

A. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;

B. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Asylum Support Office ('the Office') for the financial year 2016 was EUR 65 370 233,75 representing an increase of 309,98 % compared to 2015; whereas the increase was due to new additional tasks expanding its mandate;

C. whereas EUR 29 463 600 derives from the Union budget, EUR 21 710 759 derives from other contributions, mainly in the form of grant agreements from the Commission, and EUR 1 900 134 derives from contributions from associate countries (the Kingdom of Norway and the Swiss Confederation);

D. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the European Asylum Support Office for the financial year 2016 ('the Court's report'), has stated that it has obtained reasonable assurances that the Office's annual accounts are reliable but could not obtain sufficient appropriate audit evidence on the legality and regularity of the underlying transactions;

Follow-up to the 2013 and 2014 discharges

1. Notes with concern the number of outstanding issues and ongoing corrective actions in response to the Court's comments in 2013 and 2014 related to late payments, internal control standards (ICSs) and high staff turnover; calls on the Office to complete the corrective actions as soon as possible in the course of 2018 and report on their implementation to the discharge authority;

Basis for the qualified opinion on the legality and regularity of the underlying transactions and the decision to postpone the granting of discharge

2. Deeply regrets the material findings made by the Court in relation to two out of five significant procurement procedures from 2016 for which payments were incurred during that year, which demonstrates a lack of rigour in the Office's procurement procedures;

3. Recalls that two of the three tenderers participating in one audited procurement procedure for the provision of travel services under a framework service contract amounting to EUR 4 000 000 for the period from 2016 to 2020 were asked to provide additional information in relation to the same selection criteria; recalls that although neither of them submitted the requested information (CVs of the persons who would perform the task at the Office's premises), only one of them was excluded from the procedure for this reason; notes that the other tenderer was awarded the contract on the basis that the relevant CVs would be provided following the award of the contract; is therefore of the opinion that the procurement procedure did not comply with the principle of equal treatment and that the contract was awarded to a tenderer who did not fulfil all selection criteria; considers that the framework contract and associated 2016 payments, amounting to EUR 920 561, are therefore irregular;

([1]) OJ C 248, 29.7.2017, p. 16.

4. Recalls that in February 2016 the Office directly awarded a framework contract for interim services to support it in its response to the migration crisis for a period of 12 months amounting to EUR 3 600 000; deplores the fact that the framework contract was awarded to a single preselected economic operator without applying any of the procurement procedures laid down in the Financial Regulation; considers that the award was therefore not in compliance with the relevant Union rules and that the associated 2016 payments, amounting to EUR 592 273, are irregular;

5. Notes that the amounts involved in relation to the award of those two framework contracts represent 2,9 % of the Office's total 2016 expenditure;

6. Notes that, according to the Office, in the case of the framework contract referred to in paragraph 3, the Office made its decision based on the fact that the contractor that was awarded the contract was the only one with the existing capacity to fulfil the contractual obligations; notes moreover that, in the case of the framework contract referred to in paragraph 4, the Office's actions were in the context of extreme urgency linked to the refugee crisis, which was at its peak at the time, compounded by the necessity to implement Council decisions regarding the emergency tasks entrusted to the Office; notes that the contractor chosen under those extreme circumstances had previously been contracted by another Union agency located in Greece; notes that the decision was documented and approved in an exception request;

7. Asks the Office to report to the discharge authority on the measures taken to remedy the issues identified by the Court before 15 June 2018;

8. Notes that the European Anti-Fraud Office (OLAF) has opened an investigation on the Office's operations; fully respects the independence of OLAF's investigation and the fact that no separate part of such an investigation can be revealed before the entire investigation is closed;

9. Is of the opinion that granting discharge before all the relevant information regarding the Office's operations are fully known would not be responsible; calls on OLAF to inform the discharge authority of the outcome of the investigation as soon as it is closed in order to include any relevant findings in the 2016 discharge report on the Office;

Comments on the legality and regularity of transactions

10. Notes that, according to the Court's report, the Office launched an open procedure (five lots) in August 2016 to award a framework contract to cover its needs for cultural mediators/interpreters in different countries; notes moreover that the total amount of the framework contract for the four lots signed and audited (lots 2 to 5) was EUR 60 000 000 over four years; observes that those four lots were awarded to the same tenderer as first contractor-in-cascade; notes that that contractor met the financial requirements of the selection criteria (EUR 1 000 000 annual turnover) except for one of the three prior years for which an availment contract was signed with a non-profit organisation which committed to make its 'turnover' available to the contractor; recalls the fact that the Financial Regulation permits reliance on the financial and economic capacity of other entities; regrets, however, that in this case it is not clear how the 'turnover' of this entity could be made available or, given the nature of its activities, whether it could support the delivery of the services to be provided; considers that the Office should have rejected the offer as it did not demonstrate compliance with the tenderer's economic and financial capacity requirements; considers the framework contract and all related payments irregular (no payments made in 2016);

Budget and financial management

11. Notes with concern that budget monitoring efforts during the financial year 2016 resulted in a low budget implementation rate of 80,64 %; notes furthermore that the payment appropriations execution rate was 63,40 %;

12. Notes that the Office's work programme was amended three times and its budget four times in order to take into account significant changes that took place during 2016, in particular the significant increase in the operational support activities of the Office in 'hotspots' in some Member States and the implementation of the EU-Turkey Statement; asks the Office to take into account Special Report No 6/2017 of the Court entitled 'EU response to the refugee crisis: the "hotspot" approach', and calls upon the Court to give priority to the follow-up report to this Special Report, which was requested by the Parliament in order to take account of hotspots as part of the wider asylum system of the Union and its Member States;

Commitments and carry-overs

13. Notes that the level of committed appropriations carried over for Title II (administrative expenditure) was high at EUR 2 500 000 or 43,9 % (compared to EUR 1 076 583 or 36,9 % in 2015); acknowledges that these carry-overs mainly relate to IT infrastructure, translations and publications, business consultancy and the costs for management board meetings for which contracts were signed towards the end of 2016 or invoices were only issued in 2017;

14. Notes that carry-overs are often partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance by the Office and communicated to the Court;

Transfers

15. Notes that the executive director effected 20 budget transfers in 2016 to compensate for budget shortfalls and to accommodate the exponentially increasing budgetary needs in hotspots, in particular following the EU-Turkey Statement; notes with concern that one of the four transfers effected between titles was executed by a decision of the executive director even though it exceeded the 10 % threshold laid down in point (a) of Article 27(1) of the EASO Financial Regulation ([1]); notes that the transfer was soon after endorsed by the management board in the second amendment to the 2016 budget;

16. Notes that due to the migration crisis the Office had its budget amended on four separate occasions in 2016 to respond to calls from the Commission and Member States for an operational expansion in light of an increase of asylum-seeker arrivals in 2015-2016; is of the view that this has resulted in difficulties for the Office in absorbing those funds which, in turn, has led to certain cancellations and carry-overs as well as difficulties in complying with budgetary and financial rules; stresses that this situation should be solved in the future;

Procurement and staff policy

17. Regrets the fact that for the payments underlying the Office's accounts, two of the five procurement procedures audited were irregular and had corresponding irregular payments representing 2,9 % of the total expenditure; notes also the signature of an irregular additional framework contract for which no payments were made; notes the fact that the Office has already taken remedial action in 2017 replacing the contracts resulting from those procedures with new contracts; asks the Office to ensure that such irregularities will not be repeated;

18. Notes with concern that out of the 4 861 payments the Office processed in 2016, 2 007 were made after the legal deadline (41 %); notes, however, that this was mainly due to the exponential increase in the budget; acknowledges that, according to the Office, its operational activities increased exponentially leading to a significant increase in the number of financial transactions to be processed by the same number of staff; notes with satisfaction the various measures taken by the Office to address this situation; acknowledges that those measures were expected to lead to the normalisation of payments by the end of the first half of 2017; calls on the Office to report to the discharge authority on the effects of those measures;

19. Notes that, according to the Court's report, contracting authorities are to request in writing details of the constituent elements of the price or cost if they appear to be abnormally low and are to give the tenderer the opportunity to present its observations; notes, however, that for two of the lots (lots 3 and 5), procuring cultural mediators/interpreters in different countries, the Office received financial offers which were 50 % and 31 % respectively lower than the next lowest offers; deeply regrets that, whilst this is indicative of the offers being abnormally low, the Office did not consider it necessary to request any further explanation from the tenderer in this regard;

20. Recalls that in 2014 the Commission, on behalf of more than 50 Union institutions and bodies, including the Office, signed a framework contract with one contractor for the acquisition of software licences and the provision of maintenance and support; notes that the framework contractor acts as an intermediary between the Office and suppliers that can address the Office's needs; notes that for those intermediary services the framework contractor is entitled to uplifts of between 2 % and 9 % of the suppliers' prices; notes moreover that in 2016 total payments to the framework contractor amounted to EUR 534 900; regrets that the Office did not systematically check prices and uplifts charged with the suppliers' quotes and invoices issued to the framework contractor; notes that, according to the Office's reply, the Office was supposed to introduce systematic checks for every quotation above EUR 135 000 from 1 January 2018;

([1]) Decision No 20 of The Management Board of the European Asylum Support Office of 27 December 2013 on the EASO Financial Regulation.

21. Observes that, with the significant increase in tasks attributed to the Office in early 2016, it had its resources repeatedly increased, both in terms of financial appropriations and staff; notes with satisfaction that, in order to absorb and manage those resources in an effective way, it was decided to streamline the Office's internal organisational structure taking into account the new additional tasks assigned to it; notes that the management board adopted a new organisational structure for the Office, as proposed by the executive director, on 12 May 2016; calls on the Office to report to the discharge authority on the improvements expected as a result of this new organisation;

22. Notes that, as of 31 December 2016, the Office had 136 members of staff both in service and appointed, including 86 temporary agents (out of 91 posts authorised under the Union budget), 43 contract agents and 7 seconded national experts; notes that 63,2 % of all staff were female while 36,8 % were male; calls on the Office to pay attention to the gender balance of staff and to take it into account when recruiting in the future;

23. Notes with satisfaction that there was an increase in the category of operational job types from 58,18 % in 2015 to 63,31 % in 2016 due to the rapid increase in operations-related activities during 2016;

24. Notes that the Office has received one complaint following an unsuccessful probationary period; asks the Office to inform the discharge authority after the complaint has been resolved;

25. Notes that in 2016, on average, the Office's staff was on sick leave for a total of 2,4 days; observes with some concern that the Office has not reported on the budget or on the number of days spent per staff member on well-being activities in 2016; regrets that the Office did not name different well-being activities put in place in 2016 as requested by Parliament;

26. Observes with concern that the Office has no harassment prevention policy in place yet; calls on the Office to set up a network of confidential counsellors as part of the policy on protecting the dignity of the person and preventing psychological and sexual harassment and to hold awareness sessions, provide standard information on harassment on its intranet site and introduce a programme for newcomers, including a presentation on health and wellbeing;

Prevention and management of conflicts of interest, transparency and democracy

27. Acknowledges that, according to the Office, in the first half of 2018, it will develop a practical guide for the management and prevention of conflicts of interest as well as binding rules for the protection of whistleblowers; calls on the Office to report to the discharge authority on the implementation of that measure;

28. Notes that the Office will step up the pressure on management board members to provide their declarations of interest for publication; recalls that transparency is a key element for upholding the trust of Union citizens in Union institutions; calls on the Office to report to the discharge authority on the issue;

29. Observes that the Office has not replied to the question whether all meetings with lobbyists were registered and made public; calls on the Office to provide the discharge authority with an answer;

30. Notes that in 2016 the Office received eight requests for access to documents of which the Office granted full access to seven documents and refused the request for one document due to the fact that information was not available to the Office but that referrals to the appropriate authorities were given;

31. Notes that the Office does not have any official vehicles but plans a future purchase of two vehicles;

Main achievements

32. Welcomes the three main achievements identified by the Office in 2016, namely:

— it was active in supporting Member States, in particular Greece and Italy, in dealing with the unprecedented and continued pressure on their asylum systems;

— it fully supported the implementation of the Union relocation scheme in Italy and Greece for persons in clear need of international protection;

— it enhanced its activities to respond in a timely and efficient manner to challenges related to the coherent implementation of the Common European Asylum System;

33. Notes with satisfaction that in 2016 218 trainers participated in 15 'train-the-trainers' sessions organised by the Office; notes moreover that the Office administered 361 national training sessions on its e-learning platform 'EASO Training Curriculum' for 5 833 national staff;

Internal controls

34. Notes that at the beginning of 2016 4 of the 16 ICS were partially implemented and one was not implemented; notes that the Office developed the missing implementing rules to the Staff Regulations (ICS number 3), established its annual performance appraisal system (ICS number 4), ran for the first time a risk management process (ICS number 6), adopted an IT Governance Charter as well as a Project Management Governance Charter (ICS number 7) and made progress in defining and implementing rules for document management by approving the records management policy (ICS number 11); calls on the Office to report to the discharge authority on the improvements related to the implementation of those ICSs;

35. Notes that, according to the Court's report, the grant agreement for the purchase and subsequent donation to the Greek State of 90 fingerprint-scanning machines and 90 compatible computers (equipment) for an amount of EUR 1 100 000 required delivery of the equipment to the IT division of the police in Athens and from there distribution to the hotspots located on the Greek islands; recalls that the description of the action required Office staff to be on the spot to ensure the proper delivery, installation and subsequent ownership transfer of the equipment to the Greek police; deeply regrets, however, that Office staff were not on the spot to meet this requirement and that confirmation from the relevant Greek authorities that the equipment had been delivered to the hotspots in February and early March 2016 and is being used for its intended purpose was only received in July 2017; notes that, according to the Office's reply, the Office had first formally requested confirmation on the delivery and installation of the equipment in the hotspots on 23 May 2016 from the Greek authorities;

36. Observes that in 2016 the Office faced several challenges in its operating environment, including not only a substantial increase in its budget and expansion of its tasks but also a significant increase in the number of transactions, a change of the accounting officer with several interim solutions and the introduction of a paperless workflow system; regrets that this situation of considerable change and instability was neither mitigated by a revalidation of the accounting system nor by introducing a system of regular ex post verifications of transactions; notes that, according to the Office's reply, the revalidation of the accounting system was planned for 2017 and an ex post verification strategy will be considered in the medium term;

Internal audits

37. Notes that in 2016 the Office was subject to an audit conducted by the Internal Audit Service (IAS) on budget execution and procurement plan implementation in the Office; notes that the auditors recognised the ongoing efforts made by the Office to ensure the proper functioning of administrative processes, such as budget execution and procurement, while being confronted with the operational challenges linked to the Office's role in the refugee crisis; notes with satisfaction that the Office has significantly improved the execution of its budget and that budget implementation was deemed satisfactory; notes moreover that although carry-overs were relatively high they were considered justified; is of the opinion that the Office should strengthen its planning for procurement procedures for administrative expenditure; notes that the monitoring of procedures and specific contracts concluded under framework contracts is weak and should therefore be further strengthened; notes that the Office continues to work together with the IAS to develop concrete actions to minimise the identified risks; calls on the Office to report to the discharge authority on the measures taken to improve procurement procedures;

38. Notes that at the beginning of 2016 the Office had three open action plans resulting from three audits conducted in 2014 and 2015; observes with satisfaction that the Office completed 19 out of 20 outstanding follow-up actions stemming from audits conducted by the IAS; notes that the Office expects to close the one recommendation which is still open once the new Regulation establishing the fully-fledged agency is adopted;

Other Comments

39. Notes that on 4 May 2016 the Commission presented a proposal for a new Regulation ([1]) that proposed transforming the Office into a fully-fledged agency;

40. Recalls that, pursuant to Article 46 of Regulation (EU) No 439/2010 ([2]), the Office is to commission an independent external evaluation of its achievements; notes that the thematic scope of the evaluation covered Union added value and the effectiveness and impact of the Office in contributing to the implementation of the Common European Asylum System, including the asylum legislative package; notes that the external evaluators presented their findings and recommendations to the management board in January 2016; notes that the Office agreed to develop an action plan to address the external evaluators' nine recommendations; calls on the Office to report to the discharge authority on the implementation of the action plan;

41. Requests the Office to improve its internal control processes; welcomes the remedial actions that have already been put in place in terms of the adoption of new ICS; draws attention to the lack of proper planning for public procurement procedures and reminds the Office of its importance even in a crisis environment; notes that, according to the Court's report, the Office purchased and installed 65 containers to be used as mobile offices in the Greek and Italian hotspots for a total amount of EUR 852 136; notes that some of the containers were placed in a location where similar containers not belonging to the Office were later destroyed by riots; notes that the Office did not insure the 65 containers against this risk as it considered such insurance to not be cost-effective; notes that the Office had not recovered all its VAT reimbursement in a timely fashion for the years 2014 and 2015; welcomes the fact that this recovery has since been concluded;

42. Notes that the Office amended its lease agreement and, in the second half of 2016, expanded its office space to an additional block of the building where its premises are situated; observes that, as a consequence of the increase in responsibilities and tasks, the number of staff should increase to 500 by the end of 2020 thus creating a considerable demand for more office space; calls on the Office to report to the discharge authority on the expected budgetary consequences of this increase;

43. Notes the opening of offices in Rome and in Athens and the expanding role of the Office across the Union as it reaches out closer to the hotspots;

44. Notes the appointment of liaison officers to the Union institutions in Brussels and to the European Border and Coast Guard in order to foster closer relations and facilitate cooperation in areas of mutual interest;

45. Notes that, according to the Office's answers, the information exchange on Brexit between the Office and the Commission has been thorough and that the Office is following closely the advice of the Commission's Directorate-General on Migration and Home Affairs and is preparing accordingly, also in view of the Office's transformation into a new European Union Agency for Asylum;

46. Observes with dissatisfaction that the Office did not reply to the discharge authority on their efforts to ensure a cost-effective and environmentally friendly working place and to reduce or offset CO_2 emissions; calls on the Office to pay attention also to the environmental implications of its activities, especially in the light of its future growth to up to 500 staff;

47. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018 ([3]) on the performance, financial management and control of the agencies.

([1]) COM(2016) 271.

([2]) Regulation (EU) No 439/2010 of the European Parliament and of the Council of 19 May 2010 establishing a European Asylum Support Office (OJ L 132, 29.5.2010, p. 11).

([3]) Texts adopted, P8_TA(2018)0133 (see page 393 of this Official Journal).

DECISION (EU) 2018/1360 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the European Asylum Support Office for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Asylum Support Office for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Asylum Support Office for the financial year 2016, together with the Office's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Office in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0087/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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]), in particular Article 36 thereof,

— 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 ([5]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0083/2018),

1. Postpones the closure of the accounts of the European Asylum Support Office for the financial year 2016;

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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 79.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 132, 29.5.2010, p. 11.
([5]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2018/1361 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the European Banking Authority for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Banking Authority for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Banking Authority for the financial year 2016, together with the Authority's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0081/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC ([4]), and in particular Article 64 thereof,

— 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 ([5]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A8-0067/2018),

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 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 87.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 331, 15.12.2010, p. 12.
([5]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2018/1362 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Banking Authority for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Banking Authority for the financial year 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A8-0067/2018),

A. whereas, in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;

B. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Banking Authority (the 'Authority') for the financial year 2016 was EUR 36 491 378, representing an increase of 9,19 % compared to 2015; whereas the Authority is financed by a contribution from the Union (EUR 14 071 959, representing 40 %), and contributions from national supervisory authorities of the Member States and observers (EUR 22 419 419, representing 60 %);

C. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the European Banking Authority for the financial year 2016 (the 'Court's report') has stated that it has obtained reasonable assurances that the Authority's annual accounts are reliable and that the underlying transactions are legal and regular;

Follow-up of 2012, 2013 and 2014 discharges

1. Notes that, with regard to one comment made in the Court's 2012 report regarding the education contribution, which was marked as 'ongoing' in the Court's 2013 and 2014 reports, corrective actions were taken by the Authority and contracts were signed with 26 schools attended by children of members of staff, and negotiations with further 4 schools are ongoing;

Budget and financial management

2. Acknowledges that the budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 96,76 %, representing a decrease of 2,58 % compared to 2015, and that the rate of execution of payment appropriations was 88,67 %, representing a decrease of 1,03 %; acknowledges from the Authority that this continued high rate of execution is due to good budget planning and monitoring;

3. Notes that, due to the increase in the value of the Euro against the British Pound in 2016, the Authority requested a decreasing amending budget of EUR 1 572 000;

Commitments and carry-overs

4. Welcomes the fact that the Authority further reduced the overall rate of committed appropriations carried over from 10 % in 2015 to 8 % in 2016, its lowest level ever in the context of a 9 % increase in total budget between the two years;

5. Points out that carry-overs are often partly or fully justified by the multiannual nature of the agencies' operational programmes and do not necessarily indicate weaknesses in budget planning and implementation nor are they always at odds with the budgetary principle of annuality, in particular if they are planned in advance by the Authority and communicated to the Court;

([1]) OJ C 24, 24.1.2017, p. 1.

Transfers

6. Notes that, according to the Authority's final accounts, it executed 34 budgetary transfers during 2016; observes that the limit of 10 % referred to in Article 27 of the Authority's Financial Regulation was never exceeded; notes with satisfaction that the level and nature of transfers in the year 2016 remained within the limits of the financial rules;

Procurement and staff policy

7. Welcomes the fact that, of the 1 164 invoices paid by the Authority in 2016, only 13 (0,9 %) were paid late, and for the third year in a row the Authority paid zero late payment interest;

8. Notes that, according to the Authority's establishment plan, 126 posts (out of 127 posts authorised under the Union budget) were occupied on 31 December 2016, compared to 118 in 2015; notes that the staff of the Authority consists of 50,3 % females and 49,7 % males; observes with satisfaction that the breakdown of the staff by gender is well balanced; regrets, however, the composition of the management board, with six people of all the same gender;

9. Notes that, on average, each member of the Authority's staff was on sick leave for 7,45 days in 2016; observes that the Authority spent 800 GBP (+ VAT) per person on well-being activities, such as health and safety sessions and annual medical examinations;

10. Notes that the political uncertainty that has arisen from the United Kingdom's referendum of 23 June 2016 negatively impacted on the Authority's recruitment plans; calls on the Authority to report to the discharge authority on future developments in their recruitment plans;

11. Notes that the Authority does not use any official vehicles;

Prevention and management of conflicts of interests, transparency and democracy

12. Notes with satisfaction that the Authority has in place a conflict of interest policy for staff, as well as a specific policy applicable to members of the board of supervisors and management board;

13. Notes that 17 cases of conflicts of interest were reported; notes that those cases concerned two types of situations, the holding of shares and former employment; also notes that all members of staff who reported holding shares in institutions had acquired them before joining the Authority and were asked to divest themselves of those shares; acknowledges that a screening of those situations has taken place again in 2017 and confirmed that, in all cases, the shares had been sold; notes that in the case of previous employment of staff, three cases were investigated in 2016, and it was decided to put in place measures whereby the staff concerned would not be involved in cases concerning the competent authorities from where they were on unpaid leave;

14. Welcomes the fact that the declarations of interests and the CVs of members of the board of supervisors and management board, as well as of the Authority's chairperson, executive director and directors, are published on the Authority's website;

15. Notes that the process of the publication of the minutes of the board of supervisors is being reviewed in such a way that the minutes are approved by written procedure and published before the subsequent meeting; calls on the Authority to report to the discharge authority once the process for the publication of the minutes is approved;

16. Notes with satisfaction that the Authority has in place ethics guidelines, which aim to ensure that its staff acts with independence, impartiality, objectivity, loyalty and in a transparent way;

17. Welcomes the introduction of a public meeting register, which serves the purpose of enhancing the transparency of the Authority's activities by reporting the meetings that the Authority's staff have with external stakeholders, and the availability of that register on the Authority's website;

18. Notes with satisfaction that the Authority has developed an anti-fraud strategy for the period 2015–2017; notes that an anti-fraud team, which coordinates the implementation of that strategy consists of the ethics officer and three other members from among the staff, including legal experts and provides mandatory training sessions to all staff members; observes that a risk assessment exercise involving all the Authority's units and departments has been performed to identify fraud risks and estimate how frequent and how severe risk events in these areas could be; calls on the Authority to report to the discharge authority on the outcome of this exercise;

19. Observes that the Authority has adopted an internal whistleblowing policy and implemented a secure whistleblowing channel for its staff;

20. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistleblowers use the right channels to disclose their information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;

Main achievements

21. Welcomes the three main achievements and successes identified by the Authority in 2016, namely:

— the successful development of the single rulebook for banking in the Union, by producing 12 guidelines, 7 final draft implementing technical standards and 15 final draft regulatory technical standards;

— the successful monitoring of various aspects of the single rulebook, including Additional Tier 1 instruments of own funds, remuneration practices and significant risk transfers in securitisations;

— significant progress in ensuring consistency of supervisory reviews, evaluations and supervisory measures across Member States, where its report on supervisory convergence, highlighted progress in the convergence of risk assessment practices following the implementation of the Authority's Supervisory Review and Evaluation Process Guidelines and the establishment and operation of the Single Supervisory Mechanism;

Internal audit

22. Notes that, in February 2016, the Commission's Internal Audit Service (IAS) performed a full risk assessment of all processes of the Authority (administrative, financial, operational and IT) to serve as a basis for the preparation of the new Strategic Internal Audit Plan covering the period 2017–2019; notes moreover that in November 2016, the first audit on Supervisory Convergence — Colleges and training took place; calls on the Authority to report to the discharge authority on the outcomes of these audits;

23. Notes that, in September 2016, the IAS conducted a follow-up desk review on the outstanding recommendations from the 2013 audit; welcomes the fact that the remaining recommendations have been adequately and effectively implemented and have been closed; notes that during 2016, no critical recommendations were issued or closed and on 1 January 2017 there was no open critical recommendation;

Other Comments

24. Notes with satisfaction that in 2016 the Authority was engaged in various activities to lower the environmental footprint;

25. Notes that the Court issued an 'emphasis of matter paragraph' for the two London-based agencies, concerning the United Kingdom's decision to withdraw from the Union; notes that, in view of the decision on its future location, the Authority has disclosed as contingent liabilities in its financial statements the residual EUR 14 000 000 cost related to the office lease contract (assuming its cancellation by the end of 2020) and the fact that other potential costs associated with relocation, such as the relocation of staff together with their families, cannot yet be estimated; notes furthermore that a future decrease in the Authority's revenue resulting from the United Kingdom's decision to withdraw from the Union is possible; calls on the Authority to report to the discharge authority on the costs of the relocation;

26. Notes that the Authority signed a 12-year-lease with an end date of 8 December 2026 and that, under normal contractual conditions, there is a liability to pay the full rent for the entire period; observes, however, that the Authority has negotiated a break-out clause at the midway point of the contract, meaning that if the clause is exercised, the Authority would be relieved of the obligation to pay the rent for the final six years; notes however that the Authority has the obligation to repay half of the incentive (16 months rent — equivalent to EUR 3 246 216) it had received at the beginning of the contract and which was based on the full 12 years term of the contract (32 months rent free) and that the re-instatement of the building to the initial condition has to be performed by the end of the occupancy, regardless of when the tenant leaves; recommends that lessons should be learned from this experience in the negotiation of all future rental contracts;

27. Observes with satisfaction that the Commission is keeping the Authority updated on the developments related to the United Kingdom's decision to withdraw from the Union which affect the Authority; observes that the functioning of the Authority must be ensured during the transition period;

28. Welcomes the fact that, in the interests of business continuity, the city hosting the new headquarters of the Authority has been selected within a reasonable period of time; points out that Parliament will play its part to the full in putting that decision into practice;

29. Stresses that, while making sure that all assignments resulting from the regulatory framework laid down by Parliament and the Council are carried out in full and within deadline, the Authority should carefully adhere to the tasks, should not go beyond the mandate assigned to it by Parliament and the Council and should pay particular attention to the principle of proportionality, so as to optimise the use of resources and to achieve the objectives mandated to it by Parliament and the Council;

30. Points to the central role of the Authority in ensuring better oversight of the Union financial system to ensure financial stability, the necessary transparency and greater security for the Union financial market, in particular by coordinating supervision between national supervisory authorities, by cooperating where necessary with institutions responsible for international supervision, as well as by overseeing the consistent application of the Union law; emphasises that such cooperation should be based on an atmosphere of trust; underlines the role of the Authority in contributing to and promoting convergent supervisory practices at a high-level in the area of consumer protection;

31. Notes that, as the Authority's workload is increasingly shifting from regulatory tasks to enforcing and applying the Union law, the Authority's budget and manpower should be reallocated internally; regards it as essential that the Authority have sufficient resources to carry out its assignments in full, including dealing with any additional workload necessitated by those assignments, whilst ensuring an appropriate level of prioritisation as regards resource allocation and budgetary efficiency; in addition, points out that any increase in the Authority's workload may be dealt with internally through the reallocation of budgetary resources or manpower, provided that such reallocation does not impair the full exercise by the Authority of its mandate and ensures the Authority's independence in the performance of its supervisory tasks;

32. Underlines that the resources made available to the Authority should be used in accordance with clear priorities and with a clear focus on the mandate in order to achieve the desired objectives efficiently; notes the need to properly assess the Authority's work on a regular basis in an effort to effectively, transparently and credibly make use of its resources;

33. Expects the Authority to provide Parliament and the Council with up-to-date and comprehensive information about its work on a regular basis, in particular in connection with the establishment of binding technical standards, opinions and rules, in order to exhibit transparency to Union citizens and to demonstrate its priority to protect consumers;

34. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2018)0133 (see page 393 of this Official Journal).

DECISION (EU) 2018/1363 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the European Banking Authority for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Banking Authority for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Banking Authority for the financial year 2016, together with the Authority's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0081/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC ([4]), and in particular Article 64 thereof,

— 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 ([5]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A8-0067/2018),

1. Approves the closure of the accounts of the European Banking Authority for the financial year 2016;

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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 87.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 331, 15.12.2010, p. 12.
([5]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2018/1364 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the European Centre for Disease Prevention and Control for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2016,

— 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 2016, together with the Centre's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0070/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 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]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0085/2018),

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 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 92.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 142, 30.4.2004, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2018/1365 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Centre for Disease Prevention and Control for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Centre for Disease Prevention and Control for the financial year 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0085/2018),

A. whereas in the context of the discharge procedure, the discharge authority wishes to stress the particular importance of further strengthening of the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;

B. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Centre for Disease Prevention and Control ('the Centre') for the financial year 2016 was EUR 58 247 650, representing a slight decrease of 0,35 % compared to 2015; whereas 97,46 % of the Centre budget derives from the Union budget;

C. whereas the Court of Auditors ('the Court') in its report on the annual accounts of the European Centre for Disease Prevention and Control for the financial year 2016 ('the Court's report'), has stated that it has obtained reasonable assurances that the Centre's annual accounts are reliable and that the underlying transactions are legal and regular;

Follow-up of 2015 discharge

1. Acknowledges from the Centre that, following the Court's comments on various weaknesses found regarding the transparency of the Centre's procurement procedures, the Centre has changed the format and process it uses to create the financing decision for its procurements; calls on the Centre to report to the discharge authority on the implementation of this procedure;

Comments on the legality and regularity of transactions

2. Notes that, according to the Court's report, in May 2015, the Centre's Director ad interim was appointed by a management board decision; highlights the fact that, as of 31 December 2016, that posting exceeded the one year maximum period stipulated in the Staff Regulations by eight months; regrets moreover that this has also resulted in 15 additional ad interim arrangements for other staff; notes that, according to the Centre's reply, it considers the appointment was done in accordance with the Staff Regulations as well as with Regulation (EC) No 851/2004 ([2]), since the initial recruitment for the post of director was unsuccessful and, for operational continuity purposes, the acting arrangement was extended beyond the 12 months limit; stresses that during this extension, at the request of the management board, the member of staff concerned accepted to forego the financial compensation provided for in the Staff Regulations while temporarily occupying a post with a higher grade;

Budget and financial management

3. Notes that the budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 98,02 %, representing an increase of 3,97 % compared to 2015; takes note that the payment appropriations execution rate was 79,26 %, representing an increase of 2,99 % compared to the previous year;

4. Recalls that, as a Union agency, the Centre has a budget which is denominated in euro; however, since its seat is outside the euro area (in Sweden), a lot of its expenses are incurred in Swedish krona (SEK); furthermore, the Centre is exposed to exchange rate fluctuations since not only does it have bank accounts in Swedish krona, it also carries out certain transactions in other foreign currencies;

([1]) OJ C 84, 17.3.2017, p. 45.
([2]) OJ L 142, 30.4.2004, p. 1.

Commitments and carry-overs

5. Notes that, according to the Court's report, as in previous years, committed appropriations carried over for Title III (operational expenditure) were high at 41 % (EUR 7 900 000); acknowledges that the carry-overs mainly relate to multiannual projects in the areas of scientific advice (EUR 2 400 000), surveillance (EUR 1 300 000), public health training (EUR 1 400 000) and public health IT (EUR 2 100 000); notes that the Court in its report suggests that the Centre consider introducing differentiated budget appropriations to better reflect the multiannual nature of operations and unavoidable delays between the signature of contracts, deliveries and payments; notes that, according to the Centre's reply, it will analyse the situation in liaison with the Court;

6. Points out the carry-overs are often partly or fully justified by the multiannual nature of the agencies' operating programmes, do not necessarily indicate weaknesses in budget planning and implementation, and are not always at odds with the budgetary principle of annuality; acknowledges the fact that the carry-overs are in many cases planned in advance and communicated to the Court;

Staff policy

7. Notes that the management board carried out interviews for the appointment of the director of the Centre for the 2016–2021 period and, following the unsuccessful voting procedure (none of the candidates received a 2/3 majority of votes), reviewed the vacancy notice and decided to reopen the call for the position of director; takes note that the former Acting Director was elected as the new Director on 22 March 2017;

8. Acknowledges from the Centre that the total number of statutory staff stabilised at 260 in 2016; notes furthermore that the total number of temporary agents in place at the Centre was 162 (out of 186 posts authorised under the Union budget), the total number of contract agents was 95 and the number of seconded national experts was three, by the end of 2016; takes note that the turnover rate for temporary agents and contract agents was 7 % in 2016;

9. Notes with concern that, as regards the total number of posts occupied on 31 December 2016, the gender balance ratio was 62 % female to 38 % male; notes, furthermore, the gender balance ratio of 60 % and 40 % in the Management Board;

10. Notes that the majority of the Centre's jobs (74,4 %) are related to the implementation of activities linked to the Centre's operational work, 17,5 % of the jobs belong to 'administrative support and coordination', while 8,1 % of the jobs are defined as neutral;

11. Notes with satisfaction that the Centre reorganised and further integrated procurement, finance, mission and meetings, and introduced e-Administration (based on the Commission e-PRIOR application suite) which has been a major step towards making the Centre more efficient;

12. Stresses that work-life balance should be part of the staff policy of the Centre; notes that the budget spent on well-being activities amounts to approximately EUR 810 per member of staff, including medical screening activities, and corresponds to 1,5 days of well-being activities per staff in 2016; observes that the average number of days of sick leave is 1,10 per member of staff which is extremely low;

13. Appreciates the fact that the Centre adopted implementing rules on the policy on protecting dignity of the person and preventing harassment; supports the training session organised to increase the awareness of the staff and suggests regularly organising training and information sessions on the matter;

14. Notes with satisfaction fact that the Centre did not receive any complaints, law-suits or reported cases linked to hiring or dismissal of staff in 2016;

Prevention and management of conflicts of interests, transparency and democracy

15. Acknowledges from the Centre that, as it relies on many internal and external experts who together shape the scientific position of the Centre, an independence policy was finalised and approved by the management board in June 2016 to ensure transparency and identify conflicts of interest; notes that the implementation of this policy is overseen by a compliance officer;

16. Takes note that all staff are required to submit a declaration of interests before taking up duty; notes moreover that all staff involved in a particular procurement procedure have to sign a declaration of absence of conflict of interest for that particular procedure;

17. Notes that an electronic system for the submission of declarations of interest was deployed in order to minimise the amount of errors in the submitted documents; acknowledges from the Centre that that system facilitates the implementation of the independence policy and increases the compliance rate;

18. Observes that, in addition to the internal procedure on meetings with the pharmaceutical industry, an internal procedure on the conclusion of memoranda of understanding and collaboration agreements with third parties is under development; calls on the Centre to report to the discharge authority on the progress made in that process;

19. Welcomes the fact that the Centre adopted an internal procedure on whistleblowing, describing the roles of the actors and the processes to follow;

Main achievements

20. Welcomes the three main achievements identified by the Centre in 2016, namely:

— it published a study on the burden of health care associated infections (HAI) in Europe;

— it supported the global response to the Zika virus outbreak by providing regular risk assessments and teaming up with the World Health Organisation and United States Centres for Disease Prevention and Control on Zika virus travel advice;

— it participated in the first mission of the recently established European Medical Corps to Angola to assess the implications of the yellow fever outbreak for Union citizens;

21. Notes with satisfaction that the Centre cooperates with the European Food Safety Agency and the European Medicines Agency, for instance on issues relating to antimicrobial resistance and vaccines;

22. Notes that, according to the follow-up report, the Centre is currently reviewing the indicators of its single programming document; notes moreover that the new set of indicators was finalised and was expected to be approved by the management board in November 2017; takes note that according to the Centre, evaluations are a more effective tool than indicators to measure impact;

Internal controls

23. Notes that since 2006 the Centre has Internal Control Standards (ICS) in place; acknowledges from the Centre that all its ICS have been implemented;

24. Notes that, according to the Centre, it has a procedure in place to ensure that overrides of controls or deviations from established processes and procedures are documented in exception reports; notes that 40 such exceptions were recorded in 2016, representing an increase of 12 exceptions compared to the previous year; notes that an action plan to reduce their number was developed;

25. Notes with satisfaction that the Centre has an anti-fraud strategy in place, following the guidelines issued by the European Anti-Fraud Office;

Internal audit

26. Notes that, according to the Court's report, in its audit report dated October 2016, the Commission's Internal Audit Service (IAS) highlighted that, while acknowledging the Centre's ongoing efforts to strengthen its internal procurement controls, there are still significant weaknesses in the procurement process; notes that the IAS concluded that the planning and the monitoring of procurements are weak and that procurements are not always covered by its Annual Work Programme or financing decision; takes note that a reference is also made to the Court's Report on the annual accounts of the Centre for the financial year 2015 and the reported weaknesses affecting the transparency of procurement procedures; observes that the Centre and the IAS agreed on a plan to take corrective action;

27. Takes note that the IAS performed an audit on the procurement process in the Centre in May 2016; is furthermore concerned by the fact that the final report was issued in October 2016 and that it included three 'very important' observations and two 'important' observations; acknowledges that the Centre prepared an action plan which was to be implemented throughout 2017; calls on the Centre to report to the discharge authority on the implementation of this action plan;

Other comments

28. Notes that in spring of 2016, the Centre forwarded a new building project proposal to the Parliament and Council which was presented to Parliament's Committee on Budgets and to the Budget Committee of the Council, and received a favourable opinion from both institutions; takes note that on 26 July 2016, the Centre signed a new lease agreement and will therefore be moving to new premises in the first half of 2018;

29. Notes that the Centre's mission is to identify, assess and communicate current and emerging threats to human health posed by infectious diseases; stresses that in 2016, the Centre responded to 41 formal requests received from the European Commission, 19 of which were forwarded from Members of the European Parliament; notes that the Centre published a total of 158 reports (compared to 170 in 2015), including 38 Rapid Risk Assessments to support Member States and the Commission, and 69 surveillance reports;

30. Welcomes the support the Centre provided during the sudden outbreak of the Zika virus, noting, though, that there are lessons to be learned from the reaction to that outbreak, as mentioned in the conclusions of a relevant UNESCO workshop ([1]), as well as the support provided during the large multi-country outbreak of Salmonella; notes that the Centre improved its disease surveillance system, particularly by expanding the online Surveillance Atlas of Infectious Diseases, and promoted access to up-to-date information on European public health issues, through different tools;

31. Congratulates the Centre on receiving the European Health Award 2016 for its European Antibiotic Awareness Day which aims to provide a platform to support national campaigns on the prudent use of antibiotics, and was recognised as being an outstanding project for the promotion of health in Europe;

32. Notes that a number of activities included in the Centre's work programme for 2016 were not implemented due to resources constraints;

33. Recalls that Decision No 1082/2013/EU of the European Parliament and of the Council ([2]) provides the framework to address, coordinate and manage serious cross-border health threats in cooperation with Member States, the World Health Organisation, the Centre and other international partners, and establishes the Early Warning and Response System (EWRS); acknowledges the fact that the Centre's experts and the EWRS, which the Centre operates on behalf of the European Commission, are key resources for the response to cross-border health threats at Union level; welcomes the further steps taken by the Centre in 2016 to implement that Decision;

34. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018 ([3]) on the performance, financial management and control of the agencies.

([1]) https://en.unesco.org/news/media-and-humanitarians-crisis-situations-lessons-learned-zika-outbreak

([2]) Decision No 1082/2013/EU of the European Parliament and of the Council of 22 October 2013 on serious cross-border threats to health and repealing Decision No 2119/98/EC (OJ L 293, 5.11.2013, p. 1).

([3]) Texts adopted, P8_TA(2018)0133 (see page 393 of this Official Journal).

DECISION (EU) 2018/1366 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the European Centre for Disease Prevention and Control for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2016,

— 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 2016, together with the Centre's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0070/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 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]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0085/2018),

1. Approves the closure of the accounts of the European Centre for Disease Prevention and Control for the financial year 2016;

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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 92.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 142, 30.4.2004, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2018/1367 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the European Chemicals Agency for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Chemicals Agency for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Chemicals Agency for the financial year 2016, together with the Agency's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0077/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC ([4]), and in particular Article 97 thereof,

— 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 ([5]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0086/2018),

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 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 98.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 396, 30.12.2006, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2018/1368 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Chemicals Agency for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Chemicals Agency for the financial year 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0086/2018),

A. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;

B. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Chemicals Agency ('the Agency') for the financial year 2016 was EUR 110 840 957, representing a decrease of 7,82 % compared to 2015;

C. whereas the Agency received Union subsidies of EUR 60 937 000, representing a significant increase of EUR 55 903 000 due mainly to the implementation of the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) ([2]), Biocidal Products (BPR) ([3]) and Prior Informed Consent (PIC) ([4]) Regulations;

D. whereas the Court of Auditors (the 'Court') in its report on the annual accounts of the Agency for the financial year 2016 ('the Court's report'), has stated that it has obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

1. Recalls that the Agency is a consolidated entity, in accordance with Article 185 of the Financial Regulation.

Budget and financial management

2. Notes that budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 97 %, representing a decrease of 1,48 %; notes moreover that the payment appropriations execution rate was 86 %, representing a decrease of 1,84 % compared to the previous year;

3. Points out that in 2016, the fees and charges collected covered 46 % of the Agency's expenditure including for the first time a high proportion of fees from authorisation applications; calls in this respect for safeguards to be built into the Agency's work so that it can remain independent vis-à-vis the industry, and, in particular, to retain a critical, independent attitude towards industry's own research;

4. With regard to biocidal products notes that, as referred to in Article 208 of the Financial Regulation, in 2016 the Agency collected fee income totalling EUR 7 612 146 (compared to EUR 5 423 667 in 2015), while the Union subsidy amounted to EUR 850 000 (compared to EUR 5 789 000 in 2015), and that additionally, the received EFTA contributions, including Switzerland, reached EUR 142 379;

([1]) OJ C 443, 29.11.2016, p. 21.

([2]) Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC (OJ L 396, 30.12.2006, p. 1).

([3]) Regulation (EU) No 528/2012 of the European Parliament and of the Council of 22 May 2012 concerning the making available on the market and use of biocidal products (OJ L 167, 27.6.2012, p. 1).

([4]) Regulation (EU) No 649/2012 of the European Parliament and of the Council of 4 July 2012 concerning the export and import of hazardous chemicals (OJ L 201, 27.7.2012, p. 60).

5. Acknowledges the fact that with regard to the PIC Regulation and as referred to in Article 208 of the Financial Regulation, in 2016 the Union subsidy to the Agency for certain hazardous chemicals and pesticides in international trade amounted to EUR 1 151 000;

6. Notes with concern that the Union regulatory agencies responsible for the risk assessment of regulated products, in particular the Agency and the European Food Safety Authority (EFSA), do not have sufficient resources to effectively fulfil these responsibilities; the Agency and EFSA should therefore be granted sufficient resources in order to carry out their specific responsibilities;

Transfers

7. Notes that the Agency made in total 23 transfers amounting to EUR 816 000; notes with satisfaction that the level and nature of transfers in 2016 have remained within the limits of financial rules;

Commitments and carry-overs

8. Notes from the Court's report that carry-overs of committed appropriations remained high for Title III (REACH operational expenditure) at EUR 10 100 000, i.e. 39 % (compared to EUR 7 300 000 in 2015, i.e. 32 %) and are even higher for Title IV (biocides operational expenditure) at EUR 1 300 000, i.e. 68 % (compared to EUR 1 500 000 in 2015, i.e. 74 %); draws attention to the Court comment advising the Agency to consider increasing the use of differentiated budget appropriations to better reflect the multi-annual nature of operations and unavoidable delays between the signature of contracts, deliveries and payments;

9. Notes from the Agency's reply that the highest carry-over amounts stem from multi-annual IT development projects and rapporteur contracts for substance evaluation which entail a statutory 12-month period starting from the adoption of the Community rolling action plan in March; notes that for the latter, the Agency has already created a differentiated budget line for 2017, which will reduce the nominal carry-over rate for 2017 and beyond; notes that for IT expenditure, the Agency will also consider the possibility of using differentiated budget lines going forward; calls on the Agency to report to the discharge authority on any decision taken on that matter;

10. Notes that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance and communicated to the Court;

Procurement and staff policy

11. Notes that the recruitment target of the Agency was achieved with 98 % of posts filled at the end of 2016 for REACH/CLP ([1]) (classification, labelling and packaging of substances and mixtures) and PIC (export and import of hazardous chemicals);

12. Observes from the establishment plan that 455 temporary posts (out of 465 authorised under the Union budget) were occupied on 31 December 2016, compared to 467 in 2015;

13. Notes that out of 590 (full time equivalents) members of staff in 2016 the Agency was employing nine seconded national experts, 101 contract staff, three interim staff and 22 consultants;

14. Notes with appreciation that by the number of posts occupied on 31 December 2016 gender balance has been met since the ratio is 53 % female to 47 % male;

15. Notes with satisfaction that in comparison with the 2015 benchmarking exercise at the Agency, there was an increased percentage of operational staff and a decreased percentage of administrative support staff, in line with the Commission benchmarking results;

16. Notes that in 2016 the Agency signed 630 contracts, out of which 423 contracts were under framework contracts and 207 contracts as a result of new tendering procedures; notes that the 26 contracts included in the latter category were signed as a result of exceptional negotiated procedures based on the relevant rules of the Financial Regulation; notes with satisfaction that the annual list of contractors is published by the Agency on its website by 30 June of each year for the previous year;

([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).

17. Notes that on average the Agency's staff was on sick leave for 7,9 days in 2016; observes with some concern that the number of days spent per member of staff on well-being activities in 2016 has been less than one day; acknowledges that the Agency implemented its first health and well-being action plan at organisational level and reported on the well-being activities it put in place in 2016, such as team-building, away days, seasonal events, sports facilitation, health education, medical screening, family support and psychological counselling;

18. Notes with satisfaction that the Agency operates a network of confidential counsellors which consists of colleagues from different units of the Agency who were trained to deal informally with conflicts at work and cases of alleged harassment;

19. Notes with satisfaction that in 2016 the two cases reported by confidential counsellors involving perceived elements of harassment were dealt with under the framework of the informal procedure and that no formal procedure was opened and, hence, no cases were brought before the court;

20. Notes that the Agency uses one official vehicle to provide transportation to the executive director while exercising his or her official functions but does not allow for its private use;

Prevention and management of conflicts of interests, transparency and democracy

21. Notes with satisfaction that the Agency, in line with the discharge authority's recommendation from 2014, has included in its 2016 annual report a separate chapter on transparency, accountability and integrity;

22. Notes with satisfaction that under the Agency's transparency policy, major improvements were made available to the public in 2016, including completely newly designed Agency's dissemination portal and a microsite for informing consumers about chemicals;

23. Notes that, on the basis of its procedure for prevention and management of potential conflicts of interest, the Agency has implemented an approach which involves a systematic check for potential conflicts before assigning tasks to members of staff; notes furthermore that, once they take up their function, all members of the Agency's bodies have their annual declaration of interest reviewed by their respective chair and published on the Agency's website;

24. Acknowledges that, when leaving the Agency, members of staff have to sign a declaration related to post-employment duties; notes that out of the 22 members of staff who left the Agency in 2016, in only one of these cases, the Agency saw it necessary to impose specific conditions before authorising the new employment;

25. Notes that the Agency adopted the guidelines for whistleblowers in June 2015; notes that the Agency's internal control systems are designed with fraud prevention embedded, with emphasis on risky areas such as financial transactions, procurement and selections; notes that the Agency's updated anti-fraud strategy was adopted in December 2016 with a focus on developing a widespread anti-fraud culture in the Agency; notes with satisfaction that actions implemented during 2016 include a mandatory online training on prevention of conflicts of interest and an all-staff training by the European Anti-Fraud Office (OLAF) on fraud prevention;

26. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistleblowers use the right channels to disclose their information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;

27. Notes that in 2016 the Agency received 85 requests for access to which the Agency granted a full access to 11 requests, 23 requests were granted only partial access and for six requests the access to documents were refused; calls on the Agency to ensure that these requests are addressed in the proper spirit of openness and transparency, and treated accordingly;

Main achievements

28. Welcomes the three main achievements identified by the Agency in 2016, namely:

— significant efforts made to support in particular small and medium-sized enterprises (SMEs) through adequate IT-tools and multi-lingual guidance in light of the 3rd REACH registration deadline and a new free cloud-based service for SMEs starting from 2017;

— upgraded dissemination portal providing access to gathered data in three levels of detail, ensuring it is easy to understand by the general public as well as by more specialised technical-scientific readers;

— publishing the second five-year report on the operation of the REACH/CLP containing commitments to further improvements as well as recommendations to the Commission and Member State competent authorities; this report contributed to the Commission's preparatory studies for the REFIT evaluation of REACH;

Internal audit

29. Notes that in 2016 an audit on 'Operations under the Biocidal Products Regulation in ECHA' was conducted by the Commission's Internal Audit Service (IAS); notes furthermore that as a result, the IAS issued three 'important' and no 'very important' nor 'critical' recommendations; acknowledges the fact that the Agency developed an action plan in response to the issued recommendations; calls on the Agency to report to the discharge authority on the implementation of this action plan;

30. Notes that the assurance audits on 'Follow-up to dossier evaluation', 'Expert groups in ECHA' as well as 'Appeal proceedings before the Board of Appeal' were carried out by the Agency's Internal Audit Capability (IAC); notes that the audits resulted in two 'very important' and several 'important' recommendations; acknowledges the fact that the action plans developed by the Agency's management to respond to the recommendations of the IAC were considered by the IAC as adequate;

Performance

31. Notes that in December 2016 the Agency started together with EFSA to draft guidance in identifying chemicals with endocrine disrupting properties;

32. Notes with satisfaction that the Agency works on improving the impact measurement as part of the work on the multi-annual section of its programming document 2019-2021; notes moreover that the Agency is introducing an increasing number of indicators in order to better measure its performance and impact; notes moreover that the EU Agencies Network is jointly developing an EU decentralised agencies performance framework; calls on the Agency to report to the discharge authority on the implementation of these indicators;

33. Acknowledges the fact that the Court's report states that, unlike most other agencies, the Agency's founding regulation does not explicitly require periodical external evaluations of its activities, which are key elements to assess performance; notes however from the Agency's reply that the Commission commissioned an external performance evaluation study in 2016 and that the consultant's report has already been published on the Commission's website; calls on the Commission to include the mandatory periodical evaluation in any future proposal for a revision of the Agency's founding regulation; calls on the Agency to facilitate, on a voluntary basis, any and all such external evaluations, particularly by the Court, until such time as the requisite legislation is put in place;

34. Notes that approximately 10 700 registration dossiers (mainly updates) and 200 product and process orientated research and development notifications were received in 2016 and that the total number of submissions increased by 29 % compared to 2015;

Other comments

35. Notes from the Court's report that the Agency's budget is partly financed by fees from Union economic operators; observes that the amount of fees fluctuates every year depending on the volume of registrations of substances; notes that a future decrease of the Agency's revenue resulting from the United Kingdom's decision to leave the Union is possible; calls on the Agency to report to the discharge authority on the mitigating measures that may be adopted;

36. Notes that the United Kingdom's decision to leave the Union also poses operational risks for the Agency since the Union chemicals legislation which the Agency manages (REACH, BPR, CLP and PIC Regulations) are also internal market regulatory laws; notes that reducing the jurisdiction to which these regulations apply to EU-27 will create an additional workload for providing advice and assistance to the United Kingdom's companies which will be in a 'third country' as well as a transitional workload caused by transferring regulatory work from the United Kingdom to the EU-27; notes that as all regulatory processes are IT-supported, the Agency's IT tools will require re-tooling; notes moreover that the potential loss of United Kingdom citizens currently employed as experts will also have an operational impact; calls on the Agency to proactively plan and prepare for any and all such potential losses; calls on the Agency to work in close cooperation with the Commission regarding the negotiations relating to the United Kingdom's decision to leave the Union in order to be sufficiently prepared to minimize any negative operational or financial impact that may occur;

37. Notes with satisfaction that the Agency has been monitoring CO_2 emissions, uses teleconference services to cut the unnecessary travels, reduces the size and improves efficiency of new building by setting required minimum energy efficiency and building standards, reduces paper consumption with new efficient printers, roll-out of IT such as EasySign and use of SharePoint, replaces lamps in underground car part with energy efficient lamps, encourages recycling to ensure a cost-effective and environment-friendly working place and is committed to further reduce or offset CO_2 emissions;

38. Takes note that in 2016 the Agency continued implementing its integrated regulatory strategy, bringing all REACH and CLP processes together in order to reach the aim of relevant regulations, further advancing in the integration of REACH and CLP processes;

39. Calls on the Commission to launch a policy debate with relevant stakeholders in order to review Union legislation related to risk assessment for food, chemicals and related products and the effectiveness of such legislation;

40. Notes that the participation of UN sub-organisations, such as the International Agency for Research on Cancer, as observers in the work of the Agency, was approved in 2016;

41. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2018)0133 (see page 393 of this Official Journal).

DECISION (EU) 2018/1369 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the European Chemicals Agency for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Chemicals Agency for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Chemicals Agency for the financial year 2016, together with the Agency's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0077/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC ([4]), and in particular Article 97 thereof,

— 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 ([5]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0086/2018),

1. Approves the closure of the accounts of the European Chemicals Agency for the financial year 2016;

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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 98.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 396, 30.12.2006, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2018/1370 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the European Environment Agency for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Environment Agency for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Environment Agency for the financial year 2016, together with the Agency's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0061/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 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]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0090/2018),

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 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 104.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 126, 21.5.2009, p. 13.
([5]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2018/1371 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Environment Agency for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Environment Agency for the financial year 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0090/2018),

A. whereas in the context of the discharge procedure, the discharge authority wishes to stress the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;

B. whereas, according to its statement of revenue and expenditure [1], the final budget of the European Environment Agency (the 'Agency') for the financial year 2016 was EUR 50 509 265, representing an increase of 2,75 % compared to 2015; whereas the Agency's budget derives mainly from the Union budget;

C. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the European Environmental Agency for the financial year 2016 (the 'Court's report'), has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2016 are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes that the budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 99,9 % and that the payment appropriations execution rate was 89,8 %;

Commitments and carry-overs

2. Takes note that the carry-overs from 2016 to 2017 were at EUR 4 203 111, representing a decrease of EUR 741 628 compared to the previous year (EUR 4 944 739 in 2015);

3. Notes that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance by the Agency and communicated to the Court;

Staff policy

4. Acknowledges the fact that the management board of the Agency is concerned about the continued reduction of staff allocated to the Agency in light of the foreseen 10 % reduction in posts resulting from the Multiannual Financial Framework for 2014–2020 and the establishment of a 'redeployment pool' for agencies with new tasks;

5. Notes that the management board agrees with the proposed future role of the Agency and the European Environment Information and Observation Network (EIONET) in the field of the Energy Union and welcomes the proposal of the Commission to make additional resources available to the Agency in relation to the proposed new tasks;

6. Notes that the Agency achieved an occupancy rate for temporary agents of 99,2 % with 129 staff against 130 posts authorised under the Union budget; takes note that the last post is reserved for the known reduction in the establishment table in 2017; welcomes the fact that approximately 77 % of all staff are dedicated to operational activities;

7. Notes with satisfaction the gender balance in the Agency's management board; regrets, however, the gender imbalance in the Agency's senior management team; acknowledges the fact that the Agency has only seven heads of unit positions available, which limits the potential speed of a transition towards a better man/woman ratio;

[1] OJ C 443, 29.11.2016, p. 1.

8. Notes with appreciation that by the number of all posts occupied in 2015 gender balance has been met since the ratio is 54,6 % female to 45,4 % male;

9. Stresses that the work-life balance should be part of the staff policy of the Agency and that the budget spent on well-being activities amounts to approximately EUR 560 per member of staff, corresponding to two working days; observes that the average sick leave amounts to 13,8 days per member of staff, which amounts to an average of almost three working weeks; calls on the Agency as a matter of urgency to examine this issue with a view to ascertaining and addressing the major causes thereof, and to establish in particular whether workplace stress plays any role;

10. Welcomes the fact that, in June 2017, the Agency adopted a new policy on protecting the dignity of the person and preventing harassment; supports the training session organised to increase the awareness of the staff and suggests to regularly organise training and information sessions on the matter; regrets the alleged case of harassment on which a complaint was lodged on 16 December 2016; requests additional information from the executive director while respecting the presumption of innocence and the data protection rules; waits for the final decision and considers that it will be carefully followed up during the next discharge exercise;

11. Notes that two complaints were lodged on the basis of Article 90(2) of the Staff Regulations (21 December 2016 and 8 March 2017) against the Appointing Authority's (AIPN) decision to terminate a contract during the probationary period and not to confirm a contract at the end of the probationary period; asks for more information from the executive director, while respecting data protection rules;

12. Highlights that the continuing staff reduction poses a risk for the Agency to deliver its multiannual work programme for 2014-2020 to the full, and limits its capacity to respond to policy developments; stresses that it has become increasingly difficult for the Agency to manage the risks associated with the decrease in resources; notes that the limitation of staff resources contributed to the lower delivery rate observed in some strategic areas;

Prevention and management of conflicts of interests, transparency and democracy

13. Welcomes the fact that 18 board members have made CVs and declarations of interest available on the Agency's website; acknowledges the fact furthermore that the CVs and declarations of interest of its senior management team are published on the website;

14. Acknowledges the fact that newly recruited members of staff take part in ethics and integrity courses and that for every member of staff an assessment of potential conflict of interest is part of the annual staff performance review; notes furthermore that specific training is also provided to all staff holding line management responsibilities;

15. Notes that the anti-fraud strategy of the Agency was adopted by its management board in November 2014, with the aim of ensuring proper handling of conflict of interest issues and of developing anti-fraud activities, especially through an action plan which covers three objectives: to ensure an effective internal organisation for detecting potential fraud, to strengthen the formalisation of authorisation of access rights to the Business Data Repository database and to maintain a high level of ethics and fraud awareness within the Agency;

16. Welcomes the implementation of Agency's guidelines on whistleblowing which aim inter alia at clarifying the rules regarding professional ethics within the Agency by providing information on the types of situations where the obligation to blow the whistle applies and on the reporting channels; welcomes that those guidelines also address the protection to be granted to the whistleblower and the guidance and support that could be provided by the Agency; calls on the Agency to report to the discharge authority on the implementation of those guidelines;

17. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistle-blowers use the right channels to disclose their information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;

Main achievements

18. Welcomes the three main achievements identified by the Agency in 2016, namely:

— the publication of the 2016 Air quality in Europe report;

— the publication in 2016 of its first assessment report on 'Circular economy in Europe — Developing the knowledge base', addressing the perspective of reducing the environmental pressures and impacts from material resource use;

— the publication of the report 'Transforming the EU power sector: avoiding a carbon lock-in', which assesses the extent to which the thermal power sector in the Union has the potential to facilitate the necessary transition towards long-term Union energy and climate objectives;

Internal audit

19. Notes that the Commission's Internal Audit Service (IAS) carried out an audit on the State of the Environment Report (SOER), which was finalised in 2016; notes with satisfaction that, according to the IAS' conclusions, the management and control systems set up by the Agency for the SOER 2015 preparation process were generally fit for purpose and ensured an efficient and effective internal and external coordination of this complex multiannual project; notes from the Court's report that the Agency and the IAS agreed on a plan to further improve them; calls on the Agency to report to the discharge authority on the implementation of this action plan;

20. Takes note that the IAS carried out an audit on data/information management, including an IT component, which was finalised in 2015; acknowledges the fact that, in order to address the recommendations of the IAS in relation to that audit, an action plan was drawn up covering the coming years; notes with satisfaction that in 2017 the majority of the recommendations have been closed by the IAS, demonstrating that appropriate measures have been implemented to ensure proper handling of a higher volume of data;

Internal controls

21. Notes with concern from the Court's report that, even if the Agency updated its security policy in 2016, many other internal procedures are outdated; notes that the senior management approved an action plan which includes the review and update of the business continuity plan and that the Agency also intends to review its document management policy, which it adopted in 2009, in line with the new security policy; notes moreover that the Agency envisages to review and update its internal control standards, where necessary; calls on the Agency to report to the discharge authority on the implementation of this action plan;

22. Takes note that the Internal Audit Capability established a risk assessment to select beneficiaries for on-the-spot verifications, resulting in the verification of payments for two beneficiaries in relation to eight grants to ensure accuracy and reliability of the staff costs claimed; notes that, as a result, an unjustified payment has been identified and paid back to the Agency in accordance with the contractual provisions; observes that on the basis of the new policy approved in October 2015, further on-the-spot verifications were conducted in 2016; calls on the Agency to report to the discharge authority on the results of those verifications;

23. Notes that, following observations from the discharge authority, the Agency improved the verification methods by providing guidelines and training to the European Topic Centre partners regarding criteria for eligibility of costs;

Other comments

24. Recalls with concern from the Court's report that in 2014 the Commission signed, on behalf of more than 50 Union institutions and bodies (including the Agency), a framework contract (FWC) with one contractor for the acquisition of software, licences and the provision of related IT maintenance and consultancy services; notes that the framework contractor acts as an intermediary between the Agency and suppliers and that for these intermediary services the framework contractor is entitled to uplifts of two to nine per cent of the suppliers' prices; notes moreover that the FWC explicitly stipulates that it does not confer any exclusive right to the contractor; observes that, in 2016, the Agency used this FWC to purchase software licences for a total of EUR 442 754; notes that most of those purchases were for products belonging to a particular category that should only be used on an exceptional basis, for which prices were not quoted during the tender process or in the FWC; acknowledges the fact that the Court's report indicates that this procedure does not ensure sufficient competition or the application of the most economical solution; acknowledges moreover the fact that the uplifts charged by the framework contractor were not adequately checked: the largest order concerned the renewal of software licences provided by an exclusive Scandinavian reseller (EUR 112 248); expresses its concern that in this instance, there was no justification for the use of the FWC which resulted in an unnecessary uplift cost; notes the Agency's reply to the comment from the Court;

25. Recalls that, since its creation, the Agency, together with EIONET, has been an information source for those involved in developing, adopting, implementing and evaluating Union environment and climate policies, as well as sustainable development policies, and has also been an information source for the general public;

26. Stresses that the Commission, in line with the Better Regulation Agenda, initiated in 2016 an evaluation of the Agency and the EIONET, covering the period between mid-2012 and end 2016, the findings of which will be used to assess how well the Agency is performing;

27. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2018)0133 (see page 393 of this Official Journal).

DECISION (EU) 2018/1372 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the European Environment Agency for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Environment Agency for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Environment Agency for the financial year 2016, together with the Agency's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0061/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 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]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0090/2018),

1. Approves the closure of the accounts of the European Environment Agency for the financial year 2016;

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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 104.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 126, 21.5.2009, p. 13.
([5]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2018/1373 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the European Fisheries Control Agency for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Fisheries Control Agency for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Fisheries Control Agency for the financial year 2016, together with the Agency's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0076/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 768/2005 of 26 April 2005 establishing a Community Fisheries Control Agency and amending Regulation (EEC) No 2847/93 establishing a control system applicable to the common fisheries policy ([4]), and in particular Article 36 thereof,

— 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 ([5]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Fisheries (A8-0107/2018),

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 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 110.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 128, 21.5.2005, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2018/1374 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Fisheries Control Agency for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Fisheries Control Agency for the financial year 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Fisheries (A8-0107/2018),

A. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;

B. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Fisheries Control Agency (the 'Agency') for the financial year 2016 was EUR 9 967 000, representing an increase of 8,14 % compared to 2015; whereas the increase was mainly due to additional *ad hoc* grants related to the European Coastguard pilot projects; whereas the entire budget of the Agency derives from the budget of the Union;

C. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2016 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 2016 resulted in a budget implementation rate of 99,6 %; notes furthermore that the payment appropriations execution rate was at 88,5 %;

2. Takes note that additional funds that were received from the Commission during the year for pilot projects in relation to the European Coastguard functions have significantly influenced the budget, notably two *ad hoc* grants, EUR 750 000 in total, were received in the budget as assigned revenue to be spent in the budget years 2016 and 2017 (i.e. multi-annual), which justifies the fact that their implementation rate is considered apart from the implementation of the remaining budget;

3. Welcomes the steps achieved in 2016 in the area of e-Administration: implementation of the e-Prior modules for electronic tendering, ordering and invoicing in cooperation with the Commission's Directorate-General for Informatics (DG DIGIT), implementation of the contract management tool ABAC Contracts for the registration and follow-up of framework contracts, implementation of the mission management system of the Commission (MIPS) leading to a major reduction in use of paper forms, future use of Sysper 2 (HR IT tool); acknowledges from the Agency that, together with the implementation of other rationalisation improvement measures, it currently processes around 95 % of its financial transactions electronically, leading to greater efficiency, reliability of data and audit trails;

4. Points out that the Agency's budget has remained unchanged for the last five years despite the increase in its missions and inspections; notes that its spending on human resources has nevertheless not changed and that the cost of its operations fell over the same period; stresses that those elements, which reflect the optimisation of resources and quality of management at the Agency, may hinder progress due to a lack of sufficient budget appropriations while putting pressure on agents' activities to an extent that should be audited to ensure the quality of their working conditions;

([1]) OJ C 333, 9.9.2016, p. 31.

Commitments and carryovers

5. Notes that the level of funds carried-forward from 2016 to 2017 has resulted in 11 % of the total 2016 subsidy; notes that the rate of carryovers for Title II (administrative expenditure) was at 34 %, representing an increase of 14 % comparing to 2015 results; notes however that a lower implementation for Title II can be explained with a number of external services still pending at year-end for completion and final payments (such as ICT, translation and external evaluation services); acknowledges from the Agency that their full implementation will take place during 2017 and the appropriations will not have to be cancelled;

6. Notes that, as regards the commitments carried forward from the previous year, the implementation is 95,3 %, and the corresponding cancellation represents 0,4 % of the payment appropriations of 2016;

7. Points out that carryovers are often partly or fully justified by the multiannual nature of the agencies' operational programmes, and do not necessarily indicate weaknesses in budget planning and implementation, nor are they always at odds with the budgetary principle of annuality, in particular if they are planned in advance by the agencies and communicated to the Court of Auditors;

Transfers

8. Notes with satisfaction that, according to the Agency's final accounts, the level and nature of transfers in the year 2016 remained within the limits of the financial rules;

Procurement and staff policy

9. Notes that, on 31 December 2016, the total number of staff in activity was 56, which means that the establishment plan was 100 % filled;

10. Observes that the Agency has accomplished the general 5 % staff reduction; notes however that, due to the change in the founding regulation, the Agency was granted 13 posts for the associated new tasks in the establishment plan for 2017;

11. Takes note that the Agency's internal structure was reorganised to adapt to the new changes and additional resources related to the amendment of the Agency's founding regulation;

12. Notes with concern that the overall percentage of male staff members is 62 % and of female staff is 38 %, a ratio imbalance of almost two to one; calls on the Agency to address and redress that imbalance as soon as possible;

13. Notes with satisfaction that the Agency made the vast majority of payments within the time limits of the Financial Regulation and that there was no interest charged by suppliers for late payments; notes furthermore that the average number of days for payment in 2015 was 22;

14. Stresses that work-life balance should be part of the staff policy of the Agency; notes that the budget spent on well-being activities amounts to EUR°138,14 per staff member; observes that the average amount of sick leave per staff member is 3,7 days, well below the average for Union agencies;

15. Notes that the implementing rules on harassment were adopted by the administrative board in 2017; regrets the delay in the introduction of those rules; calls on the Agency to support the organisation of training and information sessions in order to increase the awareness of staff;

16. Notes with satisfaction that the Agency did not receive any complaints, law-suits or reported cases linked to hiring or dismissal of staff in 2016;

Prevention and management of conflicts of interests, transparency and democracy

17. Acknowledges that the Agency adopted a comprehensive policy on the prevention and management of conflict of interests, which was amended in 2016, and an anti-fraud strategy; takes note that from a total of 13 actions planned to be implemented by the end of 2017, 11 were already implemented; takes note that the Agency's controls aimed at preventing and detecting fraud are similar to those ensuring the legality and regularity of transactions, such as 'the four eyes principle', automated controls in the financial and accounting systems, externalised calculation of salaries as well as declarations of absence of conflicts of interest always being signed by panel members; notes with satisfaction from the Agency that, since its creation, no fraudulent events have occurred;

18. Welcomes the amendments to the Agency's conflict of interests policy adopted in 2016 namely the obligation for Administrative Board members, the Agency Executive Director and Heads of Unit to submit CVs which are subject to publication on the Agency's website and should be updated whenever necessary; notes the extension of the scope to the Advisory Board members;

19. Acknowledges from the Agency that all the annual written declarations of interests (DoI) have been monitored by the Agency; regrets however that, by the end of 2016, two Administrative Board members had not yet submitted their DoI; notes that Board members are asked before each meeting of the Administrative Board by the Chairperson to confirm the factual correctness of the DoI by declaring any potential conflict that could arise in relation to the meeting; calls on the Agency to report to the discharge authority on progress made regarding the submission of the missing DoI;

20. Acknowledges from the Agency that it is awaiting the model decision from the Commission in order to adopt their own decision on whistleblowing; notes however that, until the Commission model decision is proposed, the current Commission decision on whistleblowing will continue to be provided as guidance to staff; notes that there was no whistleblower cases in 2016 in the Agency; calls on the Agency to inform the discharge authority on the implementation of the model decision;

21. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistleblowers use the right channels to disclose their information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;

Main achievements

22. Welcomes the three main achievements identified by the Agency in 2016, namely that:

— it coordinated 20 000 fisheries inspections in Union and international waters through its joint deployment plans (JDPs);

— it established cooperation with other Union Agencies towards the establishment of a European Coast Guard Capacity;

— it supported the regional implementation of the Landing obligation in the framework of the Common Fisheries Policy (CFP);

Internal controls

23. Notes that the Agency's Administrative Board adopted a set of Internal Control Standards (ICS) aiming to ensure the achievement of the policy and operational objectives; acknowledges that 12 of the ICSs have a high level of implementation, with four areas having a medium degree of implementation in the internal control system;

24. Notes with satisfaction from the Court of Auditors' report that ICS 10 (Business Continuity), ICS 11 (Document Management) and ICS 12 (Information and Communication) are now marked as 'completed';

Internal audit

25. Notes that, during 2016, the Internal Audit Service (IAS) carried out a risk assessment covering the Agency's major processes, both operational and administrative; notes that, as result of the IAS's work, the 'IAS Strategic Internal Audit Plan 2017-2019' was established; notes with satisfaction that there are no open IAS recommendations;

26. Takes note that the second Five-Year Independent External Evaluation of the Agency for the period 2012-2016 started in October 2015 and was planned to be completed in 2017; points out that each evaluation is to assess the utility, relevance and effectiveness of the Agency and its working practices and the extent to which it contributes to the achievement of a high level of compliance with rules made under the CFP; calls on the Agency to report to the discharge authority on the outcome of that evaluation;

27. Acknowledges the fact that the Agency developed and implemented centralised monitoring of all audit recommendations issued by the Court of Auditors, the IAS and its Internal Control Capability, in order to consolidate and monitor them, as well as to improve the follow-up to corresponding action plans;

Performance

28. Notes the adoption of the Agency's amended founding Regulation in 2016, which extended the mission of the Agency to cooperate with the European Border and Coast Guard Agency (Frontex) and the European Maritime Safety Agency (EMSA) to support national authorities carrying out coastguard functions; observes that those three Agencies have been working together with their three 'partner' Commission Directorates-General ((Maritime Affairs and Fisheries (MARE), Migration and Home Affairs (HOME) and Mobility and Transport (MOVE)) in the preparation and implementation of the pilot project 'Creation of a European coastguard function', established by Parliament in preparation for the implementation of the 'border package';

Other comments

29. Underlines the important role played by the Agency in the harmonisation and application of the principles of the CFP; welcomes its effectiveness, the progress made and the excellent results achieved since it was set up;

30. Highlights the Agency's contribution to the harmonisation and standardisation of CFP measures relating to monitoring, control and surveillance with the aim of ensuring equal treatment and improving compliance with the CFP rules, including the landing obligation;

31. Stresses the role played by the Agency with regard to the Union's cooperation with third countries and international organisations dealing with fisheries, including Regional Fisheries Management Organisations (RFMOs), in order to strengthen compliance with measures, especially those to combat illegal, unreported and unregulated (IUU) fishing, adopted by those international organisations;

32. Expresses its satisfaction at the 15 % increase in inspections in 2016, reflecting improved coordination of human resources with the Member States through JDPs and coordination of operational plans;

33. Expresses its satisfaction with the Court of Auditors' assessment, in its Special Report No 8/2017, of the Agency's fundamental role in developing and enhancing a harmonised and coherent approach to systems for communication and the exchange of data on fishery products;

34. Acknowledges the quality and relevance of the joint work carried out by the Agency as part of the pilot common project with EMSA and Frontex on the creation of a coastguard function; but reminds the Commission that the Agency should be given sufficient resources for that type of project or any other future project, in particular those linked to the use of new technologies in monitoring (drones) or training (e-learning);

35. Recalls the importance of expanding the Agency's mandate with a view to developing joint operational activities with other Union agencies in the maritime sector, in order to prevent disasters at sea and to coordinate the work of European coastguards;

36. Stresses the need to increase the allocation of resources in order to boost the Agency's operational capacity to cope with the uncertainties linked to Brexit and the resulting additional checks;

37. Proposes including a Member of the European Parliament on the Administrative Board of the Agency in order to strengthen its institutional transparency, particularly during the approval of the budget by the Board; proposes that that Member be chosen from within Parliament's Committee on Fisheries;

38. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2018)0133 (see page 393 of this Official Journal).

DECISION (EU) 2018/1375 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the European Fisheries Control Agency for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Fisheries Control Agency for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Fisheries Control Agency for the financial year 2016, together with the Agency's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0076/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 768/2005 of 26 April 2005 establishing a Community Fisheries Control Agency and amending Regulation (EEC) No 2847/93 establishing a control system applicable to the common fisheries policy ([4]), and in particular Article 36 thereof,

— 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 ([5]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Fisheries (A8-0107/2018),

1. Approves the closure of the accounts of the European Fisheries Control Agency for the financial year 2016;

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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 110.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 128, 21.5.2005, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2018/1376 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the European Food Safety Authority for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Food Safety Authority for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2016, together with the Authority's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0069/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety ([4]), and in particular Article 44 thereof,

— 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 ([5]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0091/2018),

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 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 115.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 31, 1.2.2002, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2018/1377 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Food Safety Authority for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Food Safety Authority for the financial year 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0091/2018),

A. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;

B. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Food Safety Authority ('the Authority') for the financial year 2016 was EUR 79 492 944, representing a decrease of 1,10 %; whereas the entire budget of the Authority derives from the Union budget;

C. whereas the Court of Auditors, in its report on the annual accounts of the European Food Safety Authority for the financial year 2016 ('the Court's report'), has stated that it has obtained reasonable assurances that the Authority's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 100 %, representing an increase of 0,19 % compared to 2015; notes furthermore that the payment appropriations execution rate was at 89,66 %, representing a decrease of 0,45 % compared to 2015;

Commitments and carry-overs

2. Notes that the carry-overs from 2016 to 2017 were at EUR 8 200 000 and predominantly related to infrastructure and operations;

3. Notes that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance and communicated to the Court of Auditors;

Staff policy

4. Takes note of the 2 % reduction in the Authority's establishment plan in 2016, corresponding to seven posts, which resulted in the increasing efforts of the Authority to establish more efficient and effective procedures; notes that on 31 December 2016, 450 of the total available 470 posts were occupied, including officials, temporary agents, contract agents and seconded national experts;

5. Observes from the establishment plan that 320 out of 330 posts for officials and temporary agents authorised under the Union budget were occupied on 31 December 2016, compared to 327 in 2015;

6. Notes that in 2016 74 % of staff was dedicated to operational activities, and that this figure, although slightly below the target for that year (75 %), represented an improvement compared to 2015;

([1]) OJ C 443, 29.11.2016, p. 15.

7. Notes with concern that by the number of all posts occupied on 31 December 2017 gender balance ratio was 60 % female to 40 % male; notes furthermore with concern that for senior posts' (senior and middle management posts) the gender balance ratio swings the other way but to an even greater extent: 68 % male and 32 % female; calls on the Authority as a matter of urgency to aim for a more gender balanced staff composition, especially at the senior post level;

8. Notes with satisfaction that the Authority has implemented activities aiming at optimising work processes to use fewer resources; acknowledges the fact however that the estimated resources gap is estimated to increase to around 20 full time equivalents per year in the coming three years, determined by a further reduction of the establishment plan (-2 % in 2017 and - 1 % in 2018) on the one hand, and the expected further increase of workload due to new tasks in certain core activities such as novel foods, pesticides and plant pest categorisation and surveillance;

9. Notes that on average the Authority's staff was on sick leave 7,4 days in 2016; welcomes the fact that the Authority organised a staff-away day, health and safety matters' days and well-being activities; calls on the Authority to invite the staff to participate in even greater number;

10. Notes with satisfaction that the Authority adopted in June 2016 a policy on protecting the dignity of the person and preventing psychological and sexual harassment, provided mandatory courses for staff, a yearly info-session for staff to ask questions and get familiar with concrete case-studies and scenarios;

11. Notes with satisfaction that no harassment cases were reported, investigated or taken before a court in 2016;

12. Notes that the Authority does not have any official vehicles;

Prevention and management of conflicts of interest, transparency and democracy

13. Observes that on 21 June 2017 the management board of the Authority adopted a new policy on independence to ensure the independence of all professionals involved in its scientific operations; notes that the new policy includes a new definition of what constitutes a conflict of interest, a comprehensive set of 'cooling-off' rules including a ban on consultancy contracts, a requirement that experts declare the proportion of their annual earnings received from any organisation, body or company whose activities fall within the Authority's areas of work; notes moreover that the Authority adopted unconditional restrictions to financial investments into business operators directly or indirectly concerned by the Authority's outputs; notes that such interests are considered incompatible with any involvement as a member of the Authority's scientific committee, scientific panels, working groups or peer review meetings; notes that experts sent by Member States will now have to fill the declarations of interests form;

14. Is concerned that the scope of the Authority's new independence policy, which only takes into account interests on 'matters falling under the mandate of the relevant EFSA scientific group' and not 'all material interests related to the companies whose products are assessed by the Authority and to any organisations funded by them' as Parliament demanded, remains too narrow and thus perpetuates the Authority's previous independence policy's biggest limitation;

15. Is concerned that the Authority ignored the repeated calls of Parliament to include research funding in the list of interests to be covered by the two-year cooling-off period, research funding being the main source of financial conflicts of interests among the Authority's external experts;

16. Is concerned that the Authority did not follow the European Ombudsman's January 2015 ruling which, observing that the Authority had 'failed to take adequate account of the changing nature of universities in its conflict of interest rules and its Declarations of Interests forms', had asked the Authority to 'revise its conflict of interest rules and the related instructions and forms it uses for declarations of interests' to make sure academia experts declare the details of the financial relationships between their university employers and their university employers' industry partners;

17. Stresses that the Authority's independence policy implementing rules, which were adopted end of 2017, did not remedy the abovementioned problems, and that the Authority failed to seize the opportunity of the review of its independence policy to better prevent the occurrence of scandals related to conflicts of interest in the future;

18. Calls on the Authority to report to the discharge authority on the implementation of its new independence policy;

19. Notes with satisfaction that the function ensuring the centralised handling of competing interest management within Authority's legal and regulatory affairs unit became fully operational in 2016; notes moreover that the adoption of new implementing rules on competing interest management was planned for the end of 2017; calls on the Authority to report to the discharge authority on the implementation of these rules;

20. Notes that of the 17 statutory members of staff who left the Authority in 2016, in two cases restrictions were applied in order to prevent the individuals from becoming contact points between the Authority and their new employer, exercising lobbying activities, and performing activities related to on-going files of the Authority; acknowledges that internal procedures are not sufficient to ensure independence between the Authority and industries; notes that staff leaving are obliged to inform the Authority about their future employment and of any potential conflict of interest;

21. Acknowledges the fact that the Authority keeps implementing its 2014 rules on declarations of interest, processing 7 000 to 8 000 declarations of interest in line with the previous years; notes with satisfaction that the Authority publishes the outcome of its compliance and veracity checks as part of its annual activity report;

22. Notes that the Authority in January 2016 adopted the standard operating procedures on 'Handling complaints submitted by whistleblowers' and recommends to undertake consistent training on whistleblowing rights and the related Authority's rules; calls on the Authority to commit itself to strictly protect the identity of whistleblowers and prevent their intimidation; asks the Authority to provide details on whistleblower cases in 2016, if any, and on how they have been handled;

23. Acknowledges the fact that model rules for Union agencies on whistleblowing guidelines are under preparation, and that as soon as the agreement of the Commission is formally given to Union agencies, the Authority will proceed with the formal adoption; calls on the Authority to report to the discharge authority on the adoption and implementation of these guidelines;

24. Notes that in 2016 the Authority received 99 new requests for access to documents and handled 118 requests, with respect to which the Authority granted full access in 23 cases, while in 76 cases the Authority decided to grant only partial access to the documents, and refused access in 19 cases; calls on the Authority to approach all such requests in a spirit of openness and transparency;

25. Notes that, out of the 118 initial requests handled in 2016, in 26 cases access to documents was refused or partially granted due to protection of privacy and the integrity of the individual, in 40 cases due to protection of commercial interests, in 18 cases due to the fact that no decision had yet taken, and in one case due to protection of court proceedings and legal advice; expects that the Authority, when deciding on limiting the access to documents due to protection of commercial interests, also considers with seriousness the citizens' interest in maintaining the high standards on food safety and health, while applying all relevant rules and regulations;

26. Notes that a group of Members of Parliament filed a lawsuit against the Authority on grounds of limiting of access to documents in the 'glyphosate' case; expects the Authority to fully implement the court's ruling once it is known; welcomes the recent establishment ([1]) of Parliament's Special Committee on EU authorisation procedure for pesticides, which came as a response to the concerns raised about the risk posed by the herbicide substance glyphosate;

27. Believes that the Authority should continue paying special attention to public opinion, and commit itself to openness and transparency; welcomes, in this respect, that in 2016 the Authority's scientific data warehouse provided access to more of the evidence that underpins its scientific assessments, as several data collections were published, on pesticides, contaminants, chemical hazards, food composition, molecular typing and botanicals; acknowledges the fact that the Authority's journal migrated to an international scientific publisher in order to increase publishing quality and outreach; notes that the Authority's authorship guidelines for scientific outputs were reviewed to increase transparency and openness; notes as well that the Authority launched 'Knowledge Junction', an open repository for the exchange of evidence and supporting materials used in food and feed safety risk assessments; encourages the Authority to further progress on this path;

([1]) See Parliament's decision of 6 February 2018 on setting up a special committee on the Union's authorisation procedure for pesticides, its responsibilities, numerical strength and term of office (Texts adopted, P8_TA(2018)0022).

Main achievements

28. Welcomes the three main achievements identified by the Authority in 2016, namely:

— the delivery of the Strategy 2020, including a multi-annual implementation plan, focusing on key results and underpinned by a comprehensive performance framework, together with the detailed planning and programming documents;

— the implementation of the transparency and engagement measures such as the Transparency and Engagement in Risk Assessment (TERA) project, launching a new stakeholder engagement approach and publishing the EFSA Journal, which ensures effective dissemination of scientific outputs and provides access to the Authority's risk assessments;

— the launching of open data and evidence tools opened up to the wider risk assessment community;

Internal controls

29. Notes that the Authority's Internal Audit Capability (IAC) carried out the assurance engagements and other special tasks as foreseen in the annual audit plan approved by the Authority's audit committee; notes that the audit engagements included the corporate governance audit on the role of the experts in the scientific decision-making processes, the validation of ABAC user access rights, two follow-up reports on outstanding audit, recommendations by the IAC, the Internal Audit Service (IAS) and the Court of Auditors;

30. Observes that according to the IAC, the Authority's internal control system in place provides reasonable assurance regarding the achievement of the business objectives set up for the processes audited; notes that one 'very important' recommendation on the disclosure and transparency of the scientific decision-making processes was issued; calls on the Authority to ensure that this recommendation is carried through, and reported to the discharge authority;

31. Notes from the Court's report that the Authority has not yet put in place a clear and comprehensive financial ex-post control strategy covering all areas of operations and specifying the frequency and scope of such controls; acknowledges the fact that the Authority is in the process of developing an improved assurance governance and is fine tuning its internal control framework; calls on the Authority to report to the discharge authority on the actions taken in order to tackle the deficiencies of its internal control system;

Internal audit

32. Notes from the Court's report that, in its audit report of November 2016, the IAS concluded that the controls in place for IT project management are adequate, but referred to significant weaknesses in relation to IT governance; notes that it recommended updating the Authority's IT governance policy, to introduce an organisation-wide IT risk management framework and risk register and to separate the information security function from the IT unit; notes with satisfaction that the Authority agreed with the IAS on a plan to take corrective actions; notes from the Authority' reply that the majority of actions related to IT governance have been implemented and the remaining actions are planned to be implemented by the end of 2017; calls on the Authority to report to the discharge authority on the implementation of the action plan;

Performance

33. Acknowledges the fact that the Authority established or renewed joint scientific activities and cooperation initiatives with a number of partner organisations at the European level including the European Chemicals Agency (ECHA), the European Medicine Agency (EMA) and the European Centre for Disease Prevention and Control (ECDC); notes in addition that the Authority conducted additional cooperation exchanges with a number of international partner agencies; notes with satisfaction that this cooperation aims at sharing methods and approaches to improve food safety, including methods for better risk assessment, rapid identification of emerging risks and data sharing on subjects of common interest;

34. Observes that the Authority developed a performance framework that: (1) links the strategic objectives to its portfolio of projects and processes as well as to its resources; and (2) includes a set of key performance indicators to monitor progress and performance at input, output, outcome and impact levels;

35. Acknowledges the fact that the Authority has carried out a number of initiatives to limit the travelling time for experts, including promoting the use of IT tools, in order to improve efficiency;

Other comments

36. Notes with satisfaction that the Authority has implemented an eco-management system mapping the Authority's processes to improve resource efficiency, reduce waste and costs and obtained the ISO 14001:2004 certification; notes that the Authority also obtained the Eco-Management and Audit Scheme (EMAS) Registration in February 2017;

37. Notes with satisfaction that the Authority joined the Interinstitutional Group on Environmental Management (GIME) with the objective of developing a common plan on measures to effectively reduce CO_2 emissions and in order to collect common data allowing the comparison of CO_2 emissions among Union bodies;

38. Notes that a close cooperation with the Commission's DG SANTE is well on track towards its preparation related to the United Kingdom's decision to leave the Union; notes however that a critical uncertainty remains on the future availability of resources hampering thereby the thorough preparation of the Authority for its programming after 2020; calls on the Authority to remain proactive on this issue, anticipating and planning for any likely problems, rather than waiting and reacting;

39. Notes that the Authority is well aware of the financial risks due to the United Kingdom's decision to leave the Union, such as a restricted budget availability, contractual issues for ongoing and new contracts and related payments, and unemployment allowances, and the operational risks such as access to United Kingdom citizens as members of staff or as experts, access to United Kingdom entities for services and information/data, change in the volumes of work and access rights to documents;

40. Notes with concern that the Union regulatory agencies responsible for the risk assessment of regulated products, in particular ECHA, do not have sufficient resources to effectively fulfil these responsibilities; the Authority and ECHA should therefore be granted sufficient resources in order to carry out their specific responsibilities;

41. Welcomes the contribution of the Authority to the safety of the Union food and feed chain, and its considerable efforts in providing Union risk managers with comprehensive, independent and up-to-date scientific advice on questions linked to the food chain, communicating clearly to the public on its outputs and the information on which they are based, and cooperating with interested parties and institutional partners to promote coherence and trust in the Union food safety system;

42. Highlights that the Authority produced 481 scientific outputs, technical reports and other publications, and closed 382 scientific questions; notes that the proportion of outputs and questions adopted within deadline was below the target for 2016, and that the timeliness of scientific advice still needs to be improved;

43. Notes that the Authority adopted in 2016 the strategy called 'EFSA Strategy 2020: trusted science for safe food', based on five strategic objectives: prioritise public and stakeholder engagement in the process of scientific assessment, widen the Authority's evidence base and optimise access to its data, build the Union's scientific assessment capacity and knowledge community, prepare for future risk assessment challenges and create an environment and culture that reflects the Authority's values;

44. Calls on the Commission to launch a policy debate with relevant stakeholders in order to review Union legislation related to risk assessment for food, chemicals and related products and the effectiveness of such legislation;

45. Stresses that in 2016 the Authority reviewed its stakeholder consultative platform, which was disbanded to make place for a new stakeholder engagement approach, and by the end of 2016 over 80 organisations had expressed an interest in joining this new framework;

46. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2018)0133 (see page 393 of this Official Journal).

DECISION (EU) 2018/1378 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the European Food Safety Authority for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Food Safety Authority for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2016, together with the Authority's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0069/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety ([4]), and in particular Article 44 thereof,

— 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 ([5]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0091/2018),

1. Approves the closure of the accounts of the European Food Safety Authority for the financial year 2016;

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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 115.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 31, 1.2.2002, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2018/1379 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the European Institute for Gender Equality for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Institute for Gender Equality for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Institute for Gender Equality for the financial year 2016, together with the Institute's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Institute in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0080/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 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]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Women's Rights and Gender Equality (A8-0087/2018),

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 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 120.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 403, 30.12.2006, p. 9.
([5]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2018/1380 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Institute for Gender Equality for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Institute for Gender Equality for the financial year 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Women's Rights and Gender Equality (A8-0087/2018),

A. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;

B. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Institute for Gender Equality ('the Institute') for the financial year 2016 was EUR 7 628 000, representing a decrease of 3,15 % compared to 2015; whereas the budget of the Institute derives mainly from the Union budget;

C. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the European Institute for Gender Equality for the financial year 2016 ('the Court's report'), has stated that it has obtained reasonable assurances that the Institute's annual accounts are reliable and that the underlying transactions are legal and regular;

D. whereas gender equality is one of the values on which the Union is founded and the Union is committed to promoting gender mainstreaming in all of its actions as enshrined in Article 8 TFEU;

E. whereas gender budgeting is part of the gender mainstreaming strategy;

Budget and financial management

1. Notes that the budget monitoring efforts in the financial year 2016 resulted in a high budget implementation rate of 98,42 %, indicating that commitments were made in a timely manner and representing a slight decrease of 0,13 % compared to 2015; notes moreover that the payment appropriations execution rate in 2016 was 72,83 %, representing an increase of 5,19 % compared to the previous year;

Commitment and carry-overs

2. Notes that, according to the Court's report, the level of committed appropriations carried over remained high for Title III (operational expenditure) at EUR 1 700 000, i.e. 51 % (compared to EUR 2 200 000 in 2015, i.e. 60 %), mainly in relation to studies going beyond the year end; notes that the Institute may consider introducing differentiated budget appropriations to better reflect the multiannual nature of operations and unavoidable delays between the signature of contracts, deliveries and payments; notes that the Institute will carry out a feasibility analysis as to whether it will take a future decision on introducing differentiated appropriations;

3. Points out that carry-overs are often partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance by the Institute and communicated to the Court;

([1]) OJ C 113, 30.3.2016, p. 126.

Procurement

4. Points out that, according to the Court's report, the Institute launched an open call for tender for a framework contract on the maintenance and update of its gender statistics tools and resources for a maximum amount of EUR 1 600 000 in 2016; highlights moreover that the call was split into two lots without indicating the respective amounts per lot; highlights that, following a question from one tenderer, the Institute clarified on its website that the maximum amount per lot was estimated at EUR 800 000; observes that, according to the Institute, it was an administrative error due to which the amount specified was not amended accordingly and that it had no budget implication; notes furthermore, with regret, that, according to the Court's report, price competition in the call for tender was based on daily rates only and not also on the time needed to complete the tasks, which did not allow the Institute to identify and choose the most economically advantageous offers and did not ensure the best value for money; notes that, according to the Institute, it has amended the relevant templates of technical specifications and will mitigate the risk by putting a maximum number of working days in future requests for specific services;

Staff policy

5. Notes that the Institute's establishment plan occupancy rate at the end of 2016 was 96 %; observes that, according to the establishment plan, 27 posts (out of 28 authorised under the Union budget) were occupied on 31 December 2016, compared to 28 posts in 2015;

6. Regrets that, having regard to the number of all posts occupied on 31 December 2016, the gender balance ratio was 72 % female to 28 % male; notes furthermore the gender imbalance in the management board, with a ratio of 80 % to 20 %; calls on the Institute to aim for a more gender-balanced staff composition;

7. Notes that the screening exercise showed that 76,3 % of all staff work with operational tasks, 14,8 % deliver an administrative support function and 8,9 % perform a neutral function;

8. Stresses that work-life balance should be part of the Institute's staff policy; stresses that the budget spent on well-being activities amounted to EUR 36 437, corresponding to 2,25 days per staff; observes that the average number of sick days per staff in 2016 was 2,17 days in the case of those not justified by a medical certificate and 8,23 days in the case of those supported by a medical certificate;

9. Recalls that the Institute adopted a decision concerning psychological and sexual harassment in June 2012; supports the training sessions organised to increase the awareness of staff and suggests that the Institute regularly organise training and information sessions on the matter;

10. Notes that there was one Article 90 procedure open regarding the termination of a contract;

Prevention and management of conflicts of interest, transparency and democracy

11. Notes with concern that in 2016 the Institute registered six exceptions with financial and procedural deviation, compared to three in the previous year;

12. Notes with satisfaction that in 2016 no fraud cases were detected;

13. Welcomes the fraud prevention training that was given to all staff on 2 March 2016 and provided by the head of administration and the accounting officer after they had received the necessary training from the European Anti-Fraud Office (OLAF); observes that ethics and integrity training was given to all staff on 28 September 2016;

14. Supports the nomination of two members of staff to act as whistleblowing policy contact persons for the Institute by Director's Decision No 117 of 22 June 2016;

15. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistleblowers use the right channels to disclose their information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;

Main achievements

16. Welcomes the following three main achievements identified by the Institute in 2016:

— the production of evidence on the economic benefits of gender equality for economic growth and increased employment;

— the development and launch of an online tool to facilitate gender equality within research–performing organisations (GEAR);

— the development of unified definitions for the Member States on forms of gender-based violence and the production of a glossary and thesaurus of terms;

17. Regrets, however, that the Institute does not carry out ex ante assessments of the options available to achieve objectives;

Internal audit

18. Acknowledges that in 2016 96 % of the Internal Audit Service's (IAS) recommendations (49 out of 51) were implemented (compared to 90 %, or 46 out of 51 in 2015), including its recommendations on 'Procurement supporting operational processes in EIGE', the IAS Strategic Internal Audit Plan 2015–2017, the IAS audit on human resources management in the Institute, the IAS audit on budget/budget execution, and the IAS limited review of the implementation of Internal Control Standards (ICS);

Internal Controls

19. Observes that the Institute has adopted a set of ICS, based on identified good practice in other Union agencies, aimed at ensuring the achievement of policy and operational objectives;

Other comments

20. Notes with satisfaction that the Institute worked closely in 2016 with its sister agencies, the European Foundation for the Improvement of Living and Working Conditions (Eurofound), the European Union Agency for Fundamental Rights (FRA) and the European Agency for Safety and Health at Work (EU-OSHA); notes moreover that the Institute discussed synergies and presented its work to other agencies such as the European Asylum Support Office (EASO) and the European Chemicals Agency (ECHA); highlights, as an example of synergies, the Institute's participation in the Fundamental Rights Forum organised by the FRA, which provided an opportunity to reach out to other important policy stakeholders;

21. Notes that, according to the Court's report, the Institute published its external evaluation in January 2016 with the conclusion that the Institute's activities were consistent with its mandate and that its administration scores relatively well in terms of governance and efficiency; notes moreover that the evaluation included several recommendations to improve the Institute's operations, for instance by setting clearer priorities, better targeting its outputs, developing synergies with relevant external actors and also by strengthening the role of its management board and clarifying the role of the Experts' Forum; observes that the Institute has started to implement an action plan addressing the recommendations; calls on the Institute to report to the discharge authority on the implementation of this action plan;

22. Recalls that the Institute was established in order to contribute to and strengthen the promotion of gender equality in the Union, including gender mainstreaming in all relevant Union policies and the resulting national policies, the fight against discrimination based on sex, and raising Union citizens' awareness of gender equality; welcomes the prioritising of the work on several areas with outputs of high quality and high visibility, without losing focus on gender mainstreaming;

23. Welcomes the ongoing cooperation between the Institute and Parliament's Committee on Women's Rights and Gender Equality and welcomes the Institute's contribution to the ongoing efforts of the Committee on Women's Rights and Gender Equality; calls for further interaction between the legislative and non-legislative priorities of the Committee on Women's Rights and Gender Equality and the Institute's research, also taking into account the Gender Equality Index developed by the Institute;

24. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2018)0133 (see page 393 of this Official Journal).

DECISION (EU) 2018/1381 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the European Institute for Gender Equality for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Institute for Gender Equality for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Institute for Gender Equality for the financial year 2016, together with the Institute's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Institute in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0080/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 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]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Women's Rights and Gender Equality (A8-0087/2018),

1. Approves the closure of the accounts of the European Institute for Gender Equality for the financial year 2016;

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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 120.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 403, 30.12.2006, p. 9.
([5]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2018/1382 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2016, together with the Authority's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0082/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC ([4]), and in particular Article 64 thereof,

— 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 ([5]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A8-0088/2018),

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 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 126.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 331, 15.12.2010, p. 48.
([5]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2018/1383 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority for the financial year 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A8-0088/2018),

A. whereas, in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;

B. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Insurance and Occupational Pensions Authority (the 'Authority') for the financial year 2016 was EUR 21 762 500, representing an increase of 7,67 % compared to 2015; whereas the Authority is financed by a contribution from the Union (EUR 8 461 389, representing 40 %) and contributions from national supervisory authorities from the Member States (EUR 13 301 111, representing 60 %);

C. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2016 (the 'Court's report'), has stated that it has obtained reasonable assurances that the Authority's annual accounts 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 2016 resulted in a budget implementation rate of 99,68 %, reaching the Authority's planned target and representing a decrease of 0,29 % compared to 2015; notes furthermore that the payment appropriations execution rate was at 88,97 %, reaching the Authority's planned target and representing an increase of 5,22 % compared to 2015;

2. Notes the Authority's efforts to reallocate the Authority's budget and manpower internally, as the Authority's workload is increasingly shifting from regulatory tasks to supervisory convergence and enforcement; regards it as essential that the Authority have sufficient resources to carry out its assignments in full, including dealing with any additional workload necessitated by such assignments, whilst ensuring an appropriate level of prioritisation as regards resource allocation and budgetary efficiency; in addition points out that any increase in the Authority's workload may be dealt with internally through the reallocation of budgetary resources or manpower, provided that such reallocation does not impair the full exercise by the Authority of its mandate and ensures the Authority's independence in the performance of its supervisory tasks;

Commitments and carry-overs

3. Notes that the commitments carried forward to the following year reduced from 16,21 % in 2015 to 10,71 % in 2016, demonstrating the Authority's stricter budget monitoring; acknowledges that the carry-over of these funds was justified by contracts and obligations entered into in 2016; welcomes the fact that in 2016, the Authority achieved the lowest carry-forward percentage ever;

4. Notes that in 2016, 94,55 % of credits carried forward from 2015 to 2016 were consumed;

([1]) OJ C 113, 30.3.2016, p. 149.

5. Points out that carry-overs are often partly or fully justified by the multiannual nature of the agencies' operational programmes and do not necessarily indicate weaknesses in budget planning and implementation nor are they always at odds with the budgetary principle of annuality, in particular if they are planned in advance by the Authority and communicated to the Court;

6. Calls for the continued reduction insofar as possible in the level of committed appropriations to be carried over to the following year by means of all available measures, for example by adopting best practices used by other agencies;

Transfers

7. Notes that the variation between the initial and final budget allocated for Title I (staff costs) resulted in a slight decrease of 3,31 %, while the variation for Title II (administrative expenditure) resulted in an increase of 3,17 %; observes that, as a result of the budget amendment and transfers made, the budget under Title III (operational expenditure) increased by 9,21 %; acknowledges that the changes in the structure of the initial budget were generally smaller than in 2015; acknowledges furthermore that the level and nature of transfers remained within the limits of the financial rules;

Procurement and staff policy

8. Acknowledges that the Authority has been one of the first Union agencies to launch a project delivering an e-procurement solution; welcomes the fact that the solution provides a more efficient and transparent procurement process benefiting both the Authority and its potential suppliers;

9. Points out that 2016 marked the first phase of the move to open office: a quarter of the Authority's staff is now working in an open office environment; notes that that change was needed to accommodate the increase in staff within the existing premises and allowed for a more efficient use of office space, as well as a reduction in building related costs;

10. Notes that, according to the Authority, it ran 26 recruitment campaigns in 2016 and filled 95,7 % of its establishment plan positions at the year-end, lower than the Authority's target of 100 %; acknowledges from the Authority that the target was not reached mainly due to an unsatisfactorily high turnover rate, to unsuccessful recruitment campaigns and to non-acceptance of contract offers by selected candidates, in themselves all worrying factors that need examining and improving;

11. Observes from the establishment plan that 89 posts (out of 93 posts authorised under the Union budget) were occupied on 31 December 2016, compared to 86 in 2015; notes with satisfaction that, according to the number of posts occupied on 31 December 2016, gender balance has been met since the ratio is 53 % female to 47 % male;

12. Notes that in 2016 the Authority was employing 52,5 (FTEs) seconded national experts, contract staff, interim staff and consultants;

13. Notes that, according to the Authority, the issues with recruitment might be related to the high cost of housing in the Authority's seat in Frankfurt, as well as to the lack of financial attractiveness of the Authority compared to other European bodies such as the European Central Bank and the Single Supervisory Mechanism; acknowledges from the Authority that it revised the relevant human resources processes in order to make them more efficient; calls on the Authority to report to the discharge authority on the measures taken to address this issue;

14. Notes that, on average, each member of the Authority's staff was on sick leave for seven days in 2016; observes that the Authority organised info sessions, a stress and resilience workshop and medical check-ups for its staff;

15. Notes with satisfaction that in 2016 the Authority nominated additional counsellors to ensure adequate number of confidential counsellors and the further implementation of the informal procedure for the prevention of harassment;

16. Welcomes the fact that counselling and mediation sessions have been organised not only for the newly appointed confidential counsellors but also for the members of the staff committee and human resources staff and that awareness sessions on the prevention of harassment have been organised for management, where the whole management team attended, and for the whole staff, where 60 members of staff attended;

17. Notes that, according to the Authority, one case of alleged psychological harassment was internally investigated in 2016 and closed as a 'non-case';

18. Notes with satisfaction that, in order to enhance the supervisory approach and to increase the efficiency of the processes and quality of the output, the Authority has undertaken its first re-organisation implemented as from 1 November 2016; calls on the Authority to report to the discharge authority on further details regarding the implementation of the re-organisation, and the benefits achieved;

19. Notes that the Authority does not use any official vehicles;

Prevention and management of conflicts of interest, transparency and democracy

20. Notes with satisfaction that minutes of all meetings with external stakeholders have been published on the Authority's website since January 2016;

21. Notes with satisfaction that the Authority's policy and procedures on whistleblowing has been adopted by the management board and are aligned with the Commission guidance on that issue;

22. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistleblowers use the right channels to disclose their information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;

23. Notes with satisfaction that the Authority has published the CVs, declarations of intention and declarations of interest of the members of the management board and the board of supervisors of the Authority on the Authority's website;

24. Regrets that declarations of conflicts of interest of management board members and senior managers are outstanding; notes that such practice does not further transparency and that the remaining declarations should therefore be published without delay;

25. Notes that in 2016 the Authority received six requests for access to documents; notes that the Authority granted a full access to five documents under two requests, while three documents under one request were granted only partial access and the request for access for one document was refused;

26. Asks the Authority to inform the discharge authority about alleged and confirmed infringements of ethics rules, about how it has dealt with these infringements, and how it will avoid them in the future;

27. Considers that the minutes of meetings of the board of supervisors and of the stakeholder groups, which are publicly available, should be published more swiftly to further reduce the current time lag as well as to provide better insight into the discussions held, what stances members have taken and voting behaviour; stresses that it is essential for the Authority, in view of the nature of its assignments, to exhibit transparency, not only to Parliament and the Council, but to Union citizens; believes that outreach to the public could be enhanced by web streaming events; points out that access to documents and information relating to internal meetings should also be facilitated; recalls the importance of the protection of whistle-blowers for enhancing transparency, democratic accountability and public control.

Main achievements

28. Welcomes the three main achievements and successes identified by the Authority in 2016, namely:

— it implemented the necessary measures to successfully assume its role as set out in Directive 2009/138/EC of the European Parliament and of the Council [1]; notes that the Authority delivered the mandated tasks and provided support for the Directive's implementation at a national level, working closely with the national competent authorities, including specific exercises such as the balance sheet review of the Bulgarian insurance market;

— it contributed to legislative developments in the field of pensions including advice to the Commission on issues including the development of a Pan-European Personal Pension product and of the key information documents for the packaged retail investment and insurance products; notes that, regarding occupational pensions, it published its opinion on a Common Framework for Risk Assessment and Transparency;

[1] Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (OJ L 335, 17.12.2009, p. 1).

— it contributed to strengthen the conduct of business supervision and the capacity of the supervisory community to maintain pace with key developments such as FinTech, in particular InsurTech;

Internal controls

29. Notes that the Authority's Internal Control Standards (ICS) are based on the ICS of the Commission; notes moreover that all the ICS were duly implemented by the end of 2016;

Internal audit

30. Notes that an audit on 'Oversight Capability' was performed by the Internal Audit Service (IAS) in 2016; notes with satisfaction that none of the recommendations made by the IAS were categorised as critical or very important; acknowledges — also with satisfaction — from the Authority that, in response to the audit report, it developed an action plan, which was subsequently adopted by its Management Board, in order to address all recommendations made by the IAS;

31. Notes that in December 2016 the IAS undertook a risk assessment of the Authority's processes and that its outcome will lead to a new audit strategy for the Authority for the period 2017-2019;

Other comments

32. Notes with great satisfaction that in 2016 the Authority was engaged in ensuring a cost-effective and environment-friendly working place and in reducing or offsetting CO_2 emissions;

33. Welcomes the fact that the Authority proactively engages with its members to understand the extent of the impact of the United Kingdom's decision to withdraw from the Union on the supervision of insurance and pension activity as well as the impact on the Authority as an institution; notes furthermore that the Authority is in contact and exchanges informally with the Commission;

34. Notes that a future decrease in the Authority's revenue resulting from the United Kingdom's decision to withdraw from the Union is likely;

35. Notes that the review of Authority's website has been completed and that the redesign is planned to be implemented by the end of 2018 with the aim of making information about the Authority's activities more accessible to a broader audience;

36. Observes that the Court is currently auditing the Authority's supervisory activities and stress tests; welcomes the fact that that audit is one of the priorities of the Court for 2018;

37. Stresses that, while making sure that all assignments resulting from the regulatory framework laid down by Parliament and the Council are carried out in full and within deadline, the Authority should carefully adhere to the tasks, should not go beyond the mandate assigned to it by Parliament and the Council and should pay particular attention to the principle of proportionality, so as to optimise the use of resources and to achieve the objectives mandated to it by Parliament and the Council;

38. Points to the central role of the Authority in ensuring better oversight of the Union financial system to ensure financial stability, the necessary transparency and greater security for the Union financial market in particular by coordinating supervision between national supervisory authorities, by cooperating where necessary with institutions responsible for international supervision, as well as by overseeing consistent application of the Union law; emphasises that such cooperation should be based on an atmosphere of trust; underlines the work of national supervisory authorities given the important size of the Union insurance market; underlines the role of the Authority in contributing to and promoting convergent supervisory practices at a high-level in the area of consumer protection;

39. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2018)0133 (see page 393 of this Official Journal).

DECISION (EU) 2018/1384 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the European Insurance and Occupational Pensions Authority for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2016, together with the Authority's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0082/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC ([4]), and in particular Article 64 thereof,

— 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 ([5]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A8-0088/2018),

1. Approves the closure of the accounts of the European Insurance and Occupational Pensions Authority for the financial year 2016;

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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 126.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 331, 15.12.2010, p. 48
([5]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2018/1385 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the European Institute of Innovation and Technology for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Institute of Innovation and Technology for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Institute of Innovation and Technology for the financial year 2016, together with the Institute's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Institute in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0086/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 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]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0096/2018),

1. Grants the interim director of the European Institute of Innovation and Technology discharge in respect of the implementation of the Institute's budget for the financial year 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the interim 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 131.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 97, 9.4.2008, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2018/1386 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Institute of Innovation and Technology for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Institute of Innovation and Technology for the financial year 2016,

— having regard to the Court of Auditors' Special Report No 4/2016: 'The European Institute of Innovation and Technology must modify its delivery mechanisms and elements of its design to achieve the expected impact';

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0096/2018),

A. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, implementing the concept of performance-based budgeting and good governance of human resources;

B. whereas, according to its statement of revenue and expenditure [1], the final budget of the European Institute of Innovation and Technology (the 'Institute') for the financial year 2016 was EUR 293 796 532,54, representing an increase of 4,51 % compared to 2015; whereas the overall contribution of the Union to the Institute's budget for 2016 amounted to EUR 252 158 953,03;

C. whereas the Court of Auditors (the 'Court'), in its report on the Institute's annual accounts for the financial year 2016 (the 'Court's report'), states that it has obtained reasonable assurances that the Institute's annual accounts are reliable and that the underlying transactions are legal and regular;

Follow-up of the 2012, 2014 and 2015 discharges

1. Deeply regrets the number of outstanding issues and ongoing corrective measures in response to the Court's comments in 2012, 2014 and 2015 related in particular to funding condition, *ex-ante* verification of cost statements, funding from public and private sources, unused appropriations, financial autonomy, the respect of the principle of sound financial management; urges the Institute to complete the corrective actions as soon as possible in 2018;

2. Considers that the possibility to grant discharge in the coming years will be compromised if efficient actions are not taken and effective results are not achieved without further delay;

Budget and financial management

3. Notes that, according to the Institute's final accounts, its budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 95 %, representing a significant increase compared to the previous year (compared to 90,58 % in 2015); notes that the payment appropriations execution rate was high at 99 %, representing an increase of 3,41 % compared to 2015;

Commitments and carry-overs

4. Notes from the Court's report that the level of carry-overs for committed appropriations for Title II was high, at 40 % (EUR 400 000), compared to 44 % in 2015; acknowledges that those carry-overs relate mainly to contracts for IT services going beyond year-end and for meetings for which invoices had not yet been received;

5. Notes that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation, and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance and communicated to the Court;

[1] OJ C 84, 17.3.2017, p. 205.

Staff policy

6. Regrets that, according to the Court's report, the Institute had four directors from its creation in 2008 until July 2014; observes that since August 2014 the position of director, and, since February 2013, another managerial position, have been filled on an *ad interim* basis; endorses the Court's comment that this is not only in contradiction with the one-year maximum period set for interim placements in the Staff Regulations, but also that the frequent changes and long interim solutions cause uncertainty to stakeholders and strategic continuity; acknowledges the Institute's reply that it is not in a position to comment on the recruitment procedure for the Institute's director, as that is managed by the Commission; strongly urges the Commission to finalise this outstanding procedure; notes that the Institute will complete the recruitment of the other management position post in 2017;

7. Notes that in 2016 the Institute recruited 15 staff and one seconded national expert, which brought the total number of staff to 59 on 31 December 2016, corresponding to an increase of nine compared to 31 December 2015, with six ongoing selection processes;

8. Observes from the Institute's establishment plan that 36 posts (out of 39 posts authorised under the Union budget) were occupied on 31 December 2016, compared to 39 on 31 December 2015;

9. Notes with satisfaction that by reference to the number of posts occupied on 31 December 2016, there is almost gender balance among staff, with 56 % female to 44 % male staff; notes, however, with some concern, that the gender ratio of the Management Board is 36 % to 64 %;

10. Stresses that work-life balance should be part of the Institute's staff policy; stresses that the budget spent on well-being activities amounts to approximately EUR 226 per member of staff, corresponding to 0,5 day per member of staff; observes that the average number of sick leave is 11,67 days per member of staff;

11. Supports the training and information sessions on ethics and integrity, including the fight against harassment organised to increase staff awareness; suggests regularly organising training and information sessions;

12. Notes with satisfaction the fact that the Institute did not receive any complaints, law-suits or reported cases linked to hiring or dismissal of staff in 2016;

13. Notes that the majority of posts belong to the operational or neutral activities (70 %), whereas the administrative support and coordination roles correspond to 30 % of all posts;

Procurement

14. Acknowledges from the Institute that it is structurally understaffed, as confirmed in the Court's Special Report No 4/2016; notes that the amount of grant managed per person at the Institute is significantly higher than for any other Union research grant programme: while the budget managed per staff member under the Seventh Framework Programme was between EUR 12 500 000 and EUR 20 400 000, the Institute project officers manage annual grants up to EUR 90 000 000; notes that the resulting high workload and responsibility may increase staff turnover affecting the Institute's core business;

15. Notes that, for the 2016 period, grants were awarded and grant agreements were signed in April 2016; acknowledges that despite an improvement in 2016, the delays in grant award decisions and signatures create uncertainty and undermine partners' willingness to commit resources and to start activities at the beginning of the year;

16. Notes that the latest calls for new knowledge and innovation communities (KICs), for which the thematic areas were defined in the strategic innovation agenda of the Institute for the years 2014 to 2020 showed limited competition; notes that the 2016 call for two additional KICs (food and added-value manufacturing) received three proposals, whereby the single proposal for added-value manufacturing KIC was not selected for quality reasons; notes that an excellent partnership has been designated except for EIT Manufacturing; notes with satisfaction that the Institute has concluded on several mitigating measures, which will reduce the risk of receiving only one proposal for a theme in the future; calls on the Institute to report to the discharge authority on the content and efficiency of those measures; notes that the Commissioner for Research, Science and Innovation introduced in 2015 the concept of 'Open Innovation' as the key policy concept to frame innovation policy at Union level; considers that it is not clear which role the Institute plays in this concept; emphasises that this concept does not provide a clear framework for the development of a coherent and coordinated action by the Commission, given the number of policies and instruments in the mix and number of Directorate-Generals involved in supporting the innovation; calls on the Commission to ensure

a coordinated and efficient innovation policy, in which the responsible Directorate-Generals tune up the activities and instruments, and to inform Parliament on those efforts; understands the Institute's mission to promote cooperation among higher education, research and innovation; takes the view that companies may be in the end the main beneficiary as being the legal owner of the innovate product being brought to the market and have the financial profits; stresses the need in this situation to incorporate in the cooperation-model a structure in which given funds will flow back to the Institute;

17. Regrets that, according to the Court's report, KIC legal entities' procurements of up to EUR 2 200 000 were considered to be irregular in 2016 and proved to have significant shortcomings in their procurement procedures;

Main achievements

18. Welcomes the three main achievements identified by the Institute in 2016, namely that:

— its first three Innovation Communities (EIT InnoEnergy, EIT Climate-KIC and EIT Digital) reached full maturity and deliver an increasing number of innovative products, services and skilled entrepreneurial talents from its education programmes;

— it became Europe's largest innovation network that makes a significant contribution to Europe's competitiveness, growth and job creation, bringing Union level value added to the European innovation landscape;

— it implemented the EIT Regional Innovation Scheme as an important element of the EIT Community's outreach strategy, financed from grants earmarked by the Institute and involving stakeholders from 16 additional European countries, mostly from Central and Eastern Europe, which were not previously engaged in the Institute's activities;

Internal controls

19. Notes with concern that the Court found weaknesses in relation to *ex-post* verifications of procurement procedures carried out by KIC legal entities; notes that the Court concluded differently on the legality and regularity of two procurement procedures, where the Institute accepted the direct award or excessive extension of contracts and considered the related transactions legal and regular;

20. Acknowledges that the Institute has set up internal control processes intended to ensure the adequate management of risks relating to the legality and regularity of the underlying transactions, including *ex-ante* verification, specific *ex-ante* measures applied to grant transactions and *ex-post* verification;

21. Notes that in 2016, three exception reports and twelve non-compliance events were recorded, for a total value of EUR 5 654 245 (compared to EUR 7 140 586 in 2015); notes, however, that EUR 5 500 000, representing 99,7 % of the total value, related to a single event, namely an administrative delay of the legal basis that has been corrected in 2016; acknowledges that the Institute has put in place mitigating measures to address the internal control weaknesses identified in the exception reports and non-compliance events registered during 2016, for instance, the Institute continuously updates and improves its financial circuits, workflows, checklists and routing slips;

Anti-fraud strategy

22. Observes that the Institute has developed an anti-fraud strategy for the period of 2015 to 2017, which includes an internal survey on antifraud knowledge among the staff, benchmarking the antifraud awareness, a mandatory in-house anti-fraud training, an annual assessment on conflicts of interests situations for members of the Institute governing board was performed and related mitigating measures were identified and implemented when required;

Internal audit

23. Notes that the internal audit service carried out an audit in April 2016 on 'Transition to Horizon 2020', which covered the legal transition to the Horizon 2020 rules and regulations as well as the start-up grants provided to the two second-wave KICs designated in 2014; notes that the final audit report was issued in December 2016 with three recommendations, none of them being critical; notes that the Institute accepted the recommendations and set up an action plan which will be implemented in 2017;

24. Notes that the Institute's governing board approved the 2016 annual audit plan proposed by the internal audit capability (IAC); notes that the IAC carried out three assignments in 2016, including an audit on information technology (IT), a consultancy on potential efficiency gains in the field of human resources management and a follow-up to past consultancy assignments; notes that the IAC issued 41 new recommendations in 2016, including 8 rated as 'very important', 11 as 'important' and 22 as 'desirable' and that the Institute's management has accepted all recommendations resulting from the 2016 IAC assignments;

Prevention and management of conflicts of interests, transparency and democracy

25. Acknowledges that the Institute's whistleblowing policy is being drafted and will be sent to the European Data Protection Supervisor for a prior check before it is adopted by the Institute's governing board; notes, moreover, that the upcoming policy will contain a channel for anonymous internal reporting; asks the Institute to keep the discharge authority informed of its progress with regard to this matter;

26. Acknowledges that, in July 2017, the Institute adopted a new policy on the selection of independent external experts, which addresses the implementation of Article 89 of Regulation (EU) No 1271/2013 regarding the sources of selection, the treatment of recommendations and provides for conflict of interest criteria;

27. Notes that the Institute will put in place a detailed and proactive transparency policy related to its contacts with stakeholders as part of its annual work programme 2018; asks the Institute to keep the discharge authority informed of progress with regard to this matter;

28. Notes with satisfaction the organisation of in-house training sessions including on ethics and integrity, fraud prevention and detection, project management, key performance indicators and Horizon 2020 on financial management and audit;

29. Regrets that the Institute does not make public the minutes of its management board meetings; calls on the Institute to change its policy in that regard;

Other comments

30. Notes that in 2016, the Court published two special reports affecting the Institute: Special Report No 4/2016 'The European Institute of Innovation and Technology must modify its delivery mechanisms and elements of its design to achieve the expected impact', which was published on 14 April 2016, and Special Report No 12/2016 'Agencies' use of grants: not always appropriate or demonstrably effective', which was published on 21 April 2016; notes with satisfaction that measures have been taken to implement the Court's recommendations;

31. Notes that the original target set by the Commission for the Institute to obtain financial autonomy was 2010; notes, furthermore, that the Institute obtained a partial financial autonomy in June 2011, under the condition of continued ex ante approval of grant related transactions and of procurements above EUR 60 000 by the Commission's Directorate-General for Education and Culture; acknowledges that the Institute requested the Commission to re-launch the process leading to full financial autonomy; acknowledges, furthermore, that the Commission set out the roadmap and timetable of the process in May 2016 and that the Institute submitted a completed self-assessment to the Commission in October 2016; calls on the Institute to report to the discharge authority on progress;

32. Notes that the Commission has created a Horizon 2020 common support centre in order to ensure coherence among bodies implementing the programme covering aspects such as legal services, IT tools, grant management, dissemination and exploitation of research results; notes, however, that the Institute has no direct access to the support centre but needs approval on a case-by-case basis from its Commission parent Directorate-General; acknowledges that this limitation affects the efficiency of the Institutes operations;

33. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2018)0133 (see page 393 of this Official Journal).

DECISION (EU) 2018/1387 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the European Institute of Innovation and Technology for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Institute of Innovation and Technology for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Institute of Innovation and Technology for the financial year 2016, together with the Institute's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Institute in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0086/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 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]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0096/2018),

1. Approves the closure of the accounts of the European Institute of Innovation and Technology for the financial year 2016;

2. Instructs its President to forward this decision to the interim 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 131.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 97, 9.4.2008, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2018/1388 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the European Medicines Agency for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Medicines Agency for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Medicines Agency for the financial year 2016, together with the Agency's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0064/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 726/2004 of the European Parliament and of the Council of 31 March 2004 laying down Community procedures for the authorisation and supervision of medicinal products for human and veterinary use and establishing a European Medicines Agency ([4]), and in particular Article 68 thereof,

— 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 ([5]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0103/2018),

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 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 142.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 136, 30.4.2004, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2018/1389 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Medicines Agency for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Medicines Agency for the financial year 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0103/2018),

A. whereas in the context of the discharge procedure, the discharge authority wishes to stress the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability and implementing the concept of performance-based budgeting and good governance of human resources;

B. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Medicines Agency ('the Agency') for the financial year 2016 was EUR 308 422 000, representing an increase of 0,1 % compared to 2015;

C. whereas the Agency is a fee-funded agency, with 89,34 % of its 2016 revenue stemming from fees paid by the pharmaceutical industry, for services provided, 5,49 % stemming from the Union budget to fund various public health and harmonisation activities, and 5,01 % stemming from external assigned revenue;

D. whereas the Court of Auditors ('the Court') in its report on the annual accounts of the European Medicines Agency for the financial year 2016 ('the Court's report'), has stated that it has obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Follow-up of 2014 discharge

1. Notes with concern that some of the Court's comments from the 2014 discharge are still not marked as 'completed', in particular the evaluation of the weaknesses in management control, the dissemination of appropriate pharmacovigilance information to the Member States and to the general public; calls on the Agency to complete the corrective actions as soon as possible in 2018 and to report to the discharge authority on their implementation;

Comments on the reliability of the accounts

2. Notes that, according to the Court's report, since the introduction of a new IT accounting system in 2011, reporting on commitment workflow and consumption has not been sufficiently transparent; notes with regret that, although the matter was repeatedly raised with the Agency, no corrective action has been taken; take note of the Agency's explanation that '[the Agency] is currently working to increase the reporting functionality of its financial system, in line with the recommendations by the Court'; calls on the Agency to implement corrective actions as soon as possible in 2018 and to report to the discharge authority on their implementation;

Comments on the legality and regularity of transactions

3. Notes with concern that, according to the Court's report, the Agency concluded corporate rate agreements for the provision of accommodation for experts with 25 hotels in London without using a competitive procurement procedure; notes that for six hotels, payments made in 2016 were above the Financial Regulation's threshold for which an open or restricted competitive procurement procedure is required; notes with regret that the six corporate rate agreements and the related 2016 payments, amounting to some EUR 2 100 000 are therefore irregular; notes that, according to the Agency's reply, it will identify and implement a solution for hotel bookings during 2017-2018; calls on the Agency to report to the discharge authority on the implementation of that solution;

([1]) OJ C 443, 29.11.2016, p. 4.

Budget and financial management

4. Notes that budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 96,30 %, representing an increase of 2,25 % compared with the previous year; notes furthermore that the payment appropriations execution rate was at 85,51 %, representing a decrease of 1,58 %;

5. Stresses that the Agency was not allowed to create a 'Brexit' contingency reserve;

Commitments and carry-overs

6. Notes that no specific comments were issued by the Court as regards the Agency's carry-overs; notes in addition that the Agency fully complied with relevant financial rules and key performance indicators for the amounts carried over, resulting in carry-overs for Title I at 0,86 %, for Title II at 7,93 % and for Title III at 25,86 %;

7. Points out that carry-overs are often partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation, and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance and communicated to the Court;

Transfers

8. Notes with satisfaction that, according to the Agency's annual activity report, the level and nature of transfers in 2016 remained within the limits of the financial rules; acknowledges from the Agency that during 2016 it made twelve transfers totalling EUR 9 268 000 or 3 % of final appropriations; notes that the transferred expenditure appropriations were primarily needed to cover increased expenditure on business IT development, increased appropriations for rapporteurs and pharmacovigilance services, and reduction of appropriations, where expenditure is mainly paid in pounds sterling;

Procurement and staff policy

9. Observes from the Agency's establishment plan that 587 posts (out of 602 posts authorised under the Union budget) were occupied on 31 December 2016, as it was in 2015; notes that in addition the Agency was employing (in FTEs) 36 seconded national experts, 143 contract staff, 59 interim staff and 148 consultants;

10. Notes with regret that, as regards the number of posts occupied on 31 December 2016 for all staff (including contract agents), gender balance has not been met, since the ratio is 69 % female to 31 % male; notes however that 14 out of 29 (48 %) of the Agency's senior management staff are female; calls on the Agency to take the gender balance issue into account when recruiting new staff and inform the discharge authority in the next discharge procedure of the progress made at the end of the calendar years of 2017 and 2018;

11. Notes that on average the Agency's staff was on sick leave 7,9 days in 2016; observes with satisfaction that the Agency put in place a health and safety group for consultation with staff, provides its staff with healthy food options in the Agency canteen and made an annual contribution of £ 31 108,33 to the Sports and Leisure Club that arranges activities such as a summer party and a Christmas party, and also has nine sport and leisure activity clubs within the areas of art, books, cinema, theatre, basketball, football, mountain sports, Nordic walking and volleyball;

12. Notes with satisfaction that the Agency has a policy in place for protecting the dignity of the person and preventing any form of psychological or sexual harassment; notes that the Agency also has listening points (confidential counsellors) in place for staff to bring their concerns within the informal procedure; notes that there were no harassment cases in 2016;

13. Notes that the Agency does not have any official vehicles;

14. Notes that the result of the staff engagement survey, carried out in 2015, represented a further improvement compared to 2013; observes, however, that remaining issues identified include collaboration across divisions, objectivity in decision-making processes and trust in senior management; notes that a focus group proposed eight improvement actions for the three areas of improvement; acknowledges that six of the proposals were endorsed by the Executive Board, out of which three are already in the implementation phase (internal mobility database; fact sheets for communication of decisions; regular team meetings), and three more are planned to follow (360 degree feedback process; personnel communication plan; better support for line managers); calls on the Agency to report to the discharge authority on the implementation of these actions;

15. Notes that, according to the Court's report, since 2014 the Agency has undergone two major re-organisations including the internal re-allocation of top and middle management positions; notes moreover that the re-allocation of key staff in the area of IT and administration was not successful, causing material risk of instability to the Agency and its operations; notes however that the Agency considers that no instability was suffered by the Agency due to organisational changes which aimed at increasing operational efficiencies and improving delivery of strategic objectives and which were supported by the Agency's Management Board; notes moreover that there is no system in place to analyse skills availability, identify gaps and to recruit and allocate appropriate staff; calls on the Agency to pay extra attention to these issues, improve its human resources management and report back to the discharge authority;

16. Is concerned that in the case of fee-funded agencies like the Agency, the staff cuts imposed in recent years have meant a reduction in staff working on tasks that are actually funded by applicants' fees and not by the Union budget; that has been done without taking into consideration the extra workload created by increasing numbers of applications, nor the corresponding increase in income from fees paid by applicants for the services provided, which could have allowed staff increases without any impact on the Union budget; notes that the need for additional staff and budget resources will become particularly acute for the Agency during the 2018-2020 preparation and relocation phase to its new seat, during which the Agency will have to continue fulfilling its key public health tasks as well as the additional tasks linked to the relocation itself;

17. Notes that, according to the Court's report, the Agency is critically dependent on external expertise from the start of the projects, yet there is no policy in place to govern the use of consultants; notes with regret that quality issues identified upon receipt of deliverables required rectification for which additional costs were charged to the Agency; calls on the Agency to better use its own resources and try to limit dependency on external expertise, to prepare and set up a proper policy to govern the use of external consultants and to report to the discharge authority on its implementation;

18. Notes that, according to the Court's report, in 2014 the Commission, on behalf of more than 50 Union institutions and bodies (including the Agency), signed a framework contract with one contractor for the acquisition of software, licences and the provision of related IT maintenance and consultancy; notes that the framework contractor acts as an intermediary between the Agency and suppliers that can address the Agency's needs; takes note that for these intermediary services, the framework contractor is entitled to a commission of two to nine percent of the suppliers' prices; observes that in 2016, total payments to the framework contractor amounted to EUR 8 900 000; notes with regret that the Agency did not systematically check prices and uplifts charged with the suppliers' quotes and invoices issued to the framework contractor; notes however that, following the Court's finding in October 2017, the Agency investigated the case which resulted in the contractor's acknowledgment of its mistake and an expected recovery of approximately EUR 12 000; also notes that, since October 2017, specific internal guidance has been put in place by the Agency; that guidance includes systematic checks of product category and related uplift for every quotation received from Comparex with a value above EUR 60 000;

19. Acknowledges that approvals of marketing authorisation applications are based on three criteria: efficacy, quality and safety; recommends that a fourth requirement should be added: Added Therapeutic Value (ATV), comparing a medicine with the best available drug, instead of comparing it to placebos;

Prevention and management of conflicts of interests, transparency and democracy

20. Notes that the revised policy on the handling of competing interests of the Management Board members came into effect on 1 May 2016 and was further revised in October 2016; acknowledges from the Agency that the implementation of the revised policy now includes an ex ante evaluation which is performed to compare the details contained in each new declaration, with those of the previous declaration, and with the CV of each board member provided;

21. Welcomes the fact that the names of members who have declared competing interests which could affect their impartiality, with regard to specific items on the agenda, are noted in the minutes and that that may imply some restriction on their involvement at the meeting;

22. Notes with satisfaction that the CVs and declarations of interests of all Management Board members are published on the Agency's website; notes that no breach of trust procedures were initiated for Management Board members in 2016;

23. Observes that the Agency's Code of Conduct extends the requirements for impartiality and the submission of annual declarations of interests to all members of staff of the Agency, including temporary agents, contract agents, seconded national experts, interims, visiting experts and trainees; notes that the decision concerning the handling of declared interests of members of staff of the Agency and candidates before recruitment was revised as a result of the review of both the policy on the handling of declarations of interests of scientific committee members and experts, and the policy on competing interests of the Management Board members, and became effective as of 1 January 2017;

24. Notes that the relocation of the Agency could lead to staff leaving the Agency; calls therefore on the Agency to make sure that revolving door rules are strictly applied in each case;

25. Notes that the Agency's anti-fraud office delivered on the targeted actions, outlined in the Agency's anti-fraud strategy for 2016; all staff were requested to attend the Agency's e-learning course covering anti-fraud related matters and entirely prepared in-house by the anti-fraud office;

26. Takes note that the Agency has adopted the Commission guidelines on internal whistleblowing in November 2014; welcomes the adoption by the Agency's Management Board of a policy to handle external sources' reports on matters within the scope of its responsibilities (i.e. external whistleblowing rules) in March 2017;

27. Acknowledges from the Agency that in 2016, it recorded no internal whistleblower cases and received 18 reports from an external source concerning alleged improprieties of a regulatory nature, potentially adversely affecting public health; notes that the Agency followed-up on each of these reports but did not identify any safety/efficacy concerns entailing the need to take specific regulatory action;

28. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistleblowers use the right channels to disclose their information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;

29. Notes that in 2016 the Agency received 823 requests for access to documents which represent a 20 % increase compared to 2015; notes that the Agency replied to 678 requests and granted full access to 542 requests, 17 requests were granted only partial access and 44 requests were refused; notes that the reason given by the Agency for refusing 21 requests for access to documents was the protection of commercial interests; calls on the Agency to ensure that, when deciding on limiting the access to documents due to protection of commercial interests, it also considers the Union and its citizens' interest in health with seriousness, while applying relevant rules and regulations;

30. Notes with regret that the publication for public consultation of the Agency's new approach towards transparency was put on hold due to the need to prioritise the Agency's Brexit preparedness;

Main achievements

31. Welcomes the main achievements identified by the Agency in 2016, namely:

— the Agency fulfilled its legal obligations of supporting innovation, authorisation and supervision of medicinal products, thus promoting and protecting public health;

— the Agency started publishing clinical data underpinning marketing authorisation applications for new medicines, and was the first regulator in the world to do so;

— the Agency launched PRIority MEdicines (PRIME), a new scheme to reinforce regulatory support to optimise the development of medicines that address patients' unmet needs;

— together with the European Food Safety Authority, the Agency reviewed the measures to reduce the use of antimicrobials in food-producing animals and delivered a joint scientific opinion;

Internal controls

32. Takes note that the Agency has developed a sustainable process to identify, assess, and manage risks across the organisation, to ensure attainment of key organisational objectives; notes that none of the identified risks were considered critical and none had materialised during 2016;

33. Notes that the effectiveness of the Agency's Internal Control Standards was assessed via an internal questionnaire addressed to the Agency's management; acknowledges that the assessment concluded that the system in place is generally compliant with the standards, thus providing the Agency with reasonable assurance on the reliability of the internal control environment, even though three areas for improvement were highlighted; namely, staff allocation and mobility, objectives, and performance indicators and operational structure; notes that measures have been taken to further improve the efficiency and application of the standards above, and an action plan to rectify the above areas was drafted and it was to be implemented in 2017; calls on the Agency to report to the discharge authority on the implementation of the action plan;

Internal audit

34. Notes that 10 recommendations marked as 'Very Important' and stemming from audits carried out by the Agency's Internal Audit Capability up to 31 December 2015, were still open at the end of 2016; notes that no critical recommendations remain open; calls on the Agency to report to the discharge authority on the measures taken to complete the open recommendations marked as 'Very Important';

35. Notes with satisfaction that no recommendations marked as 'Critical' or 'Very Important' from the Commission's Internal Audit Service were open as of 31 December 2016;

Other Comments

36. Notes in particular that the Agency will be facing an additional workload and additional budgetary needs throughout the 2018-2020 relocation and transition period, as a consequence of the decision of the United Kingdom (UK) to withdraw from the Union; calls on the Commission to make available adequate staff and budgetary resources during this period to ensure that the Agency can both continue to carry out its tasks effectively and launch all required activities in preparation for its relocation in 2019; proposes in addition that the Agency, limited by legislation and in line with the principle of sound financial management, be authorised to maintain a budgetary reserve generated from revenue fees to respond to unforeseen costs and unfavourable exchange rate fluctuations that may be incurred in 2018 and beyond;

37. Stresses the need for the accelerated building approval procedure set out in Article 88 of the Agency's framework financial regulation so as to avoid any delays in the start of the construction of the new Agency's premises in Amsterdam;

38. Welcomes the Parliament's mission to Amsterdam, at the temporary and future headquarters of the Agency, to gather up-to-date information on the progress of the double transfer and on the development of the real estate project and underlines the role of the Parliament in the decision-making process regarding the new headquarters;

39. In the context of the Agency's impending relocation to Amsterdam and the need to secure the highest possible retention of staff, supports a broad interpretation of point (a) of Article 12(2) of the Conditions of Employment of Other Servants of the Union, thus enabling the Executive Director to retain the highest possible number of the Agency's staff members of UK nationality until 29 March 2019 and beyond;

40. Notes that the Court issued an emphasis of matter paragraph for the two London-based agencies, concerning the UK's decision to withdraw from the Union; notes that in view of the decisions on its future location, the Agency has disclosed in its financial statements an estimated EUR 448 000 000 rent for the remaining rental period between 2017 and 2039 as a contingent liability, as the rental contract does not include any exit clause; urges the Commission to take responsibility for these absurdly high liabilities and, together with the Agency, negotiate an acceptable deal with the lessor; notes moreover that contingent liabilities in relation to other costs associated with the removal such as, for example the relocation of staff together with their families, actions to mitigate a potential loss of internal and UK-based external expertise, and the consequent risk to business continuity, are yet to be determined; calls on the Agency to report to the discharge authority on an updated estimate of relocation costs, which includes liability of the current premises;

41. Points out from the Court's report that the Agency's 2016 budget was 95 % financed by fees from pharmaceutical companies and 5 % from Union funds; stresses that the funding from pharmaceutical companies has increased in 2016, compared to 2015 and is concerned about the influence of the industry on the Agency and also about this dependence;

42. Notes that the assessment of risks related to Brexit has been performed separately by the Operations and Relocation Preparedness Task Force (ORP taskforce) of the Agency, set up to ensure the Agency's preparedness for various development scenarios following Brexit; notes that in 2016, the taskforce was focused on the assessment of the impact on the Agency, including managing preparations related to support for staff and delegates, financial matters, security issues and infrastructure, concerning the planned relocation to another country; calls on the Agency to report to the discharge authority on the measures taken to face this challenge;

43. Acknowledges from the follow-up report that the ORP Task Force has officially stated that all costs for the early departure from London and relocation of the Agency to the new host Member State will have to be borne by the UK Government; acknowledges moreover that, in the meantime, as a tenant, the Agency is analysing all possible options with the assistance of UK-based legal and real estate advisors, whilst keeping an eye on the negotiations between the Union and the UK Government;

44. Notes that, according to the Court's report, Regulation (EC) No 726/2004 requires an external evaluation of the Agency and its operations by the Commission every ten years; observes that the last evaluation report was issued in 2010; agrees with the Court's comment that such a long time span does not ensure timely performance feedback for stakeholders; acknowledges from the Agency that the Commission is currently preparing the next evaluation to be conducted in the period 2017-2018;

45. Reiterates the important role of the Agency in protecting and promoting public and animal health by assessing and supervising medicines for human or veterinary use;

46. Notes that, in 2016, the Agency recommended 92 new medicines for marketing authorisation (81 human, 11 veterinary) and that those include 33 new active substances (27 human, 6 veterinary); stresses that those substances have previously never been authorised in a medicine in the Union and are not related to the chemical structure of any other authorised substance;

47. Welcomes the launch of the clinical data website in October 2016, which represents an important step towards higher transparency; notes that the website gives open access to clinical reports for new medicines for human use, authorised in the Union; notes that the Agency is the first regulatory authority worldwide to provide such broad access to clinical data;

48. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2018)0133 (see page 393 of this Official Journal).

DECISION (EU) 2018/1390 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the European Medicines Agency for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Medicines Agency for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Medicines Agency for the financial year 2016, together with the Agency's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0064/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 726/2004 of the European Parliament and of the Council of 31 March 2004 laying down Community procedures for the authorisation and supervision of medicinal products for human and veterinary use and establishing a European Medicines Agency ([4]), and in particular Article 68 thereof,

— 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 ([5]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0103/2018),

1. Approves the closure of the accounts of the European Medicines Agency for the financial year 2016;

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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 142.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 136, 30.4.2004, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2018/1391 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2016,

— 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 2016, together with the Centre's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0060/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 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]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0081/2018),

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 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 150.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 376, 27.12.2006, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2018/1392 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the 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 2016

THE EUROPEAN PARLIAMENT,

— having regard to 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 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0081/2018),

A. whereas in the context of the discharge procedure, the discharge authority wishes to stress the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;

B. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Monitoring Centre for Drugs and Drug Addiction (the 'Centre') for the financial year 2016 was EUR 15 421 357, representing a decrease of 16,73 % compared to 2015; whereas the budget of the Centre derives mainly from the Union budget;

C. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2016 (the 'Court's report'), has stated that it has obtained reasonable assurances that the Centre's annual accounts are reliable and that the underlying transactions are legal and regular;

Follow-up of 2015 discharge

1. Notes that, according to the Court's report, in 2012 the Centre signed a framework contract with a maximum amount for signing specific contracts of EUR 250 000, which was specified in the contract notice; notes with concern that the Centre did not respect this ceiling; notes moreover that by the end of 2015 the total payments made under this contract amounted to EUR 382 181, i.e. exceeded it by 50 %; points out that the payments made above the ceiling indicate that the Centre's procedure for monitoring framework contracts should be improved; calls on the Centre to report to the discharge authority on the status of the corrective action which is currently marked as 'ongoing' and on the future improvements in the monitoring of framework contracts;

Comments on the legality and regularity of transactions

2. Notes that, according to the Court's report, for two framework contracts, with maximum values of EUR 135 000 and EUR 650 000, one of the Centre's employees acted as authorising officer by delegation when appointing the evaluation committee, taking the award decisions and signing the contracts; notes, however, that the delegation granted by the authorising officer was limited to EUR 130 000 and did not explicitly refer to framework contracts; notes that, according to the Centre's reply, the maximum values of the two framework contracts indicated the total cumulative amount of the specific contracts likely to be concluded for their execution; notes with satisfaction that the Centre will adjust its decision on the delegation of the authorising officer's powers in order to set out more explicitly the acts covered by this delegation;

Budget and financial management

3. Notes that the budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 99,95 %, representing an increase of 0,12 % compared to 2015, and that the payment appropriations execution rate was 95,64 %, representing a decrease of 1,71 % compared to 2015; notes with satisfaction that the high overall level of committed appropriations indicated that the commitments were made in a timely manner;

([1]) OJ C 12, 13.1.2017, p. 6.

Commitments and carry-overs

4. Notes that the level of committed appropriations carried over for 2016 amounts to EUR 671 266 (4,36 %);

5. Notes that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance by the Centre and communicated to the Court;

Procurement

6. Notes that the Centre put in place a new procurement plan which was successfully executed in close collaboration with all units; calls on the Centre to report to the discharge authority on the implementation of this plan;

7. Notes that the Centre participated in the Network of Agencies Procurement Officers meeting in order to exchange experiences to further continue with the implementation of measures to rationalise and optimise tendering and other financial processes;

Staff policy

8. Notes that, according to the results of the Centre's staff screening exercise, 69,75 % of its human resources were devoted to operational activities, 20,17 % were allocated to administrative support and coordination, and 10,08 % were assigned to operations considered neutral in 2016;

9. Observes that, according to the establishment plan, 73 posts (out of 79 posts authorised under the Union budget) were occupied on 31 December 2016, compared to 74 in 2015; notes with appreciation that by the number of all posts occupied on 31 December 2016 gender balance has been met since the ratio is 53,47 % female to 46,53 % male;

10. Stresses that the work-life balance should be part of the staff policy of the Centre and that the budget spent on well-being activities amounts to approximately EUR 100 per member of staff, corresponding to one day; observes that the average sick leave is 8,54 days per member of staff;

11. Appreciates that the Centre already adopted a policy on protecting dignity of the person and preventing harassment; invites the Centre to organise training sessions in order to increase the awareness of staff;

12. Notes with satisfaction the fact that the Centre did not receive any complaints, law-suits or reported cases linked to hiring or dismissal of staff in 2016;

Prevention and management of conflicts of interest, transparency and democracy

13. Notes that the declaration of interest of the director of the Centre is published on the Centre's website; calls on the Centre to make more declarations of interest public on its website;

14. Notes that the management board adopted the Centre's anti-fraud policy, which follows the methodology prepared by the European Anti-Fraud Office (OLAF) to guide decentralised agencies, and completes the measures already taken by the Centre on this matter, in particular the rules on internal investigations by OLAF, the initiatives for awareness raising on staff ethics, the rules on gifts and hospitality offered by third parties and the guidelines on serious wrongdoing and whistleblowing;

15. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistleblowers use the right channels to disclose their information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;

Main achievements

16. Welcomes the three main achievements identified by the Centre in 2016, namely:

— it adopted its first long-term plan: the EMCDDA Strategy 2025;

— it put in place appropriate mechanisms to successfully guide the organisation through a transition period, while achieving further progress towards its mission;

— it launched three flagship publications: the 2016 European Drug Report package, the joint EMCDDA–Europol 2016 EU Drug Markets Report and the 2015 European School Survey Project on Alcohol and Other Drugs Report;

Internal audit

17. Notes with concern that, according to the Court's report, in its audit report of January 2016, the Commission's Internal Audit Service (IAS) highlighted a strong need to improve the Centre's management of IT projects; notes with concern further that the IAS concluded in particular that there is no overarching long-term strategic vision for the IT systems supporting the Centre's core operational processes, that its IT project management methodology was only partially adapted to its needs and that the process to manage system requirements is inadequate; notes that the Centre and the IAS agreed on a plan to take corrective action; calls on the Centre to report to the discharge authority on the progress made;

18. Notes that along the lines set up in its 2016-18 Strategic Internal Audit Plan, the IAS carried out, in September 2016, a 'Limited Review on Business Continuity in the EMCDDA'; notes that a related draft report yielded three recommendations rated by the internal auditor as 'important', covering issues on business impact analysis, training and awareness-raising actions, and the list of critical records; notes that an action plan aimed at dealing with the three recommendations will be elaborated following receipt of the final report on business continuity in the Centre; calls on the Centre to report to the discharge authority on the implementation of this action plan;

19. Encourages the commitment of the Centre to provide improved access to its data to interested third parties, given that one of its main objectives is the dissemination of data and information on the state of the drugs problem, including data on relevant new trends; expects such a commitment to result in effective corresponding actions being taken.

20. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2018)0133 (see page 393 of this Official Journal).

DECISION (EU) 2018/1393 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2016,

— 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 2016, together with the Centre's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0060/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 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]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0081/2018),

1. Approves the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2016;

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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 150.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 376, 27.12.2006, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2018/1394 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the European Maritime Safety Agency for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Maritime Safety Agency for the financial year 2016, together with the Agency's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0067/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 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]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0078/2018),

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 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 156.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 208, 5.8.2002, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2018/1395 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Maritime Safety Agency for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Maritime Safety Agency for the financial year 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0078/2018),

A. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of the performance-based budgeting and good governance of human resources;

B. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Maritime Safety Agency (the 'Agency') for the financial year 2016 was EUR 70 215 156, representing an increase of 6,05 % compared to 2015;

C. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the European Maritime Safety Agency for the financial year 2016 (the 'Court's report'), has stated that it has obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes that the budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 98,07 %, representing a decrease of 1,16 % compared to 2015 and the payment appropriations execution rate 97,80 %, representing an increase of 1,28 %;

2. Takes note of the implementation for Budget 2016 of the final phase of a two-part budget restructuring in 2014 and 2015 affecting budgetary years 2015 and 2016; notes that the new structure is intended to better support the business needs of the Agency by isolating project financed activities and the financing earmarked for those specific actions (R0 funds); invites the Agency to inform the discharge authority on the practical impact and efficiencies gained with the new budget structure;

Commitments and carry-overs

3. Observes that out of the total amount carried forward from 2015 to 2016 (EUR 36 450 711), 54 % were consumed, 43 % remained as 'open amount' (amount due, not yet paid) and 2 % of the total has been cancelled;

4. Points out that carry-overs are often partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annularity, in particular if they are planned in advance by the Agency and communicated to the Court;

Transfer

5. Notes that the Agency made a total of 8 transfers between budgetary titles in 2016; acknowledges that these transfers were below 10 % of the appropriations for the financial year of the budget line from which the transfer is made in the case of transfers from one title to another, with the exception of transfers made at year-end in line with the Administrative Board decision adopted by written Procedure N° 11/2016 on budget transfers from one title to another beyond the limit of a maximum of 10 %;

([1]) OJ C 84, 17.3.2017, p. 82.

Procurement and staff policy

6. Notes that the Agency launched 66 procurement procedures, out of which 5 were special negotiated procedures and the remaining 61 encompassed open and low value negotiated procedures;

7. Acknowledges from the Agency that in 2016 the Agency had 202 posts in its authorised establishment plan; observes that the Agency took into consideration the target of 198 posts which is the target as from 1 January 2017; notes that the occupation rate against that target was 98,48 %;

8. Notes the results of the third benchmarking exercise on the Agency's posts, with 21,80 % of the jobs dedicated to administrative support and coordination, 70,93 % to operational tasks and 7,26 % to neutral tasks; notes that five posts earmarked in the 2015 establishment plan were cut in 2016 as part of the first 5 % staff cut implemented in line with the Commission Communication on the programming of resources for decentralised agencies, bringing the number of statutory posts down from 207 to 202, and that the Agency implemented its 2016 Working Programme with only 198 posts, since 4 posts were frozen due to the cuts foreseen in 2017; notes that the total number of staff remained the same at 246; welcomes the fact that the increase of 14 statutory posts connected with cooperation in respect of coastguard tasks is foreseen in 2017;

9. Regrets the significant gender imbalance of 19 % to 81 % within the Agency's management board, showing no improvement from last year; acknowledges, however, from the Agency that the nomination of those members does not fall under its remit and that the Agency's senior management gender balance ratio was 50:50;

10. Stresses that the work-life balance should be part of the staff policy of the Agency; calls on the Agency to provide a more accurate breakdown of the relatively high amount (EUR 7 841,70) spent on well-being activities per staff member in 2016; observes that the average number of sick leave per staff was 5,9 days;

11. Welcomes the fact that the Agency has a general implementing rule in place on the prevention of psychological and sexual harassment; calls on the Agency to support the organisation of training and information sessions in order to increase the awareness of the staff;

12. Notes with appreciation the fact that the Agency did not receive any complaints, law-suits or reported cases linked to hiring or firing of staff in 2016;

Prevention and management of conflicts of interests, transparency and democracy

13. Welcomes the fact that the Agency made publicly available on its website the 'Declarations of Commitment and Confidentiality' signed by its Administrative Board Members as well as their CVs;

14. Notes with satisfaction that the Agency's Administrative Board adopted in 2015 a fraud prevention and detection strategy and that a number of specific actions were implemented in the course of 2016, including training courses on Ethics and Integrity;

15. Appreciates the fact that the Agency had no conflict of interest case in 2016;

16. Welcomes the fact that the Agency has adopted a policy for whistle-blowers which provides staff with all relevant information on whistle-blowing and ensures members of staff who report serious wrongdoings or concerns in good faith that they are afforded confidentiality; notes with satisfaction that no cases were reported in 2016;

17. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistle-blowers use the right channels to disclose their information on possible irregularities affecting the financial interests of the Union, whilst protecting their confidentiality and offering them the support and advice that they need;

Main achievements

18. Welcomes the three main achievements identified by the Agency in 2016, namely:

— it implemented a new methodology for visits to Member States, and piloted the integration of cost-efficiency assessment in the horizontal analyses related to cycles of visits to Member States;

— the first operational services under the Copernicus maritime surveillance project were rolled out, marking the beginning of a synergy that will sustain and boost the Agency's earth observation products and services for the years to come;

— it set up a dedicated, voluntary tool to support the work of the Member States in the enforcement and implementation of Union legislation and standards for mitigating shipping-related environmental risks; (Sulphur Directive ([1]) and Port waste reception facilities Directive ([2]));

19. Regrets that the Agency does not use impact indicators and outcome indicators to further improve the use of the key performance indicators; notes however that the Agency single programming document clearly indicates the expected impact and outcome for each activity;

Internal audit

20. Acknowledges that in 2016 the Agency's auditing bodies did not issue any critical audit recommendations or observations that could lead to a reservation in the annual declaration of assurance; notes with satisfaction that all recommendations and observations stemming from various audits from years before 2016 were closed at 31 December 2016;

21. Notes that the IAS performed an audit on Project Financed Actions at EMSA and concluded that, overall, the Agency's management and control systems for project-financed actions are adequately designed and effectively and efficiently implemented; notes however that the IAS identified areas for improvement related to availability of management information on the planning and use of resources for project-financed actions; takes note that the IAS issued three recommendations on 30 January 2017 of which one was accepted by the Agency; calls on the Agency to report to the discharge authority on the implementation of the recommendations;

22. Welcomes the fact that the Agency has developed its own follow-up tool in relation to the recommendations issued by the Internal Audit Service and the Court and that all audit recommendations and observations issued by 31 December 2016 have been implemented;

Internal control

23. Notes that the Agency developed and implemented a series of internal measures to ensure that its activities are subject to control and to provide reasonable assurance to management of the achievement of its objectives; observes that the Agency implemented a full set of Internal Control Standards (ICS), based on equivalent standards established by the Commission, and minimum requirements which were adopted by its Administrative Board; notes that the main developments during 2016 concerned fraud prevention and detection and document management;

24. Notes that, according to the Court's report, in 2014 the Agency concluded a framework contract amounting to EUR 3 500 000 for the purchase of IT-related goods and services over a six-year period; observes that the Agency underestimated the needs and likely contract value, leading to an 80 % consumption of the contract at the end of 2016; regrets that a new procurement procedure had to be launched four years earlier than expected, resulting in additional administrative costs; acknowledges from the Agency's reply that defining the needs related to this contract was particularly challenging as at the time of the procurement the negotiations on the Delegation Agreement for Copernicus were still ongoing and, more importantly, it was not clear if and to which extent IT costs would be eligible under this agreement;

25. Notes that, according to the Court's report, in 2016 the Agency concluded seven framework contracts for the purchase of oil pollution response systems; observes that the procurement procedure was launched under the assumption that the total value of the seven framework contracts would be EUR 7 000 000; regrets that this assumption underestimated the Agency's needs and seven framework contracts for an amount of EUR 7 000 000 each were signed, leading to a total value of the contracts of EUR 49 000 000; acknowledges from the Agency's reply that in the period between the initial estimation of the needs and the actual launch of the tender the forecasted needs evolved;

([1]) Directive (EU) 2016/802 of the European Parliament and of the Council of 11 May 2016 relating to a reduction in the sulphur content of certain liquid fuels (OJ L 132, 21.5.2016, p. 58).

([2]) Commission Directive (EU) 2015/2087 of 18 November 2015 amending Annex II to Directive 2000/59/EC of the European Parliament and the Council on port reception facilities for ship-generated waste and cargo residues (OJ L 302, 19.11.2015, p. 99).

Performance

26. Notes that during 2016, cooperation with participating Member States and Union bodies continued, including provision of services to Frontex (border control), EFCA (fisheries monitoring), OLAF (customs and illegal cross border activities), MAOC-N (law enforcement — narcotics) and EUNAVFOR (anti-piracy and anti-people-smuggling);

27. Notes that the legislative proposal to amend the Agency's founding regulation with the aim of developing of European cooperation on coastguard functions had a significant impact on the Agency's multi-annual programming exercises, conducted in 2016; takes note, moreover, of the pilot project launched by the Parliament aiming to explore and further develop, in 2016 and 2017, inter-agency synergies between the Agency, Frontex and EFCA to enhance cooperation on coastguard functions; welcomes the conclusion of the legislative procedure and the adoption of the amending act ([1]) at the end of 2016;

28. Reiterates that the Agency's tasks can be performed more efficiently at the European level than at national level, which is the case with its contribution to maritime safety and the prevention of pollution from ships as well as from offshore installations for gas and oil exploitation in Europe; welcomes the fact that the Agency is looking for synergies of actions with other Union agencies in order to gain in effectiveness and efficiency and to reduce costs; welcomes and encourages in this framework the Agency's collaboration with other Union Agencies in support of EU Migration Agenda, such as the provision, by the Agency, of an increasing number of services to Frontex in accordance with the renewed and updated three-year Service Level Agreement concluded in 2016; also notes that the Agency has completed the procurement of services of Remotely Piloted Aircraft Systems (RPAS) for maritime surveillance; encourages the Agency to cooperate with other Union Agencies in addressing the refugee crisis, including in the performance of critically important activities outside its original mandate, such as by contributing know-how, operational support and staff to help to tackle the refugee crisis;

29. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018 ([2]) on the performance, financial management and control of the agencies.

([1]) Regulation (EU) 2016/1625 of the European Parliament and of the Council of 14 September 2016 amending Regulation (EC) No 1406/2002 establishing a European Maritime Safety Agency (OJ 251, 16.9.2016, p. 77)

([2]) Texts adopted, P8_TA(2018)0133 (see page 393 of this Official Journal).

DECISION (EU) 2018/1396 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the European Maritime Safety Agency for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Maritime Safety Agency for the financial year 2016, together with the Agency's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0067/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 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]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0078/2018),

1. Approves the closure of the accounts of the European Maritime Safety Agency for the financial year 2016;

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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 156.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 208, 5.8.2002, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2018/1397 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the European Union Agency for Network and Information Security for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Network and Information Security for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Union Agency for Network and Information Security for the financial year 2016, together with the Agency's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0071/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 526/2013 of the European Parliament and of the Council of 21 May 2013 concerning the European Union Agency for Network and Information Security (ENISA) and repealing Regulation (EC) No 460/2004 ([4]), and in particular Article 21 thereof,

— 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 ([5]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0114/2018),

1. Grants the Executive Director of the European Union Agency for Network and Information Security discharge in respect of the implementation of the Agency's budget for the financial year 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Union Agency for Network and Information Security, 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 160.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 165, 18.6.2013, p. 41.
([5]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2018/1398 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Union Agency for Network and Information Security for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Union Agency for Network and Information Security for the financial year 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0114/2018),

A. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of the performance-based budgeting and good governance of human resources;

B. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Union Agency for Network and Information Security (the 'Agency') for the financial year 2016 was EUR 11 033 974,16, representing an increase of 9,64 % compared to 2015;

C. whereas the Union's contribution for the financial year 2016 to the Agency's budget amounted to EUR°10 120 000, representing an increase of 10,53 % compared to 2015;

D. whereas the Court of Auditors (the 'Court'), in its report on the Agency's annual accounts for the financial year 2016 (the 'Court's report'), has stated that it obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Follow-up of the 2013, 2014 and 2015 discharges

1. Notes with concerns that:

— the Agency did not include a chapter on transparency, accountability and integrity in the 2016 annual report and calls on the Agency to include such a chapter in the 2017 Annual activity report;

— payments from the Greek Government are still being made with considerable delay, which in turn causes the payments to the landlords in Athens and Heraklion to be delayed and, while acknowledging that the Agency made great efforts in liaising with the Greek government in order to change the situation, calls on the Agency to report to the discharge authority on the evolution of that situation;

Budget and financial management

2. Notes that budget monitoring efforts during the financial year 2016 resulted in a high budget implementation rate of 98,47 %, representing a decrease of 1,53 % compared to 2015, and that the payment appropriations execution rate was 89,18 %, representing an decrease of 3,71 % compared to 2015;

Commitments and carryovers

3. Notes from the Court's report that the carry-overs of committed appropriations for Title II (administrative expenditure) were at EUR 300 000 (25 %), compared to EUR 150 000 (22 %) in 2015, i.e. EUR°150 000 more; notes that those carry-overs primarily related to investments in IT and a service car near year end — for official use only;

4. Notes that carry-overs are often partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance by the Agency and communicated to the Court;

([1]) OJ C 84, 17.3.2017, p. 7.

Staff policy

5. Observes from the establishment plan that 43 posts (out of a total of 48 posts authorised under the Union budget) were occupied on 31 December 2016, compared to 45 in 2015;

6. Notes that on 31 December 2016, the gender balance ratio was 42,1 % female to 57,9 % male staff; notes that all three senior management positions were occupied by men; notes, however, that the gender balance among senior management changed by the end of 2017 so that two out of three Head of Unit posts were occupied by women;

7. Notes from the Court's report that in 2016, the Agency moved eight additional staff to Athens, reducing the number of staff in Heraklion to 14; notes from the Agency's reply that a total of eight members of staff are expected to be in Heraklion at the end of 2017; highlights the fact that, according to the Court's 2013 report, it is likely that costs could be further reduced if all staff were centralised in a single location; calls on the Agency to report to the discharge authority on the possible measures to improve the situation;

8. Notes that the Agency experiences difficulties in recruiting, attracting and holding suitably qualified staff, mainly due to the types of post that are being offered (contract agents posts) and the low coefficient factor which applies to salaries of the Agency's employees in Greece; calls on the Agency to report to the discharge authority on any measures taken to mitigate those difficulties;

9. Notes that on average the Agency's staff was on sick leave for six working days in 2016; observes that the number of days spent per staff member on well-being activities in 2016 was two days;

10. Notes with satisfaction that the Agency has established a network of confidential counsellors for prevention and mediation of work-related conflicts; notes that the Agency organised internal training and awareness raising activities;

11. Notes that the Agency has put in place a policy on protecting the dignity of the person and preventing psychological and sexual harassment and provides regular training on preventing harassment;

12. Notes that the Agency uses official vehicles but does not allow their private use;

Prevention and management of conflicts of interests, transparency and democracy

13. Notes with concern that only the CVs of the Chair of the management board and the executive director are available on the Agency's webpage; notes with satisfaction that the declarations of interest of the members of the management board, of the executive director and of the permanent stakeholders group have been published;

14. Notes that a whistleblowing policy is being discussed between the Union's decentralised Agencies and that a common policy and guidelines will be adopted in 2018; calls on the Agency to report to the discharge authority on the implementation of that policy;

15. Points out that the Agency has not yet provided any specific initiative to improve transparency in its contacts with lobbyists and stakeholders; calls on the Agency to enact a proactive lobby transparency policy without further delay and to report to the discharge authority on any measures taken addressing this issue; notes from the Agency's reply that they are in the process of writing a policy addressing the issue;

16. Notes that the Agency makes public the minutes of its management board meetings as soon as they are approved;

17. Notes that in 2016 the Agency did not receive any request for access to documents;

Main achievements

18. Welcomes the three main achievements identified by the Agency in 2016, namely:

— the successful completion of the Pan-European Exercise;

— its input to the Cooperation Group and proactive secretariat of the network and information security directive;

— the use of the instruments for raising public awareness of cybersecurity, such as the European Cyber Security Month and the Cybersecurity Challenge;

Internal audit

19. Notes that the Agency had no open recommendation by the Commission's internal audit service (IAS) in 2016; notes that in September 2016, the IAS performed an agency risk assessment which shows the next three topics for auditing: stakeholders' involvement in the deliverables, human resources and IT; notes that the Agency will take immediate action regarding the construction of a quality management system as well as in implementation of its risk management policy; calls on the Agency to report to the discharge authority on the implementation of those actions;

Internal control

20. Notes from the Agency that the extensive *ex-post* control of the financial year 2015, in line with internal control standard No 8 'Processes and Procedures', resulted in a number of recommendations, all of which were addressed during 2016; acknowledges that 267 financial transactions representing 76,43 % of the 2015 Agency's budget were controlled, resulting in one issued recommendation regarding the delay of payments; acknowledges that the delay did not generate any interest to be paid; notes with satisfaction that the Agency has focused intensively on the verification of results before transactions are initiated (*ex-ante* verification), in order to achieve the best control possible;

Other comments

21. Notes that, according to the Court's report, the 2015 external evaluation, delivered in May 2016, concluded that the Agency's work and outputs respond to a need for network information security across the Union and within Member States and that the Agency effectively meets its stakeholders' expectations; notes, however, that there is a need to improve communication between the Agency and its stakeholders, who find the Agency's mandate and outreach too limited; notes from the Agency's reply that that the management board is discussing the future of the Agency and the best way to reach the Agency's stakeholders as well as the way to enhance the outreach of the Agency within the available human and financial resources; calls on the Agency to report to the discharge authority on the measures taken to improve the situation;

22. Welcomes the fact that the Agency started to put in place a quality management system during 2016; notes, that the quality management manual as well as standard operation procedures and work instructions were drafted based on ISO 9001 standards; notes with satisfaction that all those documents are in the phase of revision by the management and will be implemented in 2017; calls on the Agency to report on the discharge authority on the progress made;

23. Welcomes the fact that the Agency has been, with the aim of ensuring a cost-effective and environmentally friendly working place, recycling paper, glass and plastics, encouraging staff to avoid printing documents and has introduced an electronic system for internal workflows which has significantly reduced the use of physical files;

24. Welcomes the fact that the Agency has, with the aim of reducing or offsetting CO_2 emissions, encouraged the use of electronic means of communication as an alternative to physical travel, and implemented the 'Greenhouse Gas Protocol (GHG) Transport tool' for the first time in 2017 in order to compile the statistical data of business travel undertaken by Agency staff;

25. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2018)0133 (see page 393 of this Official Journal).

DECISION (EU) 2018/1399 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the European Union Agency for Network and Information Security for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Network and Information Security for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Union Agency for Network and Information Security for the financial year 2016, together with the Agency's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0071/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 526/2013 of the European Parliament and of the Council of 21 May 2013 concerning the European Union Agency for Network and Information Security (ENISA) and repealing Regulation (EC) No 460/2004 ([4]), and in particular Article 21 thereof,

— 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 ([5]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0114/2018),

1. Approves the closure of the accounts of the European Union Agency for Network and Information Security for the financial year 2016;

2. Instructs its President to forward this decision to the Executive Director of the European Union Agency for Network and Information Security, 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	*The Secretary-General*
Antonio TAJANI	Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 160.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 165, 18.6.2013, p. 41.
([5]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2018/1400 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the European Railway Agency (now European Union Agency for Railways) for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Railway Agency (now European Union Agency for Railways) for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Railway Agency (now European Union Agency for Railways) for the financial year 2016, together with the Agency's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0072/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 Regulation (EU) 2016/796 of the European Parliament and of the Council of 11 May 2016 on the European Union Agency for Railways and repealing Regulation (EC) No 881/2004 ([5]), and in particular Article 65 thereof,

— 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 94 of and Annex IV 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 (A8-0079/2018),

1. Grants the Executive Director of the European Union Agency for Railways discharge in respect of the implementation of the Agency's budget for the financial year 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Union Agency for Railways, 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 166.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 164, 30.4.2004, p. 1.
([5]) OJ L 138, 26.5.2016, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2018/1401 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Railway Agency (now European Union Agency for Railways) for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Railway Agency (now European Union Agency for Railways) for the financial year 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0079/2018),

A. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;

B. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Railway Agency (now European Union Agency for Railways) ('the Agency') for the financial year 2016 was EUR 27 545 879, representing an increase of 4,56 % compared to 2015; whereas the budget of the Agency derives mainly from the Union budget;

C. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the European Railway Agency (now European Union Agency for Railways) for the financial year 2016 ('the Court's report'), has stated that it has obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Follow-up of 2014 and 2015 discharges

1. Acknowledges that it is not in the Agency's power to decide to centralise all the Agency's operations into one location; recalls that when it was created in 2004, the Agency's double seat (Lille/Valenciennes) was decided by the Council; takes note of the Court's remark about the possible savings that could be achieved with a single location solution; takes note of the analysis made by the Agency on the budgetary impact of having a double seat and of its recommendation to keep that double seat; stresses that it is likely that costs would be reduced if all operations were centralised in one location; points out that the reduction of costs might also be facilitated by a comprehensive seat agreement with the host Member State — which would also have the effect of clarifying the conditions under which the Agency and its staff operate — ending a situation in which the costs of operations are likely to be higher than necessary; calls on the Council to reconsider its previous decision and opt instead for centralising all the Agency's operations into one location;

Budget and financial management

2. Notes that the budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 99,20 %, representing an increase of 0,10 % compared to 2015 and that the payment appropriations execution rate was 91,57 %, representing an increase of 1,79 % compared to 2015;

3. Welcomes the fact that, in accordance with the provisions of the new Agency Regulation that entered into force in June 2016, the Agency is authorised to charge fees for some of its new competences;

Commitments and carry-overs

4. Notes that, according to the Agency the level of the carry-overs were below the indicative ceilings used by the Court to assess the budget execution (i.e. 10 % for Title I,20 % for Title II and 30 % for Title III) for all budgetary titles; further notes that payment appropriations carried over to 2017 (7,52 %) mainly concern operational expenditure and that 95,4 % of the appropriations carried over from 2015 have been executed;

([1]) OJ C 333, 9.9.2016, p. 19.

5. Points out that carryovers are often partly or fully justified by the multiannual nature of the agencies' operational programmes and do not necessarily indicate weaknesses in budget planning and implementation nor are they always at odds with the budgetary principle of annuality, in particular if they are planned in advance by the Agency and communicated to the Court;

Staff policy

6. Notes that at the end of 2016 the Agency employed 165 permanent staff, of which 133 temporary agents, 29 contract agents and 3 seconded national experts, compared to 154 members of permanent staff at the end of 2015;

7. Notes with concern that 62 % of its staff is male and 38 % is female, an almost two to one imbalance; regrets that there is a significant gender imbalance in the senior management level and the management board of the Agency; recalls, however, that, regarding the gender balance in the management and executive boards, the members are proposed and appointed by the Member States but recommends that this issue should nevertheless be addresses as a matter of urgency;

8. Notes with satisfaction that the percentage of staff assigned to operational tasks increased from 65 % in 2015 to 70 % in 2016 and the percentage of staff assigned to administrative tasks decreased from 23 % to 18 %; regrets, however, that the evolution of that percentage is mainly due to a correction in the assignment of staff into the various categories; points out that such a reduction is not in line with the 5 % staff cut communicated by the Commission on the programming of resources for decentralised agencies;

9. Stresses that the work-life balance should be part of the staff policy of the Agency; stresses that the budget spent on well-being activities amounts to EUR 228,7 per staff and a staff away day was organised in 2016; observes that the average number of sick leave per staff is 3,2 days, well below the average in most other agencies;

10. Appreciates the fact that no harassment case were reported in 2016; supports the training organised to increase the awareness of the staff;

11. Notes with satisfaction the fact that the Agency did not receive any complaints, law-suits or reported cases linked to hiring or dismissal of staff in 2016;

Prevention and management of conflicts of interests, transparency and democracy

12. Welcomes the fact that the Agency's administrative board adopted a conflict of interest policy for its members; takes note that the Agency consequently published most of the declarations of absence of conflicts of interests and CVs of its administrative board members on its website; calls on the Agency to report to the discharge authority on the publication of the missing documents;

13. Notes from the Agency that it continued to implement the action plan defined in the Agency's Antifraud Strategy; notes in particular that the Agency organised two training sessions on fraud prevention and two training sessions on ethics and integrity;

14. Notes that the Agency has included the fraud risk assessment in the regular Agency risk assessment and that the Agency's fraud risk register has been reviewed during 2016; takes note that the risks have been re-assessed medium to low and that no additional risks have been identified;

15. Acknowledges from the Agency that it is awaiting the model decision from the Commission in order to adopt its own decision on whistleblowing; notes however that, as long as the model decision is not proposed, the current Commission decision on whistleblowing is applicable; calls on the Agency to inform the discharge authority on the implementation of these guidelines;

16. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistle-blowers use the right channels to disclose their information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;

17. Takes note of the grounds for refusal to access to document (1 case out of 44); calls on the Agency to use in the most regular and lawful manner the possibility to refuse access to documents while protecting personal data;

Main achievements

18. Welcomes the three main achievements identified by the Agency in 2016, namely:

— it published a revised strategic vision, including the preparation for a strategy for international relations and the implementation of a communications strategy;

— it implemented an updated governance structure and adjusted the Agency's organisation in light of the new Agency regulation; the Agency further implemented its Integrated Management System (IMS) in order to obtain ISO 9001 certification in the course of 2017;

— it efficiently introduced the new name and mandate under the new legal regime (4th Railway Package, in force as of 15 June 2016) and made significant progress in preparing for its new role;

19. Regrets however that the Agency does not use the input indicators to further improve the use of Key Performance Indicators (KPIs) and recommends that this should change;

Internal audit

20. Acknowledges that no critical or very important recommendations were addressed to the Agency by the Commission's Internal Audit Service (IAS); notes that the IAS carried out a risk assessment exercise covering all operational and support processes;

21. Notes that regarding the previous audit on Stakeholder Relationship Management and External Communication, the IAS closed three important recommendations and the very important recommendation on reinforcement of recruitment procedure, and concluded that all except one recommendation were implemented by the Agency; notes furthermore that regarding the only recommendation still open marked as 'important' on 'the existing procedural framework applicable to stakeholder management and external communication', it was in the process of being implemented within the deadline of September 2017;

Internal controls

22. Notes with satisfaction that the Agency is now certified ISO 9001;

23. Notes that the Agency's administrative board has adopted its management standards in April 2016; notes furthermore that in line with the Agency's management standard 16, the management assessed the adequacy of the design and effectiveness of the implementation of its management standards as part of the Agency management system review; acknowledges from the Agency that even if some areas where improvements can be made were identified (ERA MS 3 — Ethical and organisational values, ERA MS 4 — Objectives, strategic planning and reporting, ERA MS 5 — Business Continuity, ERA MS 8 — Stakeholder relation management, ERA MS 9 — Process management, ERA MS 10 — Human resources management, ERA MS 13 — Data and information management), it can be considered that the Agency's control system as a whole works as intended and adequately mitigates the main risks to the achievement of the Agency's objectives;

24. Notes that the Agency has further developed its Integrated Management System (IMS) based on requirements specified in the Internal Control Standards and ISO 9001 series standards with the view to meeting the conditions necessary if the Agency is to successfully take on new activities and gain efficiency; welcomes the analysis carried out by ERA within the IMS framework concerning exceptions and non-compliance with rules and the training actions to be organised in 2017 on procurement and contract management in order to remedy to these events;

25. Notes that the assessment of the effectiveness of the IMS pointed out some areas where improvements can be made regarding compliance and effectiveness, in particular with regard to ethical and organisational values, business continuity, stakeholder relations management, and human resource management, and in particular that it identified the gap between the competencies available in-house and the competencies required; expects the Agency to ensure complete implementation of the ERA Management Standards by 2017, as foreseen;

26. Regrets that the target of 95 % for the execution of payment within the set deadline of 30 days has not been reached; notes that the reasons for the delays in payment remain the same as in 2015, i.e. delays in processing invoices by the Agency's staff, shortage of cash and disagreement with suppliers on the content of the invoices; asks the Agency to adopt remedial actions in order to reach the 95 % target within a reasonable period;

Other comments

27. Welcomes the adoption of the Agency Regulation ([1]), which entered into force on 15 June 2016; notes with satisfaction that by the end of the transitional period (16 June 2019), this expected strategic change will transform the Agency from a mere policy preparation and dissemination role into an authority working directly for the industry as regards authorisations for safety certifications and rolling stock; acknowledges from the Agency that this transition is expected to deliver huge benefits in terms of reduced costs;

28. Highlights the Agency's strategic role in improving the competitiveness of rail with other modes of transport and helping to develop an efficiently operating single European rail area without borders by reducing administrative and technical barriers, by encouraging market entry and ensuring non-discrimination, by spending public money more efficiently on public rail transport services and by ensuring better governance of the infrastructure; welcomes the focused programme on the cleaning-up of national rules in order to reduce the impact or eliminate the existing barriers between Member States;

29. Highlights the Agency's role in ensuring the safety and interoperability of the European rail system in order to contribute to creating a more competitive European railway sector and improving the quality of the rail transport services; supports the Commission's vision of a European railway system that leads the world on safety performance;

30. Welcomes the Agency's role in the follow-up of the development, testing and implementation of European Railway Traffic Management System (ERTMS), as well as in evaluating the specific ERTMS projects; welcomes the start of negotiations between the EU and Switzerland within the framework of the Agreement on the Carriage of Goods and Passengers by Rail and Road with a view to Switzerland's participation in the European Union Agency for Railways; stresses that, as the Agency receives greater responsibilities, it will need to be given the necessary financial, material and human resources to perform its new and additional tasks effectively and efficiently; draws attention to the study commissioned recently by the Committee on Budgets on the financing arrangements for European agencies, and to the fact that possibilities should be developed to allow for a greater self-financing of the Agency; notes, with concern, the contradiction between the recently approved legislation extending the scope of the Agency's mission and the budgetary cuts related to the Agency to be implemented within the scope of the multi-annual financial framework 2014-2020;

31. Recalls the European Parliament's position in the budgetary procedure for recovering total amounts relocated from the Connecting Europe Facility to the European Fund for Strategic Investments; stresses that funding for the completion of the single European rail area should be safeguarded also with a view to modernising and expanding rail infrastructures in the outlying regions of the Union; stresses further that the deployment of the ERTMS should be brought forward in order to further implement common technical standards and maximise the benefits in terms of interoperability;

32. Notes that the 2016 risk assessment exercise highlighted new risks, as compared to 2015, related to the late and inconsistent transposition of the 4the Railway Package legislation, to the obsolescence of ERTMS change management tools, to railway noise reduction, to delays in the reduction of national rules and to data management;

33. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018 ([2]) on the performance, financial management and control of the agencies.

([1]) Regulation (EU) 2016/796.
([2]) Texts adopted, P8_TA(2018)0133 (see page 393 of this Official Journal).

DECISION (EU) 2018/1402 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the European Railway Agency (now European Union Agency for Railways) for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Railway Agency (now European Union Agency for Railways) for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Railway Agency (now European Union Agency for Railways) for the financial year 2016, together with the Agency's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0072/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 Regulation (EU) 2016/796 of the European Parliament and of the Council of 11 May 2016 on the European Union Agency for Railways and repealing Regulation (EC) No 881/2004 ([5]), and in particular Article 65 thereof,

— 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 94 of and Annex IV 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 (A8-0079/2018),

1. Approves the closure of the accounts of the European Railway Agency (now European Union Agency for Railways) for the financial year 2016;

2. Instructs its President to forward this decision to the Executive Director of the European Union Agency for Railways, 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 166.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 164, 30.4.2004, p. 1.
([5]) OJ L 138, 26.5.2016, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2018/1403 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the European Securities and Markets Authority for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Securities and Markets Authority for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Securities and Markets Authority for the financial year 2016, together with the Authority's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0083/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC ([4]), and in particular Article 64 thereof,

— 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 ([5]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A8-0101/2018),

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 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 176.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 331, 15.12.2010, p. 84.
([5]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2018/1404 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Securities and Markets Authority for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Securities and Markets Authority for the financial year 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A8-0101/2018),

A. whereas, in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;

B. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Securities and Markets Authority (the 'Authority') for the financial year 2016 was EUR 39 398 106, representing an increase of 7,11 % compared to 2015; whereas the Authority is financed by a contribution from the Union (EUR 10 203 000), contributions from national supervisory authorities of the Member States and observers (EUR 16 180 250) and fees (EUR 10 550 293);

C. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the European Securities and Markets Authority for the financial year 2016 (the 'Court's report') has stated that it has obtained reasonable assurances that the Authority's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Acknowledges that the budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 99,97 %, representing an increase of 0,33 % compared to 2015, and that the payment appropriations execution rate was 87,29 %, representing an increase of 2,75 % compared to 2015;

Commitments and carry-overs

2. Notes with satisfaction that 92,8 % of the 2015 budget credits carried forward to 2016 were paid within the year;

3. Observes that the carry-over rate was relatively low with the exception of Title III (operational expenditure), which was at 38,09 %;

4. Asks the Authority to keep volume to be carried over to the next year as low as possible;

5. Points out that carry-overs are often partly or fully justified by the multiannual nature of the Authority's operational programmes, and do not necessarily indicate weaknesses in budget planning and implementation nor are they always at odds with the budgetary principle of annuality, in particular if they are planned in advance by the Authority and communicated to the Court;

Transfers

6. Notes with satisfaction that, according to the Authority's annual activity report, the level and nature of transfers in 2016 remained within the limits of the financial rules; observes that the Authority executed transfers in the amount of EUR 553 743,41 from Title III (operating expenditure) and EUR 182 131,59 from Title II (infrastructure and administrative expenditure) to cover the budgetary needs of Title I (staff expenditure);

([1]) OJ C 84, 17.3.2017, p. 192.

Staff policy

7. Notes that the Authority employed 204 members of staff (136 temporary agents out of 140 posts authorised under the Union budget) in 2016, compared to 186 staff in the previous year; notes that the staff turnover rate for 2016 was 8 %, below the Authority's target of 10 %;

8. Notes that out of 204 members of staff in 2016 the Authority was employing 86,3 (FTEs) seconded national experts, contract staff, interim staff and consultants;

9. Notes that the Authority's global gender balance was at 46 % female and 54 % male; regrets, however, the significant imbalance in the composition of the management board, where the ratio was 17 % female and 83 % male;

10. Notes that, on average, each member of the Authority's staff was on sick leave for six days in 2016; observes that the Authority organised team-building sessions and staff away-days focusing on environmental sustainability, on-site supervisory workshop, institutional law, burnout prevention, physical and mental well-being of staff including workshops on emotional intelligence, desk fit training, mindfulness, introduction to yoga and dietary requirements;

11. Notes with satisfaction that the Authority has established a network of confidential counsellors and held awareness sessions for staff and for managers on protecting the dignity of the person and preventing psychological harassment and sexual harassment;

12. Notes that in March 2015 the Authority's executive director mandated investigators to conduct an administrative inquiry following allegations of harassment made by an external IT consultant against a member of staff and that the inquiry was completed in March 2016; notes that the evidence collected did not support the allegations of harassment; notes also that no other cases of harassment were reported, investigated or taken before the Court in 2016;

13. Notes that the Authority does not use any official vehicles;

Prevention and management of conflicts of interests, transparency and democracy

14. Notes that the declarations of interest and CVs of the management board members are published on the Authority's website;

15. Welcomes the fact that in the course of 2016, the Authority began to publish a register of staff meetings with external stakeholders;

16. Acknowledges from the Authority that the whistleblowing rules have been successfully implemented as envisaged in the first half of 2017;

17. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistleblowers use the right channels to disclose their information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;

18. Notes that in 2016 the Authority received six requests for access to documents pursuant to Regulation (EC) No 1049/2001 of the European Parliament and of the Council ([1]) to which the Authority granted a full access in four cases while in two cases the Authority decided to grant only partial access to the documents due to protection of privacy and the integrity of the individual and to protection of the purpose of inspections, investigations and audits; calls on the Authority to treat all such requests with as much openness as possible, in the spirit of transparency and accountability;

19. Asks the Authority to inform the discharge authority about alleged and confirmed infringements of ethics rules, about how it has dealt with such infringements, and how it will avoid them in the future;

Main achievements

20. Welcomes the three main achievements and successes identified by the Authority in 2016, namely:

— helping to better protect investors by coordinating a number of national regulators' activities relating to high-risk speculative products offered to retail clients across the Union;

([1]) Regulation (EC) No 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents (OJ L 145, 31.5.2001, p. 43).

— contributing to the Capital Markets Union by issuing the work on closet indexing and addressing an opinion to Parliament and the Council on what should be the key principles for a European framework on loan origination by funds;

— contributing to financial stability by conducting the global first EU-wide stress test for central counterparties;

Internal audit

21. Notes that the Authority implemented an action plan in response to the Internal Audit Service (IAS) audit on 'Stakeholder Management and External Communication'; notes that in 2016 the Authority began to develop and implement an integrated approach to the planning, management and execution of the Authority's communications activities towards its internal and external stakeholders, which will result in a number of synergies, including greater coordination of stakeholders' activities across all communications channels;

22. Acknowledges from the Authority that all critical or very important recommendations issued by the IAS in previous years have been implemented;

Performance

23. Welcomes the fact that the Authority, together with the European Banking Authority and the European Insurance and Occupational Pensions Authority, forms part of the Joint Committee which works to ensure cross-sector consistency and joint positions in the area of supervision of financial conglomerates and on other cross-sector issues; notes moreover that the Authority has also worked on building its cooperation with the Single Supervisory Mechanism and the European Central Bank in areas of mutual interest such as market infrastructures and financial stability;

24. Notes that the Court performed a performance audit on the supervision of credit rating agencies in the Authority and published its final report in February 2016; acknowledges that the Authority set up an action plan following the audit in order to implement the Court's recommendations; notes that seven of the eight recommendations made by the Court, have already been addressed and that the eighth one is currently being addressed;

Other comments

25. Stresses that, while making sure that all assignments resulting from the regulatory framework laid down by Parliament and the Council are carried out in full and within deadline, the Authority should carefully adhere to the tasks, should not go beyond the mandate assigned to it by Parliament and the Council and should pay particular attention to the principle of proportionality, so as to optimise the use of resources and to achieve the objectives mandated it by Parliament and the Council;

26. Points to the central role of the Authority in ensuring better oversight of the Union financial system to ensure financial stability, the necessary transparency and greater security for the Union financial market in particular by coordinating supervision between national supervisory authorities, by cooperating where necessary with institutions responsible for international supervision, as well as by overseeing consistent application of the Union law; emphasises that such cooperation should be based on an atmosphere of trust; underlines the role of the Authority in contributing to and promoting convergent supervisory practices at a high-level in the area of consumer protection, further underlines that attention should be devoted to the specific features of the various national markets when formulating Level 2 and Level 3 measures, and that the market participants concerned should be involved sufficiently promptly in the process of their application, as well as in the individual design and implementation stages; notes the need to properly assess the Authority's work on a regular basis in the effort to allocate and make the use of its resources more effective, transparent and credible;

27. Notes that, as the Authority's workload is increasingly shifting from regulatory tasks to enforcing and applying the Union law, the Authority's budget and manpower should be reallocated internally; regards it as essential that the Authority have sufficient resources to carry out its assignments in full, including dealing with any additional workload necessitated by those assignments, whilst ensuring an appropriate level of prioritisation as regards resource allocation and budgetary efficiency; in addition points out that any increase in the Authority's workload may be dealt with internally through the reallocation of budgetary resources or manpower, provided that such reallocation does not impair the full exercise by the Authority of its mandate and ensures the Authority's independence in the performance of its supervisory tasks;

28. Notes with satisfaction that in 2016 the Authority was engaged in the eco-management and audit scheme certification for various activities to lower the environmental footprint;

29. Notes that, according to the Court's report the withdrawal of the United Kingdom from the Union might affect the Authority's activities since many significant supervised entities are currently located there; takes note that future decrease in the Authority's revenue resulting from the Unites Kingdom's decision to withdraw from the Union is possible;

30. Notes with satisfaction that the Authority is engaging proactively with national competent authorities to understand the impact of the withdrawal of the United Kingdom from the Union on the supervision of the financial markets as well as its impact on the Authority; notes furthermore that the Authority is in contact and exchanges with the Commission on that issue;

31. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2018)0133 (see page 393 of this Official Journal).

DECISION (EU) 2018/1405 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the European Securities and Markets Authority for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Securities and Markets Authority for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Securities and Markets Authority for the financial year 2016, together with the Authority's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0083/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC ([4]), and in particular Article 64 thereof,

— 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 ([5]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A8-0101/2018),

1. Approves the closure of the accounts of the European Securities and Markets Authority for the financial year 2016;

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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 176.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 331, 15.12.2010, p. 84.
([5]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2018/1406 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Training Foundation for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2016, together with the Foundation's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0066/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 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]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0080/2018),

1. Grants the Director of the European Training Foundation discharge in respect of the implementation of the Foundation's budget for the financial year 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 181.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 354, 31.12.2008, p. 82.
([5]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2018/1407 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0080/2018),

A. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of the performance based budgeting and good governance of human resources;

B. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Training Foundation (the 'Foundation') for the financial year 2016 was EUR 20 900 849,11, representing a decrease of 0,63 % compared to 2015; whereas the budget of the Foundation derives mainly from the Union budget;

C. whereas the Court of Auditors (the 'Court'), in its report on the Foundation's annual accounts for the financial year 2016 (the 'Court's report'), states that it has obtained reasonable assurances that the Foundation's annual accounts are reliable and that the underlying transactions are legal and regular;

Follow-up of 2013, 2014 and 2015 discharges

1. Notes from the Court's report that the note about the funds amounting to EUR 7 500 000 deposited at a single bank with a low credit rating made in the Court's 2013 report, and marked as 'ongoing' in the Court's 2014 and 2015 reports, is now marked as 'completed';

Budget and financial management

2. Notes with appreciation that budget monitoring efforts during the financial year 2016 resulted in a high budget implementation rate of 99,99 %, indicating that commitments were made in a timely manner, and that the payment appropriations execution rate was at 97,66 %;

Commitments and carryovers

3. Notes that the overall carry-overs in Titles I and II decreased from 3,3 % in the period 2015 to 2016 to 3,1 % in the period 2016 the 2017, which is an indication of the improved alignment of the Foundations' administrative activities and their payments to its annual cycle; notes that in Title I, EUR 155 186 (1,2 %) was carried forward which represents an improvement compared to 2015 (EUR 180 398 (1,4 %)); notes that in Title II, EUR 313 450 (18,4 %) was carried forward which represents a continuation of the performance of 2015 (EUR 316 442 (16,1 %)), and in Title III, the RAL (*reste à liquider*) decreased from 36,4 % in 2015 to 30,3 % in 2016, mainly due to an increased attention to the payments, a reduction of open mission claims and through better planning of activities;

4. Points out that the carry-overs are often partly or fully justified by the multiannual nature of the agencies' operational programmes, and do not necessarily indicate weaknesses in budget planning and implementation nor are they always at odds with the budgetary principle of annularity, in particular if they are planned in advance by the agencies and communicated to the Court;

([1]) OJ C 12, 13.1.2017, p. 1.

Transfers

5. Notes that the Foundation performed seven budgetary transfers in 2016, compared to nine in 2015 and that the overall amount transferred was less than in previous year (6,1 % in 2016 compared to 8,2 % in 2015); acknowledges from the Foundation that this can be attributed to an efficiency measure that was introduced to maintain a reserve list of activities, arising from the planning exercises; notes with satisfaction that the level and nature of transfers in 2016 remained within the limits of the financial rules;

Staff policy

6. Observes that, according to the establishment plan, 89 posts were occupied on 31 December 2016, compared to 90 in 2015; regrets that by the number of posts occupied on 31 December 2016 gender balance was not achieved, since the ratio was over two to one: 67,94 % female to 32,06 % male staff; recommends that this imbalance be addressed as a matter of urgency;

7. Stresses that the work-life balance should be part of the staff policy of the Foundation; stresses that the budget spent per staff on well-being activities amounts to EUR 883 and two staff away days were organised in 2016; regrets that the average number of sick leave per staff is 15 days (11,5 days without medical part-time), which is one of the highest number among the Union agencies; recommends that this should be examined to establish the reason, particularly whether it is related to workplace stress;

8. Notes that the decision on preventing psychological and sexual harassment was adopted already in 2010; supports the training and information sessions organised to increase the awareness of the staff;

9. Notes with satisfaction the fact that the Foundation did not receive any complaints, law-suits or reported cases linked to hiring or dismissal of staff in 2016;

Prevention and management of conflicts of interests, transparency and democracy

10. Acknowledges that the Foundation has been proactive in requesting declarations of conflict of interest of all its Governing Board (GB) members in line with Article 11 of Council Regulation (EEC) No 1360/90 ([1]); calls on the Foundation to report to the discharge authority on the progress made in that field; notes with satisfaction that the CVs are now freely accessible;

11. Notes that the transparency register is not applicable to the work of the Foundation;

12. Notes with satisfaction that the Foundation adopted its policy on whistleblowing in December 2015; stresses that there was one whistleblower case in 2016, which was not submitted to the European Anti-Fraud Office (OLAF) as all clarifications were received;

13. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistleblowers use the right channels to disclose their information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;

14. Notes that an e-learning and awareness-raising exercise on fraud and conflict of interests for all staff was carried out at the beginning of 2017;

Main achievements

15. Welcomes the three main achievements identified by the Foundation in 2016, namely that it:

— met targets for achieving all Key Performance Indicators (KPIs) in 2016;

— managed 105 requests for assistance from the Commission and Commission delegations, covering 52 % of partner countries; notes that the satisfaction with services provided by the Foundation was 100 % positive with regard to the Foundation quality of work, usefulness and timeliness of support;

— supported policy analysis and development in 25 of its partner countries through the Torino process;

16. Welcomes the high achievement rate of its planned activities in 2016 (94 %), but notes that it slightly decreased in comparison to 2015 (96 %); notes the considerable improvement in the time delivery rate (90 %) compared to years before 2016 (83 %);

([1]) Council Regulation (EEC) No 1360/90 of 7 May 1990 establishing a European Training Foundation (OJ L 131, 23.5.1990, p. 1).

17. Regrets, however, that the Foundation does not use the activity or output indicators to improve the use of the KPIs and recommends that this policy should change;

Anti-fraud strategy

18. Welcomes the fact that the Foundation has developed its anti-fraud strategy as provided for in the Commission's overall anti-fraud strategy; notes with satisfaction the development of an e-training module to maintain awareness on anti-fraud prevention for all staff, which will be provided and regularly repeated from 2017;

Internal control

19. Notes that in 2016, the Foundation took key measures to improve the efficiency of its internal control systems (ICS) in the area of leadership (ICS 1 Mission and Values; ICS 2 Ethical and Organisational Values; ICS 7 Operational Structure), people management (ICS 3 Staff Allocation and Mobility; ICS 4 Staff Evaluation and Development), strategy, planning and stakeholder cooperation (ICS 5 Objectives and Performance indicators and ICS 6), risk management and processes (ICS11 Document Management and ICS 12 Information and Communication);

Internal audit

20. Notes that the Foundation is audited by the Commission's Internal audit service (IAS) and that it has not received any critical recommendations from controlling body in 2016;

Performance

21. Notes from the Court's report that an external evaluation of the Foundation was carried out on behalf of the Commission in 2016 as the first step in a cross cutting evaluation of the four agencies working in the area of employment, social affairs and inclusion; notes, moreover, that the evaluation concluded that the considerable re-organisation of the Foundation since 2011 had no significant negative effects and has been viewed mainly positively by internal and external stakeholders, especially in terms of strategy and effectiveness; notes with appreciation that the governance of the Foundation was viewed as efficient and effective; notes that the evaluation also highlights that the Foundation has continued to enhance its monitoring capacity since 2011 but that there is still scope to present a clearer picture of its activities and achievements; observes that the Foundation prepared a plan to implement the evaluators' recommendations;

22. Notes that, according to the Court's report, in its 2011 report the Court already highlighted the unsatisfactory situation regarding the Foundation's premises and the fact that this risked disrupting the Foundation's activities; regrets that the situation remains at a standstill since the Consortium that managed and occupied part of the complex went into liquidation in 2011 and left part of the complex empty; stresses that there is an urgent need for the host country to find a solution to this matter; recalls that, under the host agreement, appropriate facilities are guaranteed until 2027; calls on the Foundation to report to the discharge authority on any measures taken regarding this matter;

23. Acknowledges the work of the Foundation to support the Union's partner countries to harness their human capital through the reform of education, training and labour market systems in the context of the Union's external relations policy; welcomes the Foundation's activities regarding the development of skills and the facilitation of lifelong learning to support partner countries to improve the employability and employment prospects of their citizens;

24. Welcomes strongly the support from the Foundation to the candidate countries with the implementation of the Riga Conclusions 2015 in areas such as work-based learning, continuing professional development of VET teachers and entrepreneurial learning;

25. Welcomes the Foundation's cooperation with other Union agencies — in particularly Eurofound and Cedefop — on Union policies that contribute to development of human capital;

26. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2018)0133 (see page 393 of this Official Journal).

DECISION (EU) 2018/1408 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the European Training Foundation for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Training Foundation for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2016, together with the Foundation's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0066/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 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]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0080/2018),

1. Approves the closure of the accounts of the European Training Foundation for the financial year 2016;

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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 181.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 354, 31.12.2008, p. 82.
([5]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2018/1409 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice for the financial year 2016, together with the Agency's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0088/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 1077/2011 of the European Parliament and of the Council of 25 October 2011 establishing a European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice ([4]), in particular Article 33 thereof,

— 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 ([5]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0111/2018),

1. Grants the Executive Director of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice discharge in respect of the implementation of the Agency's budget for the financial year 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice, 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 194.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 286, 1.11.2011, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2018/1410 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice for the financial year 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0111/2018),

A. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;

B. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (the 'Agency') for the financial year 2016 was EUR 82 267 949, representing an increase of 21,77 % compared to 2015 due to the new procurement procedure for the Visa Information System and for the Biometrics Matching System; whereas the budget of the Agency derives mainly from the Union budget;

C. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom for the financial year 2016 (the 'Court's report'), has stated that it has obtained reasonable assurances that the annual accounts of the Agency are reliable and that the underlying transactions are legal and regular;

Follow-up to the 2013 and 2015 discharges

1. Notes with concern the number of outstanding issues and ongoing corrective measures in response to the Court's comments in 2013 and 2015 related to a framework contract for the procurement of services and to the relation between the Agency and Schengen associated countries; urges the Agency to take corrective actions without further delay;

Comments on the legality and regularity of transactions

2. Condemns the fact that the Agency received and accepted supplies amounting to EUR 2 800 000 without having budget and legal commitments (contracts) in place; notes that the legal commitments were made retroactively in order to regularise the purchases; notes moreover that, according to the Agency, the purchases were made in this way in order to deal with urgent operational requirements and also in response to rapidly growing storage needs required by Member States; calls on the Agency to significantly improve budget planning and budget implementation; is of the opinion that the growing storage needs of Member States were foreseeable by the Agency; is of the opinion that the Union's public procurement rules allow for an urgent procedure and thus that the retroactive signing of contracts for an urgent purchase is not in accordance with Union law;

Budget and financial management

3. Notes that budget-monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 97,9 % and that the payment appropriations execution rate was 97,6 %;

([1]) OJ C 113, 30.3.2016, p. 191.

4. Notes that the Agency signed a construction contract for its premises in Strasbourg with a value of EUR 21 500 000 in June 2015; notes moreover that stage payments were agreed as the main payment method; notes with concern that the Agency amended the contract in July 2015 to make advance payments the default method to increase budget consumption; is gravely concerned that by November 2016 the Agency had paid the full contract amount although less than half of the work had been completed; notes that, according to the Agency's reply, the pre-financing payments were associated with a matching financial guarantee and a 5 % performance guarantee; calls on the Agency to report to the discharge authority on the implementation of that contract;

Commitments and carry-overs

5. Notes that, according to the Court's report, appropriations carried over under Title II (administrative expenditure) are high at EUR 5 000 000, i.e. 63 % of committed appropriations (compared to EUR 9 000 000 in 2015, i.e. 50°%); recalls that the carry-overs mainly concern building maintenance and consultancy services to be delivered in 2017;

6. Notes that, according to the Agency's reply, carry-overs for Title I and II appropriations are constantly revised and planned with the objective of reducing them over time to the strict and necessary minimum and that of the EUR 19,5 million non-differentiated appropriations carried over to 2016, only EUR 474 000 were cancelled, representing 2,42 %;

7. Noted that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance by the Agency and communicated to the Court;

Procurement and staff policy

8. Notes with concern that the Court identified procurements where the Agency did not check for the most economic solution by not checking whether the framework contractor had found the best price; calls on the Agency to take the principle of economy and cost-effectiveness seriously and carry out all relevant measures in order to avoid this situation happening again;

9. Notes that in May 2016 the Agency signed a framework contract for EUR 194 000 000 with a consortium for the further development and maintenance of the Visa Information System (VIS) and of the Biometrics Matching System (BMS) for a maximum period of six years; notes that the contract was awarded through a public procurement procedure; notes also that one main requirement for tenderers to be accepted was having commercial access to BMS technology; expresses its concern as to a potential risk for the competiveness of the procedure; notes that, according to the Agency's reply, the acquisition of permanent licences is linked to their subsequent maintenance and resulted in significant savings in the long term, estimated at EUR 402 243,22 over a four year period; notes that Article I.19.1 of the special conditions of the framework contract provides for the 'most favoured customer', further protecting the financial interests of the Agency when sourcing hardware or software from the contractor;

10. Observes from the Agency's establishment plan that 114 posts (out of 118 posts authorised under the Union budget) were occupied on 31 December 2016, compared to 117 in 2015; notes that in addition the Agency was employing 26 contract agents, 47 interim staff and 6 seconded national experts;

11. Observes with concern that the growing operational risk facing the Agency's operations is related to understaffing of the Agency so that while tasks allocated to it continuously increase, the staffing levels have been reduced as a result of the requirement to reduce staff by 5 %; observes that there are a number of functions in the Agency which are either understaffed or have no embedded business continuity (one single member of staff performs the tasks and holds the know-how on operations); notes with concern that reducing staff and outsourcing work increase the risks of 'revolving doors' and information leaks; notes with satisfaction that the Agency has published the general principles regarding obligations after leaving service in its code of ethical behaviour and conduct;

12. Observes that the Agency is increasingly dependent on external staff, who are often more expensive to employ than internal staff and may present inherent risks with regards to the retention of knowledge and capabilities in the Agency and the sustainability of its operations;

13. Welcomes the Agency's staff retention policy, implemented by the management board, which provides for the possibility that temporary agents receive indefinite contracts at the end of their first contractual term, allowing the Agency to retain key in-house knowledge and expertise.

14. Notes with concern the lack of gender balance among posts occupied by 31 December 2016, given that the ratio was 28 % female to 72 % male members of staff; regrets that the management board is even more imbalanced with a ratio of 11 % female to 89 % male board members; calls on the Agency to pay greater attention to the gender balance of its staff;

15. Regrets that no particular steps have been taken with regard to the gender imbalance in the composition of the Agency's management board; calls on Member States to ensure gender balance when nominating their members and alternate members to the Agency's management board; calls on the Agency to pro-actively remind Member States of the importance of gender balance;

16. Notes with satisfaction the fact that the Agency did not receive any complaints, law-suits or reported cases linked to the hiring or dismissal of staff in 2016;

17. Observes that in 2016, the Agency's staff was on average on sick leave 10,7 days; notes that, according to the Agency's replies, the number of days spent per member of staff on well-being activities in 2016 was between two and three; notes that the Agency organised different team building activities with more days allocated to operational staff and less to administrative staff; calls on the Agency to consult the medical service on how to lower the absence from work due to sick leave;

18. Observes that the Agency adopted a policy on protecting the dignity of the person and preventing psychological harassment and sexual harassment in 2015 and that information about the implementing rules is included in the on-boarding programme for new members of staff; notes that Agency's human resources and training unit provide the answers and information to the members of staff on this subject; notes that two complaints were submitted, investigated and concluded with recommendations in 2016 and that no cases were taken to court;

19. Notes that the Agency does not have any official vehicles;

Prevention and management of conflicts of interests, transparency and democracy

20. Notes that the management committee of the Agency approved its guidelines on whistleblowing on 23 May 2016 and that the European Anti-Fraud Office (OLAF) gave a positive opinion on the text; notes, however, that the Commission's Directorate-General for Human Resources was not in favour of it and informed the Agency that the Commission is working on new guidelines; notes with satisfaction that in the meantime the Agency has published the general principles relevant for whistleblowing in the code of conduct published on its website; reiterates that transparency is a key issue for creating and maintaining a trusting relationship between citizens, the Union and its institutions;

21. Notes that all members of the management board are obliged to issue an annual public statement of interest in writing, which is published on the Agency's website; notes that the CV of the executive director and the chairperson of the management board are also published and kept up to date; notes that the Agency is preparing new rules on the prevention and management of conflicts of interest; regrets that the members of the management board and of the advisory group have published declarations of 'absence of conflicts of interest' rather than declarations of interest as it is not for the members to declare themselves that they have no conflicts of interest but for third parties to verify independently declarations of interest; calls on the members of the management board and of the advisory group to publish declarations of interest listing their membership of any other organisation; calls on the Agency to report to the discharge authority on this matter by the end of July 2018;

22. Notes that the first annual monitoring report on the implementation of the Agency's anti-fraud strategy (April 2016) showed a low level of implementation of close to 60 %, while the next monitoring report (November 2017) showed a level of quantitative implementation of at least 80 %; notes the progress made in this regard; calls on the Agency to constantly improve the implementation of its anti-fraud strategy;

23. Notes with satisfaction that the Agency is preparing a revision of its anti-fraud strategy; calls on the Agency to report to the discharge authority on the adoption and implementation of the new rules;

24. Observes that the Agency has informed Parliament that it does not interact with lobbyists;

25. Notes that in 2016 the Agency received eleven requests for access to documents and that the Agency granted full access in nine cases but refused access in the case of two requests on grounds of protecting commercial interests and protecting the purpose of inspections, investigations and audits; expects the Agency, when deciding on limiting the access to documents to protect commercial interests, also to consider with seriousness citizens' interests and the Union's commitment to greater transparency, while taking into account all relevant rules and regulations;

26. Notes that for one of the cases in which a request for access to documents was refused, the case was further transmitted to the European Ombudsman who carried out an inspection between the end of 2016 and beginning of 2017 and closed the file in March 2017 with a report signed and dated on 3 March 2017; calls on the Agency to report to the discharge authority on the European Ombudsman's decision and the subsequent procedure, if any;

Main achievements

27. Welcomes the three main achievements identified by the Agency in 2016, namely:

— it implemented a corporate quality management system;

— it ensured stable and continuous operations of the systems entrusted to it and at the same time provided broad support to the Commission in the development of a number of key legal proposals;

— it played a key role in all developments related to interoperability between IT systems in the justice and home affairs domain and provided significant input to support and facilitate the work of the high level expert group on information systems and interoperability led by the Commission;

28. Notes that, according to the Court's report, an external evaluation of the Agency was carried out on behalf of the Commission from March to December 2015 and that the results were presented in March 2016; notes that the evaluation concluded that the Agency contributes to the operational management of large-scale IT systems in the area of freedom, security and justice and effectively fulfils its tasks; notes moreover that in order to improve operational management further, the evaluators made 64 recommendations, 7 of which are considered to be critical and 11 very important; welcomes the fact that the Agency has prepared a plan to address the recommendations and that it is being implemented; calls on the Agency to report to the discharge authority on the implementation of that plan;

29. Welcomes the Agency's continuous cooperation with the other justice and home affairs agencies; notes that the annual report of the EU Agencies Network indicates that in 2016 the Agency engaged in a higher number of joint activities with other agencies than in any prior year;

30. Notes that 2016 was the most intense and demanding year for the Agency since its establishment and that the Agency nevertheless performed well and delivered its annual work programme in full, carrying out nearly all of its activities as planned and achieving its operational objectives; notes moreover that a number of additional tasks were assumed through the year;

Internal audit

31. Notes that, according to the Court's report, in its audit report of July 2016 the Internal Audit Service (IAS) concluded that the overall design and practical implementation of processes ensures that the Agency operates the Schengen Information System II, the Visa Information System and the European Asylum Dactyloscopy Database system in a way that allows the continuous and uninterrupted exchange of data between the national authorities using them; welcomes the fact that, according to the external evaluation conducted on behalf of the Commission, the Agency operates and fulfils its tasks effectively; notes moreover that the IAS considered that there is room for improving the efficiency of the processes in relation to configuration management and change management, release and test management, problem management, as well as service and incident management; notes that the Agency and the IAS agreed on a plan to take corrective actions; calls on the Agency to report to the discharge authority on the implementation of that plan;

32. Observes that the IAS carried out two assurance audits in 2016: an audit on IT operations and an audit on staff planning and allocation, performance appraisal, promotion and training; notes that the IAS concluded that weaknesses still exist in the Agency's process for managing human resources, in particular elements that are not fully compliant with procedural aspects of the implementing rules and the Agency's own internal guidelines; notes that an action plan has been prepared to address all findings; calls on the Agency to report to the discharge authority on the implementation of that action plan;

33. Observes that the Internal Audit Capability (IAC) carried out three assurance audits:

— an audit of the Design of Internal Control System for Smart Borders Delegation Agreement, where the IAC believed that the design of the internal control system set up by the Agency was adequate as of 23 May 2016;

— an audit on the reconstruction project in Strasbourg, where the IAC could not provide reasonable assurance as to the effectiveness and efficiency of the internal control system put in place for the project in the absence of the necessary project documents and was concerned by the project and contract management organisation put in place; notes that an action plan has been prepared to address all findings; calls on the Agency to report to the discharge authority on the implementation of that action plan;

— a final audit report on IT project management, where the IAC believed that the project management process was in urgent need of revision and improvement; notes that an action plan has been prepared; calls on the Agency to report to the discharge authority on the implementation of that action plan;

34. Notes that as of 31 December 2016 the Agency had 22 audit recommendations open which were rated as 'very important', including 10 audit recommendations which had been issued recently; notes that no 'critical' issue is open; calls on the Agency to report to the discharge authority on the implementation of those audit recommendations;

Other comments

35. Notes that the agreement concerning the technical site with the host Member State, France, entered into force on 28 August 2016;

36. Notes with satisfaction that, in order to ensure a cost-effective and environmentally friendly workplace, environmental and climate performance criteria were included in the technical specifications of the Agency's tenders and that, for the buildings directly managed by the Agency, energy efficiency rules apply;

37. Notes with satisfaction that, in order to ensure further reductions in or offsetting of CO_2 emissions, the travel management policies of the Agency aim to reduce air travel to what is essential by having extensive recourse to videoconferencing between the two main sites of the Agency;

38. Notes that a level of information exchange between the Agency and the Commission that would allow thorough preparation for activities after Brexit has not been completely arranged as some legal aspects, such as access to the systems managed by the Agency and use of data entered by the United Kingdom into them after Brexit, need further elaboration; calls on the Commission to help the Agency with solutions as soon as the negotiation process with the United Kingdom provides them with enough information;

39. Welcomes the fact that the Agency ensured stable and continuous operation of the systems entrusted to it and provided broad support to the Commission in its development of a number of key legal proposals (Entry/Exit System (EES), European Travel Information and Authorisation System (ETIAS), European Criminal Records Information System (ECRIS TCN), European Asylum Dactyloscopy Database (Eurodac) recast and second generation Schengen Information System (SIS II) recast);

40. Refers for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2018)0133 (see page 393 of this Official Journal).

DECISION (EU) 2018/1411 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice for the financial year 2016, together with the Agency's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0088/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 1077/2011 of the European Parliament and of the Council of 25 October 2011 establishing a European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice ([4]), in particular Article 33 thereof,

— 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 ([5]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0111/2018),

1. Approves the closure of the accounts of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice for the financial year 2016;

2. Instructs its President to forward this decision to the Executive Director of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice, 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 194.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 286, 1.11.2011, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2018/1412 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the European Agency for Safety and Health at Work for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2016,

— 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 2016, together with the Agency's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0062/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 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]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0084/2018),

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 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 201.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 216, 20.8.1994, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2018/1413 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the 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 2016

THE EUROPEAN PARLIAMENT,

— having regard to 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 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0084/2018),

A. whereas in the context of the discharge procedure, the discharge authority wishes to stress the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;

B. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Agency for Safety and Health at Work (the 'Agency') for the financial year 2016 was EUR 16 673 153,98, representing a decrease of 1,06 % compared to 2015; whereas the budget of the Agency derives mainly from the Union budget;

C. whereas the Court of Auditors (the 'Court') in its report on the Agency's annual accounts for financial year 2016 (the 'Court's report'), states that it has obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes that the budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 96,31 %, representing a decrease of 1,22 % compared to the previous year (97,53 %), and that the payment appropriations execution rate was at 70,35 %, representing a decrease of 1,70 % compared to the financial year 2015;

2. Welcomes the Agency's follow-up measures in relation to the comments of the discharge authority made regarding the implementation of the budget of previous years; further welcomes the Agency's rapid application of the Court's advice regarding ICT and consultancy framework contracts as an area to improve in the discharge for 2016;

Commitments and carryovers

3. Notes that, according to the Court's report, the level of committed appropriations carried over to 2017 was high for Title II (administrative expenditure) at EUR 417 279, i.e. 30 % (compared to EUR 364 740, i.e. 26 %, in 2015); notes that those carry-overs mainly concern IT services which had not been fully delivered or invoiced by the end of the year; notes, moreover, that the committed appropriations carried over under Title III amounted to EUR 3 370 616, i.e. 43 % (compared to EUR 3 383 052, i.e. 41 %, in 2015); notes that those carry-overs mainly concern research projects and studies with a duration of more than one year; notes that, according to the Court, the Agency may consider introducing differentiated budget appropriations to better reflect the multi-annual nature of operations and unavoidable delays between the signature of contracts, deliveries and payments; notes from the Agency's reply that it will study this possibility in order to see if the budget management can be improved;

4. Notes that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance by the Agency and communicated to the Court;

([1]) OJ C 12, 13.1.2017, p. 9.

Transfers

5. Notes that during the financial year 2016, 11 budgetary transfers, totalling EUR 319 240, were carried out in order to reallocate resources from areas where budgetary savings were identified towards areas of scarce resources, to ensure the achievement of the year's objectives;

Procurement

6. Notes that the Agency contracted out goods and services for a total amount of EUR 8 492 938,92 of which EUR 930 240,32 were awarded through 41 negotiated procedures, EUR 580 926,16 through interinstitutional contracts or service-level agreements and EUR 6 981 772,44, correspond to 155 specific contracts or order forms under framework contracts which resulted from awards in open procedures;

7. Notes with satisfaction that a procurement team has been established to ensure harmonisation across the Agency concerning all procurement procedures carried out at the Agency — from conception to conclusion — which are subject to supervisory measures and mitigating controls, including formal opening and evaluation processes, declarations of absence of conflict of interest undersigned by the members of the committees, assessment of exclusion, selection and award criteria documented in writing;

8. Notes that, according to the Court's report, the Agency signed a framework contract in 2014 for the provision of IT consultancy services during the period 2014 to 2017 for a total amount of EUR 1 100 000; notes with regret that although specific contracts signed in 2016 to implement that framework contract clearly define project deliverables, consultants were engaged on an open 'time-and-means' basis where price is not fixed and directly linked to the delivery, but instead results from the number of working days spent; notes moreover that in 2016 some 50 % of the IT consultancy services were carried out offsite the Agency's premises, limiting the Agency's means to monitor the efficient implementation of the contracts; notes that payments made under that framework contract in 2016 amounted to some EUR 400 000; acknowledges from the Agency's reply that it applies the Court's advice to its new ICT and consultancy framework contracts by making use of specific 'Quoted Times and Means' contracts when appropriate;

Staff policy

9. Observes from the establishment plan that 39 posts (out of a total of 41 posts authorised under the Union budget) were occupied on 31 December 2016, compared to 40 in 2015;

10. Regrets that among the number of posts occupied on 31 December 2016 gender balance has not been achieved, with a ratio of over two to one, 72 % female to 28 % male; notes that this issue needs to be addressed as a matter of urgency; notes, however, that there is gender balance (50:50) at senior management level;

11. Stresses that work-life balance should be part of the staff policy of the Agency; notes that the budget spent on well-being activities amounts to approximately EUR 194 per staff corresponding to three days per staff; observes that the average number of sick leave is 11 days per staff;

12. Recalls that the Agency adopted a decision concerning psychological and sexual harassment in 2007; suggests organising training and information sessions to increase the awareness of staff; notes that an administrative enquiry was carried out in 2016; requests more explanations on the conclusions of the inquiry while respecting the data protection regulations;

13. Notes with satisfaction the fact that the Agency did not receive any complaints, law-suits or reported cases linked to hiring or dismissal of staff in 2016;

14. Notes that the Agency continued adopting implementing rules further to the reform of the Staff Regulations that came into force on 1 January 2014;

Prevention and management of conflicts of interests, transparency and democracy

15. Notes that the new conflicts of interests declarations and summaries of CVs are in the process of being collected and analysed, since a new board has been in place from late 2016; notes, moreover, that the Agency collected 131 complete files, corresponding to 70 from board members (80 %), 52 from board member alternates (60 %) and 12 from observers and observer alternates (48 %); welcomes the fact that none of the files assessed demonstrates any situation that could qualify as a conflict of interests within the meaning of the Agency's policy;

16. Notes with satisfaction that the Agency has in place an anti-fraud strategy, established on the basis of the guidelines issued by the European Anti-Fraud Office (OLAF) for Union Agencies; notes that the strategy covers a three-year timespan (2015 to 2017) and its implementation is monitored regularly by the Agency's bureau; notes, furthermore, that an internal procedure for reporting and handling potential fraud cases and their outcomes was adopted and made available to the staff on the intranet;

17. Strongly regrets the fact that the Agency has yet to implement internal rules on whistleblowing; notes that the Agency is awaiting guidelines from the Commission; notes, moreover, that, in the meantime, the Agency refers to the Commission's guidelines on whistleblowing of 2012; urges the Agency to report to the discharge authority when its whistleblowing rules have been established and implemented;

18. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistleblowers use the right channels to disclose their information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;

Main achievements

19. Welcomes the three main achievements identified by the Agency in 2016, namely that:

— it completed the three-year pilot project 'Safer and healthier work at any age — occupational safety and health in the context of an ageing workforce', initiated by Parliament and the launch of the Healthy Workplaces Campaign 2016-2017 on 'Healthy Workplaces for All Ages';

— it presented at a high level seminar the first report from a major research project on 'Health and Safety in Micro and Small Enterprises';

— it implemented, together with the European Union Intellectual Property Office (EUIPO) and the Translation Centre For the Bodies of the European Union (CdT), a new tool to manage multilingual websites — winner of an EU Ombudsman Award for excellence in public administration in 2017;

Internal audit

20. Notes that in 2016 the Internal Audit Service (IAS) carried out a strategic risk assessment with the main objective to draw a new multi-annual Strategic Internal Audit Plan for the period 2017-2019;

21. Welcomes that, by the end of 2016, the Agency had neither critical nor very important open recommendations; notes that, throughout that year, the Agency worked towards the implementation of the action plan related to the four important recommendations from the IAS 2015 audit on 'Tools for OSH management'; observes that the IAS reviewed the work done on the four recommendations and recommended them for closure at the beginning of 2017;

Performance

22. Notes with appreciation the important steps the Agency took to support its activity based management system with an IT system; welcomes the new digital tools implemented for managing time spent on the different project and activities and for managing tenders and procurement;

Other comments

23. Observes that, according to the Court's report, Regulation (EC) No 2062/94, the Agency's founding regulation, does not explicitly require external evaluations of its activities; notes with satisfaction that the Commission's proposal for a new founding regulation (COM(2016) 528) includes the obligation to perform an evaluation every five years and to use external audit reports;

24. Appreciates the Agency's activities and analysis on occupational safety and health which contribute to Union policy-making aiming to promote healthy and safe workplaces across the Union; notes its on-going work packages on supporting medium, small and micro enterprises (MSEs), with MSE-specific tools and guidelines to address knowledge gaps and facilitate better OSH compliance;

25. Welcomes the good cooperation among the Agencies working in the field of employment, social affairs and inclusion and particularly the cooperation between the Agency, Eurofound, Cedefop and EIGE regarding the report 'Towards age-friendly work in Europe: a life course perspective on work and ageing from EU agencies'.

26. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2018)0133 (see page 393 of this Official Journal).

DECISION (EU) 2018/1414 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the European Agency for Safety and Health at Work for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2016,

— 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 2016, together with the Agency's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0062/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 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]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0084/2018),

1. Approves the closure of the accounts of the European Agency for Safety and Health at Work for the financial year 2016;

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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 201.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 216, 20.8.1994, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU, EURATOM) 2018/1415 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the Euratom Supply Agency for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Euratom Supply Agency for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the Euratom Supply Agency for the financial year 2016, together with the Agency's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0078/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,

— 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 1(2) 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 of the Annex thereto,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0102/2018),

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 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 207.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 41, 15.2.2008, p. 15.

RESOLUTION (EU, EURATOM) 2018/1416 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Euratom Supply Agency for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the Euratom Supply Agency for the financial year 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0102/2018),

A. whereas, according to its financial statements, the final budget of the Euratom Supply Agency (the 'Agency') for the financial year 2016 remained stable at EUR 125 000; whereas EUR 119 000 (95,2 %) of the budget of the Agency derives from the Union budget and EUR 6 000 (4,8 %) from its own revenues (bank interest on the paid-up capital);

B. whereas the Court of Auditors (the 'Court'), in its report on the Agency's annual accounts for the financial year 2016 (the 'Court's report'), states that it has obtained reasonable assurances that the Agency's annual accounts 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 2016 resulted in a commitment appropriations execution rate of 94,34 %, representing a decrease of 4,58 % compared to 2015; notes that the payment appropriation execution rate was 86,12 %, representing an increase of 23,26 % compared to 2015;

Staff policy

2. Notes that the Agency had 17 staff at the end of 2016, all being Commission officials;

Other comments

3. Notes that the Agency processed 344 transactions in 2016, including contracts, amendments and notifications in order to ensure the security of supply of nuclear materials;

4. Notes that in May 2016 the Agency Advisory Committee gave a positive opinion on a draft proposal for its updated Rules ([1]), in order to bring them up-to-date with current market practices; notes that, before entering into force, the proposed Rules must be approved by the Commission; notes, however, that the approval process was not finalised at the beginning of 2017;

5. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018 ([2]) on the performance, financial management and control of the agencies.

([1]) Rules of the Supply Agency of the European Atomic Energy Community of 5 May 1960 determining the manner in which demand is to be balanced against the supply of ores, source materials and special fissile materials (OJ 32, 11.5.1960, p. 777).

([2]) Texts adopted, P8_TA(2018)0133 (see page 393 of this Official Journal).

DECISION (EU, EURATOM) 2018/1417 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the Euratom Supply Agency for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Euratom Supply Agency for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the Euratom Supply Agency for the financial year 2016, together with the Agency's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0078/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,

— 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 1(2) 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 of the Annex thereto,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0102/2018),

1. Approves the closure of the accounts of the Euratom Supply Agency for the financial year 2016;

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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 207.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 41, 15.2.2008, p. 15.

DECISION (EU) 2018/1418 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

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 2016

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 2016,

— 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 2016, together with the Foundation's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0058/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 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]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0092/2018),

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 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 212.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 139, 30.5.1975, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2018/1419 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the 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 2016

THE EUROPEAN PARLIAMENT,

— having regard to 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 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0092/2018),

A. whereas in the context of the discharge procedure, the discharge authority wishes to stress the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;

B. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Foundation for the Improvement of Living and Working Conditions (the 'Foundation') for the financial year 2016 was EUR 20 789 500, representing a decrease of 1,72 % compared to 2015; whereas the Foundation's budget derives mainly from the Union budget;

C. whereas the Court of Auditors (the 'Court'), in its report on the Foundation's annual accounts for the financial year 2016 (the 'Court's report'), has stated that it has obtained reasonable assurances that the Foundation's annual accounts are reliable and that the underlying transactions are legal and regular;

Comments on the legality and regularity of transactions

1. Notes that, according to the Court's report, the Court's 2014 report noted underpayments to staff for the period 2005 to 2014 in relation to the transition to the new Staff Regulations in 2005; notes that, although the reasons for the underpayments (2014: non-respect of minimum guaranteed salaries; 2015: wrong multiplication factor on salaries) are different, the Court has again found underpayments (EUR 43 350) and some overpayments (EUR 168 930), affecting 30 active and previous staff members; notes that the Foundation corrected all underpayments, but will not recover the overpayments (in line with Article 85 of the current Staff Regulations); calls on the Foundation to analyse again any possible mistakes in relation to the transition to the 2005 Staff Regulations, carry out a full evaluation of its payroll function and report its findings to the discharge authority; acknowledges that, according to the Foundation, a comprehensive internal audit of the payroll function took place in April 2017; notes that the Foundation is awaiting the final report and due regard will be given to any recommendations made; calls on the Foundation to report to the discharge authority on the corrective measures that will be taken;

Budget and financial management

2. Notes with satisfaction that the budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 99,99 % and that the payment appropriations execution rate was 84,80 %, representing a decrease of 2,55 % compared to 2015;

3. Expresses concern about the negative budgetary impact of the growing Irish country coefficient which increasingly risks undermining the financial capability of the Foundation to deliver on its mandate; expects action to be taken by the Institutions of the Union to offset the effects;

Commitments and carry-overs

4. Notes from the Court's report that the level of committed appropriations carried forward to 2017 was high at EUR 2 800 000 (43 %) for Title III (operational expenditure), compared to EUR 2 100 000 (31 %) in 2015, mainly in relation to projects (studies and pilot schemes) going beyond the year end; notes that the Foundation is considering the introduction of differentiated budget appropriations in order to better reflect the multiannual nature of operations and unavoidable delays between the signature of contracts, deliveries and payments;

([1]) OJ C 84, 17.3.2017, p. 11.

5. Acknowledges that the Foundation, with the agreement of the Court, distinguishes between planned and unplanned carry-overs; notes that in 2016 the Foundation had planned carry-overs of EUR 3 000 000 while the actual carry-overs amounted to only EUR 2 800 000;

6. Notes that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance by the Foundation and communicated to the Court;

Procurement

7. Notes that the Foundation's advisory committee on procurement and contracts (ACPC), which gives an opinion on contract proposals with a value of at least EUR 250 000, did not meet during 2016 as there were no dossiers meeting the criteria; notes in addition that the ACPC carried out an annual *ex-post* verification of three out of eleven contracts awarded in 2016; notes that the ACPC was satisfied overall that the Foundation adhered to the procurement procedures;

Staff policy

8. Notes that a job screening exercise was carried out in December 2016, which shows a relatively high level of stability over the three years in which the screening exercise took place;

9. Observes that the establishment plan and staff breakdown provides for 107 posts (officials, temporary agents and contract agents) from December 2016, compared to 108 in 2015; notes with satisfaction that by reference to the number of posts occupied on 31 December 2016, gender balance has almost been achieved, since the ratio is 55,14 % female to 44,86 % male staff;

10. Stresses that work-life balance should be a part of the Foundation's staff policy; notes that the budget spent per staff on well-being activities amounts to EUR 80,21; observes that the average number of sick days per staff is 6,5 days, which is lower than in many other Union Agencies but still worrying and worthy of examination to assess whether workplace stress is a factor, and that no member of staff was on a full-year's sick leave;

11. Appreciates the fact that there was no formal or informal harassment case reported in 2016; supports the training and information sessions organised to increase the awareness of staff;

12. Notes with satisfaction the fact that the Foundation did not receive any complaints, law-suits or reported cases linked to hiring or dismissal of staff in 2016;

13. Welcomes the Foundation's remedial actions undertaken in relation to salary corrections following the Court's reports; notes that a comprehensive internal audit of the payroll function took place in April 2017 in order to provide additional assurance that the appropriate processes and controls are in place and operating well;

14. Recalls that staffing cuts have been implemented with great difficulty and reiterates its concern towards any further cuts which would limit the agencies' ability to carry out their mandate;

Prevention and management of conflicts of interests and transparency and democracy

15. Notes with satisfaction that workshops on ethics, integrity and antifraud were delivered in November and December 2016; notes, moreover, that attendance at those workshops was mandatory for all staff and that those who were unable to attend were required to follow an online programme covering the same topics;

16. Notes with satisfaction that the Foundation has in place rules on whistleblowing and that no cases were recorded in 2016;

17. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistle-blowers use the right channels to disclose their information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;

18. Appreciates the fact that the Foundation had no conflicts of interests case in 2016;

19. Calls on the Foundation to adopt an ethics code and to inform the discharging authority about alleged and confirmed conflicts of interests, how it has dealt with them, and how it will prevent them in the future;

Main achievements

20. Welcomes the three main achievements identified by the Foundation in 2016, namely that:

— it completed the sixth European Working Conditions Survey and presented its findings to Parliament on 17 November 2016;

— it implemented the last year of its four-year programme cycle with 100 % budget implementation and 98 % programme delivery and highest level of user satisfaction feedback registered during the four-year period;

— the European Pillar of Social Rights package makes reference to recent Eurofound findings: on pay, social benefits, inadequate housing in Europe, new forms of employments and the latest working conditions survey;

21. Welcomes the successful implementation of the Foundation's four-year work programme with a high level of organisational effectiveness, as evidenced by an overall improvement of the Foundation's key performance indicators;

22. Notes with satisfaction that the delivery of work programme outputs planned for 2016 was 97 %, largely exceeding the target of 80 %, which is a significant turn-around from the underachievement in the two previous years, and ensures that at the close of the four-year programming period, nearly all scheduled outputs for the final programme year were delivered on time;

Internal controls

23. Notes with satisfaction that the Foundation's internal control coordinator, in line with the prioritisation presented to the bureau of governing board in January 2016, focused on five internal control standards related to its mission and vision, ethics and organisational values, Staff allocation and mobility, risk management process and assessment of internal control standards;

Internal audit

24. Notes that, according to the Court's report, in its audit report dated December 2016, the internal audit service (IAS) highlighted a need to improve the Foundation's management of projects, mainly in relation to governance arrangements, monitoring and reporting; notes with satisfaction, however, that the Foundation and the IAS agreed on a plan to take corrective action;

25. Notes that the IAS carried out an audit in project management (PM) with the objective 'to assess the adequacy of the design and the effectiveness of the management and control systems put in place by the Foundation for its PM activities'; notes, in addition, that the IAS report contains four recommendations on the following topics: project management governance, project monitoring and reporting, project planning, project management information system; notes that the IAS accepted the Foundation's action plan for completion by the end of 2017; calls on the Foundation to report to the discharge authority on the progress made;

26. Notes with satisfaction that all recommendations addressed by the IAS from earlier audits prior to the reporting year are closed;

Other comments

27. Regrets the fact that Regulation (EEC) No 1365/75 does not explicitly require external evaluations of the Foundation's activities; notes, however, that the Commission's proposal for a new founding regulation includes the obligation of performing an evaluation every five years; also welcomes the fact that at the moment each of the four-year work programmes is subject to an external evaluation;

28. Acknowledges that the Foundation remained an essential contributor to policy development and that the use of its expertise in key Union policy documents remained significant;

29. Acknowledges the work of the Foundation during the four-year work programme 2013 to 2016 'From crisis to recovery: Better informed policies for a competitive and fair Europe'; welcomes the Foundation's high-quality analysis and policy input as regards living and working conditions, industrial relations and employment and labour market developments, in particular the Overview report of the sixth European Working Conditions Survey and the New Forms of Employment; underlines the importance of the tripartite management of the Foundation which enables a comprehensive overview of the economic and social reality to be conducted;

30. Stresses the necessity of maintaining strong cooperation between the Foundation and the Committee on Employment and Social Affairs in order to benefit from the Foundation's expertise and to engage in constructive and evidence-based discussions;

31. Welcomes the fact that Parliament, the Commission, and other stakeholders are the main users of knowhow provided by the Foundation, and that they are aware of its quality and interest;

32. Notes that Council Regulation (EEC) No 1365/75, which established the Foundation, is being revised and welcomes the inclusion by Parliament and the Commission of an explicit reference to the use of external audit reports and evaluations;

33. Welcomes the good cooperation between the Foundation and other Union agencies, in particular Cedefop, EU-OSHA, ETF, FRA and EIGE, during the planning and implementation of its work in order to ensure good coordination and synergies in its activities;

34. Notes how strongly the Foundation has contributed to combating poverty and fraudulent contracting of work in several actions across the Union.

35. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2018)0133 (see page 393 of this Official Journal).

DECISION (EU) 2018/1420 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2016

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 2016,

— 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 2016, together with the Foundation's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0058/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 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]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0092/2018),

1. Approves the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2016;

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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 212.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 139, 30.5.1975, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2018/1421 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of Eurojust for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of Eurojust for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Union's Judicial Cooperation Unit for the financial year 2016, together with Eurojust's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council recommendation of 20 February 2018 on discharge to be given to Eurojust in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0065/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 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]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0113/2018),

1. Grants the Administrative Director of Eurojust discharge in respect of the implementation of Eurojust's budget for the financial year 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 218.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 63, 6.3.2002, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2018/1422 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of Eurojust for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of Eurojust for the financial year 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0113/2018),

A. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening of the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of the performance-based budgeting and good governance of human resources;

B. whereas, according to its statement of revenue and expenditure ([1]), the final budget of Eurojust for the financial year 2016 was EUR 43 539 737, representing an increase of 28,75 % compared to 2015; whereas the budget increase relates mainly to transition of Eurojust to its new premises; whereas the entire budget of Eurojust derives from the general budget of the Union;

C. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the European Union's Judicial Cooperation Unit for the financial year 2016 ('the Court's report'), has stated that it has obtained reasonable assurance that Eurojust's annual accounts are reliable and that the underlying transactions are legal and regular;

Follow-up of 2011 and 2015 discharges

1. Notes that, according to the Court's report, with respect to follow-up to comments from previous years, corrective actions have been taken but that one comment relating to the definition of the respective roles and responsibilities of the director and the college of Eurojust is still marked as 'Ongoing';

2. Notes that Eurojust has an ongoing dialogue with the Commission's Directorate-General for Justice and Consumers and Directorate-General for Budget in order to secure a proper level of funding for Eurojust for the coming years;

Budget and financial management

3. Notes with satisfaction that the budget monitoring efforts during the financial year of 2016 resulted in a budget implementation rate of 99,89 %, including EUR 6 980 000 that is ring-fenced for the new building; notes furthermore that the payment appropriations execution rate was 80,42 %, representing a decrease of 8,55 % from 2015;

4. Deplores the fact that Eurojust faced budgetary availability issues due to known structural problems with its funding and that for the second successive year was forced to resort to mitigation measures subject to an amending budget, leading to the postponement of some of its ongoing activities and the deferral of valuable technological developments;

Commitments and carry-overs

5. Notes that, according to the Court's report, the level of committed appropriations carried over for Title II (administrative expenditure) was high at EUR 6 446 530 (40 %) compared to EUR 1 600 000 or 22 % in 2015; acknowledges the fact that these carry-overs are mainly related to works beyond year-end and purchases ordered in preparation of Eurojust's move to new premises in 2017 (EUR 4 867 482);

6. Welcomes the fact that Eurojust demonstrated a significant improvement in carry-overs from 2015, with much lower cancellations (5,6 %) than in previous years;

([1]) OJ C 113, 30.3.2016, p. 83.

7. Notes that the carry-overs are often partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance and communicated to the Court;

8. Asks the Court to keep the volume to be carried over to the next year as low as possible;

Procurement and staff policy

9. Notes that Eurojust signed 30 contracts with a value above EUR 15 000, representing an increase of 30 % compared to 2015; observes that open procurement procedure was used for 80 % of the contracts, representing 92,50 % of the procured amount;

10. Observes that in 2016 Eurojust implemented the third wave of post reductions (1 % — 3 posts) to achieve the 5 % target agreed by Parliament and the Council; notes that the posts cut were in the area of administrative support;

11. Notes that Eurojust's vacancy rate at 31 December 2016 was 3,4 % compared to 2,4 % on 31 December 2015; notes with satisfaction that 96,6 % of the 2016 establishment plan was executed; observes that, according to the establishment plan, 196 posts (out of 203 posts authorised under the general budget of the Union) were occupied on 31 December 2016, compared to 200 in 2015;

12. Notes that out of 255,5 (full-time equivalent) members of staff in 2016 Eurojust was employing 68,1 (full-time equivalent) seconded national experts, contract staff, interim staff and consultants;

13. Regrets that in the entire number of posts occupied on 31 December 2016, the gender balance ratio was 69 % female to 31 % male; notes with concern also the imbalances in senior management and the management board;

14. Notes that on average Eurojust's staff was on sick leave seven days per member of staff in 2016; observes that the number of days spent per member of staff on wellbeing activities in 2016 was low at 0,13 days; regrets that Eurojust did not name different wellbeing activities put in place in 2016 as asked by Parliament;

15. Notes with satisfaction that Eurojust has established a network of confidential counsellors as a part of the policy on protecting the dignity of the person and preventing psychological and sexual harassment and held prevention and awareness programmes provided for by the human resources team;

16. Notes with concern that from 13 April 2015 to 13 April 2017 the network of confidential counsellors has been approached by 26 members of staff; notes that out of the 26 contacts, 16 cases were closed after only one session; notes again with concern however that 9 cases have been classified by the confidential counsellors as harassment cases and 2 informal procedures have been initiated; observes that other cases concerned conflicts, work related stress or information seeking;

17. Notes that Eurojust uses official vehicles but does not allow for their private use;

Prevention and management of conflicts of interest, transparency and democracy

18. Notes that Eurojust's draft internal rules on the protection of whistleblowers were prepared in 2016 and a first discussion took place in the college on 4 October 2016; notes with concern, however, that the adoption of the internal rules was put on hold when, at the beginning of 2016, the Commission informed agencies that a model decision for the agencies was being prepared;

19. Calls on the Commission to ensure the swift adoption of its guidelines on whistleblowing that will consequently be immediately adopted and effectively implemented by agencies, including Eurojust; notes that Eurojust was waiting for such guidance or input from the Commission before it could finalise its relevant rules; urges Eurojust to step up its efforts further for finalising clear internal rules on the protection of whistleblowers, who must benefit from the presumption of good faith until the information has been verified;

20. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistleblowers use the right channels to disclose their information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;

21. Notes that Eurojust maintains a register of declarations of absence of conflicts of interest signed by management board members, which is regularly updated, but points out that these declarations and the CVs of the management board members are not publicly available; points out that this practice does nothing to further transparency and calls for the declarations to be made public; calls on Eurojust to report to the discharge authority on progress on this issue and consider the publication of the declarations and the CVs on its website;

22. Notes with concern that the administration, the members of the college and the members of the independent joint supervisory body have not published their declarations of interest on Eurojust's website;

23. Welcomes the fact that in 2017 Eurojust prepared the Eurojust Guide on Ethics and Conduct, which also includes a Code of Good Administrative Behaviour;

24. Notes that in 2016 Eurojust received 15 requests for access to documents to which Eurojust granted full access in five cases while in four cases Eurojust decided to grant only partial access to the documents and refused access in six cases;

Main achievements

25. Welcomes the three main achievements identified by Eurojust in 2016, namely:

— the adoption of an unprecedented reorganisation of its administration, which generated synergies and efficiency gains;

— the development of a revised joint investigation team (JIT) model agreement and practical guide and the provision of financial support to 90 JITs; awarding EUR 1 000 000 following eight calls for proposals for JITs grants;

— the production of relevant strategic documents and ad hoc judicial analyses in priority crime areas, such as the fourth Foreign Terrorist Fighters report, the summary of the third Foreign Terrorist Fighters report, the Chemical, Biological, Radiological and Nuclear (CBRN)-E Handbook and the Cybercrime Judicial Monitors;

Internal controls

26. Notes that Eurojust has adopted a set of internal control standards, based on the Commission's framework and international best practice, to ensure the achievement of policy and operational objectives; notes furthermore that Eurojust has assessed the effectiveness of its key internal control systems during the reporting year and has concluded that the internal control standards are effectively implemented; observes that Eurojust has taken measures to improve the efficiency of its internal control systems in the area of 'Risk Management Process' (Eurojust ICS 6); looks forward to the next annual report of Eurojust and further details regarding the measures taken to further improve efficiency;

Internal audit

27. Notes that, according to Eurojust's annual report, the Commission's Internal Audit Service (IAS) conducted an audit on 'Monitoring and Reporting/Building Blocks of Assurance' in January 2016; notes that the IAS issued two recommendations categorised as 'very important' and four recommendations rated as 'important'; notes with satisfaction that Eurojust implemented corrective action for those recommendations thus proving the value of such a service;

Performance

28. Observes that Eurojust carried out an external evaluation of its activities during 2014-2015, which led to an internal action plan for the implementation of the recommendations; notes that the college established a working group on prioritisation in March 2016 with a mandate to steer the implementation of the remaining recommendations; notes moreover that further development and achievements are expected during 2017;

Other comments

29. Notes that Eurojust successfully completed the move to its new premises in June and July 2017; observes that the redelivery of the former building to the host state took place on 31 August 2017 and that the host state will determine the costs related to the redelivery to be borne by Eurojust; notes that once the costs to be borne by Eurojust are known, Eurojust should outline the total incurred transition costs to the discharge authority;

30. Notes with satisfaction that Eurojust has, in cooperation with Europol, formalised a combined approach for the ISO14001/EMS Certification; notes that Eurojust considered that, while in 2016 it was only renting temporary premises from the Kingdom of the Netherlands, it was not, as a tenant, in a position to reduce CO_2 emissions;

31. Notes with concern, given the fast-reducing time frame, from Eurojust's reply that for the time being there is no information exchange between Eurojust and the Commission with regard to the preparation for carrying out Eurojust's future activities after Brexit; calls on both Eurojust and the Commission to ensure an efficient flow of the necessary information bearing in mind that a cooperation agreement with the United Kingdom will need to be put in place;

32. Welcomes the strengthening of the Eurojust's position as the centre for judicial cooperation and coordination against cross-border crime and as a centre for judicial expertise within the Union; highlights the launch of the European Judicial Cybercrime Network; notes that Eurojust received requests for assistance in 2 306 cases (representing a rise of 4 %), that it organised 249 coordination meetings on 288 cases and provided support to 148 joint investigation teams, including financial support to 90 of them (representing a rise of 32 %); notes the publication of the fourth Eurojust report '*Foreign Terrorist Fighters: Eurojust's Views on the Phenomenon and the Criminal Justice Response*' on December 2016;

33. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2018)0133 (see page 393 of this Official Journal).

DECISION (EU) 2018/1423 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of Eurojust for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of Eurojust for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Union's Judicial Cooperation Unit for the financial year 2016, together with Eurojust's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council recommendation of 20 February 2018 on discharge to be given to Eurojust in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0065/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 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]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0113/2018),

1. Approves the closure of the accounts of Eurojust for the financial year 2016;

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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 218.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 63, 6.3.2002, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2018/1424 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the European Police Office (Europol) for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Police Office for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Police Office for the financial year 2016, together with the Office's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council recommendation of 20 February 2018 on discharge to be given to the Office in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0079/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 Regulation (EU) 2016/794 of the European Parliament and of the Council of 11 May 2016 on the European Union Agency for Law Enforcement Cooperation (Europol) and replacing and repealing Council Decisions 2009/371/JHA, 2009/934/JHA, 2009/935/JHA, 2009/936/JHA and 2009/968/JHA ([5]), and in particular Article 60 thereof,

— 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 94 of and Annex IV 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 (A8-0109/2018),

1. Grants the Executive Director of the European Union Agency for Law Enforcement Cooperation discharge in respect of the implementation of the Europol's budget for the financial year 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Union Agency for Law Enforcement Cooperation, 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 223.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 121, 15.5.2009, p. 37.
([5]) OJ L 135, 24.5.2016, p. 53.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2018/1425 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Police Office (Europol) for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Police Office (Europol) for the financial year 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0109/2018),

A. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening of the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of the performance-based budgeting and good governance of human resources;

B. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Police Office ('Europol') for the financial year 2016 was EUR 104 274 784, representing an increase of 9,27 % compared to 2015; whereas the increase was due to new or additional tasks which expanded the mandate of Europol; whereas Europol's budget almost entirely derives from the general budget of the Union;

C. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the European Police Office for the financial year 2016 ('the Court's report'), has stated that it has obtained reasonable assurance that the Europol's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2016 resulted in a high budget implementation rate of 99,75 %, indicating that commitments were made in a timely manner; notes that the payment appropriations execution rate was 90,98 %, indicating an increase of 1,98 % compared to 2015;

Commitments and carry-overs

2. Notes that, according to the Court's report, the carry-overs of committed appropriations for Title II (administrative expenditure) were high at EUR 3 500 000 (39 %), compared to EUR 4 200 000 (41 %) in 2015; notes that those carry-overs mainly concerned Europol's headquarters, which were only invoiced by the host state in 2017 (EUR 2 000 000); notes that Europol will continue its efforts to ensure efficient and compliant budget implementation, in particular concerning carry-overs in relation to administrative expenditure; notes that due to the work regarding Europol's headquarters, performed under the authority of the host state as an external party, the handling of building-related costs is also expected to be spread across financial years in the future; notes that this is due to the inherent administrative set-up whereby Europol receives the related invoices after the host state has liaised with contractors at the national level;

3. Notes that carry-overs are often partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance by Europol and communicated to the Court;

Transfers

4. Notes that a total number of 48 transfers were made for a total amount of almost EUR 4 960 000 (4,9 % of the budget); notes furthermore that some transfers were necessary in order to take into account differences between the planning and the implementation of the budget due to urgent situations in certain crime areas, for instance activities related to hotspots; notes that transfers made in order to temporarily cover grant expenditure under the regular budget, due to the late cashing of the pre-financing amount of the grant agreement, were then reversed when the pre-financing was received;

([1]) OJ C 84, 17.3.2017, p. 172.

Procurement and staff policy

5. Notes that at the end of 2016 the total number of staff employed by Europol was 655, consisting of 505 staff in the establishment plan, 146 contract agents and 4 local staff; notes furthermore that the number of non-Europol staff (seconded national experts, liaison officers and staff of the liaison bureaus, trainees and contractors) was 452; notes that in 2016 Europol hired 145 new staff (104 temporary agents and 41 contract agents) and that 86 staff left Europol (64 temporary agents and 22 contract agents);

6. Deeply regrets that having regard to the total number of posts occupied on 31 December 2016, gender balance has not been achieved since the ratio is more than two to one - 32,4 % female to 67,6 % male — and that, even more alarming, female staff represented only 14 % in senior specialist / senior analyst positions and that moreover, with the worst ratio of all, the percentage of female staff in business manager and equivalent or higher positions was only 6,1 % (two members of staff); calls on Europol to be more proactive and to take the gender balance issue into account as a matter of urgency when recruiting new staff and to inform the discharge authority during the next discharge procedure of the progress made at the end of 2017;

7. Notes that in April 2016 Parliament adopted an amending budget resulting in the reinforcement of the staffing levels of Europol's European Counter Terrorism Centre by increasing the budget by EUR 2 000 000 and adding an additional 35 posts (25 temporary agents, 5 contract agents and 5 seconded national experts);

8. Notes with satisfaction that Europol's staff spent an average of only 1,2 % of the working days in 2016 on sick leave; observes that the number of days spent per member of staff on wellbeing activities in 2016 was less than one day; notes that Europol did not name different wellbeing activities put in place in 2016, as requested by Parliament, but reported on the costs spent per staff on the medical provider and related costs; calls on Europol to provide an overview of sick leave counted in days;

9. Notes with satisfaction that Europol has established a network of 10 confidential counsellors as a part of the policy on protecting the dignity of the person and preventing psychological and sexual harassment; notes moreover that Europol held awareness session programmes, provided standard information on harassment on its intranet and introduced a programme for newcomers which included a presentation on health and wellbeing during which the harassment policy and the network of confidential counsellors were explained;

10. Notes that in 2016 one informal and one formal procedure (request for assistance) were initiated regarding harassment; notes that the single formal procedure led to the opening of an administrative inquiry/internal investigation which did not confirm the existence of harassment; observes that, accordingly, no case was brought before the Court of Justice of the European Union;

11. Notes that Europol uses official vehicles but does not allow for their private use;

Internal controls

12. Notes that in 2016 risk management activities in Europol focused on addressing audit requirements identified by the Court, in particular the annual accounts, the delegation agreement and the closure of the Europol Pension Fund; notes moreover that risk activities also included monitoring the risks affecting the core business objectives set for the 2016 Work Programme, in particular in relation to the new task of on-the-spot deployments for secondary security checks and the insourcing of the final deployment of the Europol Analysis System; notes that by the end of 2016 Europol's corporate risk log contained 16 high or critical risks, which represents 4 additional corporate risks compared to the status recorded at the end of 2015;

13. Notes that the Internal Audit Function carried out a review of the implementation of the Internal Control Standards in Europol in the first semester of 2016; notes that Europol prepared an action plan to address 15 out of the 40 recommendations by the end of 2016 and that, out of those recommendations, 20 were graded as 'very important' and one was considered 'critical', namely a recommendation related to the adoption of an anti-fraud strategy, which was endorsed by the management board on 31 January 2017;

Internal audit

14. Notes that 83 % of all audit recommendations by the Court, the Internal Audit Service (IAS), the Europol Joint Supervisory Body, the Commission's data protection officer, and the Internal Audit Function, graded as 'critical' or 'very important', were addressed in 2016, representing an increase of 12 % compared to 2015;

15. Notes that in October 2016 the IAS performed an audit on procurement, for which the draft audit report was not issued at the end of 2016; calls on Europol to report to the discharge authority on the results of that audit;

Prevention and management of conflicts of interest, transparency and democracy

16. Notes that on 1 May 2017 the management board adopted rules for the prevention and management of conflicts of interest in respect of its members, including in relation to their declarations of interests; notes with regret that Europol's approach has been to declare that there are no conflicts of interest; notes with concern that the management board members have continued to publish declarations of absence of conflicts of interest; calls on the management board members to publish their declarations of interests, instead of declarations of absence of conflicts of interest, in which they list their membership of any other organisations; stresses that it is not for the management board members to declare that they have no conflicts of interest; notes that management board members and alternate members have been invited to complete, sign and submit their declarations of interests together with their CVs by 15 December 2017 for subsequent publication on Europol's website; welcomes the publication of the management board members' CVs on Europol's website; calls on Europol to report back to the discharge authority if management board members have actually published their declarations of interests by the set deadline;

17. Notes that in 2016 Europol received 107 requests for access to documents (related to 138 documents) and that Europol granted full access to 39 documents, partial access to 20 documents and refused access to 79 documents; calls on Europol to be as open as possible in addressing those requests, bearing in mind the legal constraints but also the duty of openness and transparency;

18. Notes that Europol launched an additional 'ethics package' communication campaign in October 2017 to raise awareness among all Europol staff and seconded national experts about the updated versions of Europol's Code of Conduct and guidance documentation on the handling of gifts, conflicts of interest and whistleblowing; notes with satisfaction that the guidance on whistleblowing underlines the fact that Europol is committed to protecting the identity of whistleblowers; welcomes the publication of the guidance on whistleblowing arrangements on Europol's website; asks Europol to provide details on whistleblowing cases in 2016, if any, and how they were handled;

19. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistleblowers use the right channels to disclose their information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;

20. Welcomes the adoption by the management board of an anti-fraud strategy for the period 2017-2018;

Main achievements

21. Welcomes the three main achievements identified by Europol in 2016, namely:

— the establishment of the European Counter Terrorism Centre and the European Migrant Smuggling Centre, including the on-the-spot deployment of staff to perform over 4 800 secondary security checks in migration hotspots by the end of 2016; notes that over 270 counter-terrorism operations were supported by Europol, which represents more than a twofold increase compared to the entirety of 2016 (127 counter-terrorism operations in 2016);

— the pioneering of innovative investigative support tools: the Europe's Most Wanted Fugitives website in 2016 with, as of November 2017, information on 115 fugitives published, 41 high-profile fugitive arrests, including 13 arrests due to the launch of the website; notes that Europol's Cybercrime Centre (EC3) deployed a new Image and Video Analysis Solution to facilitate, in particular, the identification of child victims of sexual exploitation, including, in 2017, the support given by Europol to 38 unique operations against online child sexual exploitation;

— the adoption of Regulation (EU) 2016/794 in May 2016, with applicability from 1 May 2017, to introduce enhanced arrangements on Parliament oversight and an improved operational support mandate;

Other comments

22. Notes with satisfaction that in cooperation with Eurojust, Europol has formalised a combined approach for the ISO14001/EMS Certification; notes that Europol has put in place numerous measures to ensure a cost-effective and environmentally friendly workplace and to further reduce or offset CO_2 emissions;

23. Notes with satisfaction that Europol continued to cooperate with a number of international partners as well as other Union agencies and bodies and that, in particular in light of the migration crisis, Europol further strengthened its cooperation with Frontex;

24. Notes that, according to Europol, there are substantial financial and operational risks due to the Brexit; calls on Europol to remain proactive in identifying and addressing those risks and to keep the discharge authority fully informed of the future impact of Brexit on Europol and to work in close cooperation with the Commission regarding Brexit negotiations in order to be sufficiently prepared to minimise any negative operational or financial impact that may occur;

25. Regrets that the Europol's review for the period 2016-2017 was only published on Europol's website on 23 January 2018, five days after the deadline of Parliament's Committee on Civil Liberties Justice and Home Affairs for tabling amendments to the report on discharge; calls on Europol to publish its annual reviews in time for future discharge procedures in order to allow the discharge authority to perform its work in a fully informed manner;

26. Notes the ever-increasing demand for Europol's services from Member States; regrets, in that context, the fact that the tight ICT resources available have resulted in a re-prioritisation of core systems development activities, project delays and have also triggered an exploration of further outsourcing possibilities with the increased risks that that implies;

27. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2018)0133 (see page 393 of this Official Journal).

DECISION (EU) 2018/1426 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the European Police Office (Europol) for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Police Office for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Police Office for the financial year 2016, together with the Office's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council recommendation of 20 February 2018 on discharge to be given to the Office in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0079/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 Regulation (EU) 2016/794 of the European Parliament and of the Council of 11 May 2016 on the European Union Agency for Law Enforcement Cooperation (Europol) and replacing and repealing Council Decisions 2009/371/JHA, 2009/934/JHA, 2009/935/JHA, 2009/936/JHA and 2009/968/JHA ([5]), and in particular Article 60 thereof,

— 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 94 of and Annex IV 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 (A8-0109/2018),

1. Approves the closure of the accounts of Europol for the financial year 2016;

2. Instructs its President to forward this decision to the Executive Director of the European Union Agency for Law Enforcement Cooperation, 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 223.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 121, 15.5.2009, p. 37.
([5]) OJ L 135, 24.5.2016, p. 53.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2018/1427 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the European Union Agency for Fundamental Rights for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Fundamental Rights for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Union Agency for Fundamental Rights for the financial year 2016, together with the Agency's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0059/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 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]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0093/2018),

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 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 228.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 53, 22.2.2007, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2018/1428 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Union Agency for Fundamental Rights for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Union Agency for Fundamental Rights for the financial year 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0093/2018),

A. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening of the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;

B. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Union Agency for Fundamental Rights ('the Agency') for the financial year 2016 was EUR 21 603 000, approximately the same amount as in 2015; whereas the budget of the Agency derives almost exclusively from the Union budget;

C. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the European Union Agency for Fundamental Rights for the financial year 2016 ('the Court's report'), has stated that it has obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that budget monitoring efforts in the financial year 2016 resulted in a budget implementation rate of 100 %, which is the same rate as the previous year, and that the payment appropriations execution rate was 73,21 %, representing an increase of 1,59 % compared to the previous year; acknowledges that the high overall level of committed appropriations indicated that commitments were made in a timely manner;

Commitments and carry-overs

2. Notes that, according to the Court's report, the level of committed appropriations carried over to 2017 for Title III (operating expenditure) was again very high at EUR 5 200 000 (68 %), compared to EUR 5 700 000 (70 %) for the previous year; acknowledges that, according to the Court, these carry-overs mainly reflect the nature of activities of the Agency which involve financing studies that span over many months, often beyond year-end;

3. Notes that the implementation rate of appropriations carried over from 2015 to 2016 was 96,73 % meaning that the cancellation rate remained low at 3,27 %;

4. Notes that carry-overs are often partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance by the Agency and communicated to the Court;

Transfers

5. Notes that in 2016 one budgetary transfer was submitted to the management board for approval and that the total amount transferred among Titles as a result of this transfer was EUR 297 714; notes moreover that those transfers mainly related to the reallocation of the surplus under administrative expenditure to operational projects; notes with satisfaction that the level and nature of transfers in 2016 remained within the limits of the financial rules;

([1]) OJ C 230, 24.6.2016, p. 1.

Staff policy

6. Acknowledges that, according to the Agency, its establishment plan was increased by the addition of two new administrator posts in the areas of migration, integration and refugee protection and that one assistant post was removed in accordance with the 5 % staff reduction required; notes, however, that the Agency increased its contract agent positions by four;

7. Observes that, according to the establishment plan, 70 temporary posts (out of 74 posts authorised under the Union budget) were occupied on 31 December 2016; notes that in addition the Agency employed 9 seconded national experts and 30 contract staff in 2016;

8. Notes that 49,3 % of the Agency's temporary agents are female and 50,7 % are male; regrets, however, the significant imbalance in the Agency's six senior management positions, with a ratio of one woman to five men; calls on the Agency to aim for a more gender-balanced staff composition at the level of senior posts;

9. Observes that on average the Agency's staff was on sick leave for a total of 9,2 days in 2016 and that 97 out of 109 staff took at least one day off as sick-leave; notes that the Agency organised a staff away day and supports other well-being activities; calls on the Agency to consult the medical service on how to lower absences from work due to sick leave;

10. Notes with satisfaction that the Agency invests in protecting the dignity of the person and preventing psychological and sexual harassment and that it provided two training sessions for newcomers and a refresher for other staff; notes with satisfaction that confidential counsellors maintained a visible presence and that management reminded all staff of the policy and the network at various times;

11. Notes that the Agency keeps no statistical data on cases reported to the confidential counsellors but that no harassment cases were reported, investigated or taken to court in 2016;

12. Notes that the Agency does not have any official vehicles;

Prevention and management of conflicts of interest, transparency and democracy

13. Acknowledges that, according to the Agency, in addition to the Staff Regulations, it has introduced for its staff a practical guide on the management and prevention of conflicts of interest, which offers wide-ranging information and advice on a variety of issues; notes moreover that the Agency regularly provides compulsory training for staff on ethics and integrity and that it publishes the CVs and declarations of interests of all active members of its management board, the scientific committee and its management team;

14. Notes that the Agency applies the Code of Good Administrative Behaviour and that it assesses the checks on the financial interests declared by the management team, management board members and scientific committee members and publishes declarations of interests on its website as part of the policy on the prevention and management of conflicts of interest;

15. Notes that the minutes from management board meetings are published on the Agency's website;

16. Notes that the Agency has in place a number of tools for the protection of staff in general and whistleblowers in particular; acknowledges that the Agency currently applies by analogy the Commission's whistleblowing guidelines following Executive Board Decision Nr 2012/04;

17. Acknowledges that, according to the Agency, a specific fraud risk assessment was implemented in the context of the anti-fraud strategy, resulting in an action plan that was fully implemented and is continuously monitored; notes with satisfaction that it achieved a significant result in terms of awareness raising by preparing and delivering internal training on fraud prevention based on materials provided by the European Anti-Fraud Office (OLAF);

18. Welcomes the introduction of an item on transparency, accountability and integrity in the Agency's 2016 annual activity report;

19. Notes that in 2016 the Agency received 20 requests for access to documents and that it granted full access to 22 documents, partial access to 120 documents and refused access to 68 documents due to 'Protection of privacy and the integrity of the individual' and 'Protection of commercial interests'; expects that the Agency, when deciding on limiting the access to documents due to the protection of commercial interests, also considers with seriousness the interests of the citizen and the Union's commitment to greater transparency, while taking into account all relevant rules and regulations;

20. Notes that for seven of the refused requests for access to documents, the cases were subject to a confirmatory application after which partial access was granted to four;

Main achievements

21. Welcomes the three main achievements identified by the Agency in 2016, namely:

— it organised the Fundamental Rights Forum, its largest event gathering over 700 participants for four days of discussions on how the three themes of inclusion, refugee protection and the digital age are connected;

— it submitted six legal opinions to assist Parliament in the development of its positions on legislative files or policies;

— in line with its strategic priority to develop timely and targeted responses to fundamental rights emergencies, it published monthly reports on the situation in the Member States most affected by the refugee crises and deployed expert staff to Greece in order to provide Union and local actors on the ground with fundamental rights expertise;

Internal controls

22. Notes that in 2016 the Agency had provided for a number of measures to improve the effective implementation of Internal Control Standard (ICS) No 5 'Objectives, performance indicators', ICS No 11 'Document management', and the ICS on 'Business continuity'; notes that by the end of the reporting year those measures were undertaken and progressively implemented;

23. Notes that in December 2016 an internal gap analysis was performed with the aim of providing a detailed assessment of the compliance level of the ICSs; notes with satisfaction that the Agency identified a level of implementation close to full compliance and that additional measures were expected to be fully implemented by the end of 2017; calls on the Agency to report to the discharge authority on the implementation of those measures;

24. Notes that, according to the Court's report, formal delegations and sub-delegations from authorising officers (by delegation) were not always consistent with the authorisation rights for transactions in the ABAC workflow system; notes that, according to the Agency, the error was corrected and measures have been put in place to ensure that ABAC only reflects currently valid delegations;

Internal audit

25. Notes with satisfaction that at the end of the reporting period the results of ex post controls did not reveal any amounts to be recovered;

26. Notes that the Commission's Internal Audit Service (IAS) closed the last open recommendation raised during the audit on human resources management and that in 2016 no IAS audit was carried out;

27. Notes with satisfaction that, in order to ensure a cost-effective and environmentally friendly working place and to reduce or offset CO_2 emissions, the Agency is working towards improving its environmental footprint by installing an environmentally friendly datacentre cooling system, which will enhance the heating system and result in lower consumption, by contracting an alternative electricity provider which uses renewable sources, by promoting alternative ways for employees to commute to work through the provision of bicycle parking spaces, by promoting and implementing green public procurement in certain tendering procedures like ICT equipment acquisition and cleaning services, by promoting recycling and the use of recycled paper and other materials and by the introduction of LED technology lights;

28. Notes that the Agency recognises the financial risks due to Brexit as the potential loss of financial resources could impact the Agency's operational activities; notes that the Agency could possibly reduce the impact of this financial loss due to the fact that its operational research activities will not include the United Kingdom; notes, however, that the financial loss is expected to be higher than the savings from the limitation of research activities;

29. Notes that the Agency recognises the operational risks due to Brexit and the resulting potential loss of competition as a number of operational related contractors are based in the United Kingdom and loss of skilful British national staff members; calls on the Agency to work in close cooperation with the Commission regarding Brexit negotiations in order to be sufficiently prepared to minimise any negative operational or financial impact that may occur;

30. Highlights the delivery of six legal opinions to assist Parliament in the development of its positions on legislative proposals or policies, four of which concerned ongoing reviews of the Union's Common European Asylum System;

31. Welcomes the fact that the Agency continued its research on the situation of Roma in the Union; welcomes, in particular, in this regard the publication of the Second Union Minorities and Discrimination Survey gathering information on almost 34 000 persons living in Roma households in nine Member States, derived from nearly 8 000 face-to-face interviews with Roma;

32. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2018)0133 (see page 393 of this Official Journal).

DECISION (EU) 2018/1429 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the European Union Agency for Fundamental Rights for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Fundamental Rights for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Union Agency for Fundamental Rights for the financial year 2016, together with the Agency's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0059/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 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]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0093/2018),

1. Approves the closure of the accounts of the European Union Agency for Fundamental Rights for the financial year 2016;

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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 228.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 53, 22.2.2007, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2018/1430 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the European Border and Coast Guard Agency (Frontex) for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Border and Coast Guard Agency (the Agency) for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Border and Coast Guard Agency for the financial year 2016, together with the Agency's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0074/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 Regulation (EU) 2016/1624 of the European Parliament and of the Council of 14 September 2016 on the European Border and Coast Guard and amending Regulation (EU) 2016/399 of the European Parliament and of the Council and repealing Regulation (EC) No 863/2007 of the European Parliament and of the Council, Council Regulation (EC) No 2007/2004 and Council Decision 2005/267/EC ([5]), in particular Article 76 thereof,

— 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 94 of and Annex IV 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 (A8-0108/2018),

1. Grants the executive director of the European Border and Coast Guard Agency discharge in respect of the implementation of the Agency's budget for the financial year 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the executive director of the European Border and Coast Guard 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 233.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 349, 25.11.2004, p. 1.
([5]) OJ L 251, 16.9.2016, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2018/1431 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Border and Coast Guard Agency (Frontex) for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Border and Coast Guard Agency for the financial year 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0108/2018),

A. whereas in the context of the discharge procedure, the discharge authority wishes to stress the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;

B. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Border and Coast Guard Agency (the 'Agency') for the financial year 2016 was EUR 232 757 000, representing an increase of 62,43 % compared to 2015; whereas, in response to the migration crisis faced by the Union, the mandate of the Agency was considerably extended in 2016;

C. whereas, according to its financial statements, the overall contribution of the Union to the Agency's budget for 2016 amounted to EUR 218 686 000; representing an increase of 63,78 % compared to 2015;

D. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the European Border and Coast Guard Agency for the financial year 2016 (the 'Court's report'), has stated that it has obtained reasonable assurances that the transactions underlying the Agency's annual accounts for the financial year 2016 are legal and regular; whereas the comments from the Court are to be read in the context of the challenges the Agency had to face in 2016;

Follow up to the 2013, 2014 and 2015 discharges

1. Notes with concern the number of outstanding issues and corrective measures in response to the Court's comments in 2013, 2014 and 2015 related to suppliers' statements at year-end, the headquarters agreement, ex-ante and ex-post verifications of expenditure claimed by cooperating countries under grant agreements, the increasing number of grant agreements, the need to refine the calculation of contributions from Schengen-associated countries, the recovery of irregular payments from the Icelandic coast guard and the risk of double funding by the Internal Security Fund; calls on the Agency to complete corrective actions as soon as possible in 2018 and report on their implementation to the discharge authority;

Comments on the legality and regularity of transactions

2. Notes from the Court's report that the Agency's previous founding Regulation which was in force until 5 October 2016 provided for the funding of joint return operations carried out with participating countries; notes that national return operations only became eligible under the new founding Regulation; notes however that, in the period January to October 2016, the Agency funded national return operations for an amount of EUR 3 600 000; notes that these payments are irregular;

3. Notes from the Agency's reply that in 2016, given the disproportionate migratory pressure towards Member States and following the Union's Action Plan for return from October 2015, the European Council conclusions from 25/26 June 2015 and 16/17 March 2016, the executive director of the Agency adopted the Decision 2016/36, which provided a broader interpretation of (co)-financing modalities of a joint return operation to the extent that also a national return operation carried out by just one single Member State facing a disproportionate migratory pressure would be (co)-financed from the Agency's budget; acknowledges the fact furthermore that the budgetary authority had amended the budget for 2016 specifically to implement the Action Plan on these return operations;

([1]) OJ C 12, 13.1.2017, p. 27.

Budget and financial management

4. Notes with satisfaction that the budget-monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 97,90 %; notes that the payment appropriations execution rate was 66,07 %, representing a decrease 3,40 % compared to 2015;

5. Notes from the Court's report that under the Agency's extended mandate, high importance is attached to return operations and EUR 63 000 000 had been assigned to that in its 2016 budget; notes however that EUR 23 000 000, i. e. 37,5 % was repaid to the Union budget since fewer return operations were carried out than envisaged; observes that the significant delay of the procurement procedure for a EUR 50 000 000 framework contract to charter aircraft and related services for the Agency return operations contributed to this situation and continues to affect the number of return operations arranged by the Agency; regrets that, while the launch of this procurement procedure was planned for March 2016, it had not been started by the year end; notes from the Agency's reply that it has drastically increased the number of joint return flights (232 in 2016 compared to 66 in 2015); notes however that the EUR 23 000 000 could not be used mainly because the framework contract for chartering aircrafts and related services for return operations faced delays generated by the deprioritisation of the project in favour of the efforts taken for ensuring the logistical support (ferries and buses) for the implementation of the EU-Turkey Statement; notes that a tender procedure for establishing a four-year framework contract has in the meantime been published, however with a lower estimated budget (EUR 20 000 000);

6. Notes from the Court's report that on 22 December 2015 the Commission and the Agency, co-beneficiary and coordinator of three other co-beneficiaries — the European Asylum Support Office (EASO), the International Organisation for Migration (IOM) and the United Nations High Commissioner for Refugees (UNHCR) — signed a grant agreement amounting to EUR 5 500 000 on regional support to protection-sensitive migration management in the Western Balkans and Turkey for a three year period starting on 1 January 2016; notes, however, that cooperation agreements with those three partners which amounted to EUR 3 400 000 were only signed between August and November 2016; notes that, in two of those agreements, the budgetary commitments, which should have released the funds before entering in the legal commitments, were only signed in October and in December 2016; notes moreover that the budget commitments amounted to EUR 1 200 000, covering only the pre-financing payments; stresses that such a procedure is in breach of the Financial Regulation's rules on budgetary management and the late signature of the agreements caused uncertainty for the operational cooperation between partners; notes from the Agency's reply that in order to document the fact that the legal commitment for all three project partners was made prior to the budgetary commitment, the Agency duly documented this as an exception;

7. Acknowledges the fact that the Agency is revising in 2017 its entire financial scheme aiming at simplifications, switching from grants to service contracts and introducing flat rates; calls on the Agency to report to the discharge authority on the implementation of the new scheme and the results achieved;

Commitments and carry-overs

8. Notes that the level of carry-overs for committed appropriations for Title II (administrative expenditure) was at EUR 6 400 000 (43 % of committed appropriations), compared to EUR 3 200 000 (38 %) in 2015, and therefore high; notes moreover that the carry-overs for Title III (operational expenditure) were also high at EUR 67 300 000 (37 %), compared to EUR 40 200 000 (35 %) in 2015; notes that the main reason is because contracts and operations extended beyond the year-end; calls on the Agency to consider introducing differentiated budget appropriations to better reflect inevitable delays between legal commitments, contract implementation and operations and the related payments;

9. Notes from the Court's report that the level of cancelled carry-overs from 2015 was high for Title III (operational expenditure) at EUR 6 400 000, i.e. 16 %, due to an overestimation of 2015 costs that still had to be reimbursed to participating countries in 2016; considers that there is a need to obtain more precise cost estimations and more timely cost reporting from cooperating countries;

10. Points out that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance and communicated to the Court;

Staff policy

11. Observes from the establishment plan that 197 temporary posts (out of 275 posts authorised under the Union budget), compared to 149 in 2015 were occupied on 31 December 2016; notes that in addition the Agency was employing (in full-time equivalent) 77 seconded national experts, 83 contractual staff and 15 interim staff;

12. Notes with appreciation that, by the number of all posts occupied, gender balance has been met since the ratio is 50 % women to 50 % men; regrets, on the other hand, that for senior posts it is only 15 % women to 85 % men; calls on the Agency, in cooperation with the Member States, to improve the gender balance in the management board and among the senior management;

13. Notes from the Agency that in order to start with the implementation of its new and enhanced mandate additional staff needed to be recruited already during the last quarter of 2016; notes that a needs assessment has identified 50 posts but that not all recruitment procedures could be completed by year-end; notes that at the end of 2016 the Agency had reached a total of 365 members of staff;

14. Notes from the Court's report that, following the extension of its mandate, the Agency's staff will more than double from 365 in 2016 to 1 000 in 2020; notes moreover that the planned increase in staff will require additional office space; notes from the Agency's reply that at the beginning of 2017 it had asked the budgetary authority and received the green light to expand in its current premises in order to accommodate the additional staff numbers; notes that the headquarters' agreement has entered into force on 1 November 2017;

15. Notes from the Court's report that the Agency traditionally experiences difficulties in finding staff with the required profile, partly because of the salary correction coefficient (66,7 %); calls on the Agency to reflect on possible mitigating measures and that it reports on its reflections to the discharge authority;

16. Notes from the Court's report that the Staff Regulations provide that in the case of an external selection procedure, temporary staff can only be recruited at grades SC 1 to SC 2, AST 1 to AST 4 or AD 5 to AD 8; notes that in 2016 the Agency recruited 14 staff at higher AST grades; stresses that the recruitments at these grades are irregular; notes from the Agency's reply that the motivation for upgrading of 5 AST4 posts to 5 AST5 posts was due to the business needs to run the 24/7 duty officers' service; acknowledges the fact that, given the level of responsibilities in the context of the migratory flows and security challenge at the Union's external borders, the Agency had to attract qualified and experienced candidates with relevant prior working experience;

17. Notes the fact that the fundamental rights officer has received five new posts since 2016, three of them being vacant; deeply deplores, however, that despite repeated calls of Parliament and a significant overall staff increase for the Agency, the fundamental rights officer still lacks adequate human resources and is therefore clearly hampered from properly conducting the tasks entrusted to her by Regulation (EU) 2016/1624 ([1]); urges, therefore, the Agency to provide its fundamental rights officer with adequate resources and staff, in particular for setting up a complaint mechanism and for further developing and implementing the Agency's strategy to monitor and ensure the protection of fundamental rights;

18. Notes that the Agency has not received any complaint, law-suits or otherwise reported cases of non-transparent hiring or dismissal of staff in 2016;

19. Observes that in 2016 the average sick leave of the Agency's staff was 11,4 days, although the Agency in its calculation did not include the staff who did not take any day off due to sick leave; calls on the Agency to consult with the medical service on how to lower the absence from work due to sick leave;

20. Notes from the Agency's replies that members of staff spent one day on well-being activities in 2016; notes that the Agency has an internal policy on health and safety at work and contributes to the well-being of the staff in three ways:

    (a) rental of sport fields for team sports and partial contribution to participation of staff in interagency sport tournaments;

([1]) OJ L 251, 16.9.2016, p. 1.

(b) as part of preventive measures in health and safety the Agency reimburses a portion of costs of sport activities undertaken by the staff (up to a ceiling of EUR°45 per month per member of staff);

(c) every year the Agency organises seasonal flu vaccinations for volunteering members of staff;

21. Observes that the Agency used Articles 12 and 12a of the Staff Regulations and the specific provisions of 'Code of Conduct for all persons participating in Frontex activities' and of 'Frontex Staff Code of Conduct'; observes that there was no harassment case reported or taken to court in 2016;

22. Notes that the Office of the Agency has two official vehicles for which only official use is allowed and that these vehicles are not used for personal purposes;

Prevention and management of conflicts of interests, transparency and democracy

23. Observes that the Agency adopted an anti-fraud strategy and action plan on 17 December 2015, which identifies four strategic objectives with 22 actions to be implemented during the period 2015-2018; notes with appreciation that more than 50 % of the actions identified were implemented in 2016;

24. Notes that the Agency prepared draft internal rules on whistleblowing and communicated them to the European Data Protection Supervisor in March 2017; notes that the issue is whether to implement the internal rules or take a decision to implement the Commission model rules once they have been notified to the agencies; calls on the Agency to report to the discharge authority on the decision taken;

25. Observes that the Agency has replied that they do not make the approved minutes of its management board meetings available to the public and that those minutes are not available even after three months of the date of the meeting; calls on the Agency to report to the discharge authority on the reasons for such a decision in view of the Union's policy on greater transparency of its operations;

26. Observes that the Agency did not reply if their meetings with lobbyists (i.e. persons not officially representing the Agency's stakeholders but having any pecuniary or economic interest in relation to its operational remit), in the event that such meetings were held, had been registered and made public; calls on the Agency to provide the discharge authority with an answer;

27. Notes that in 2016 the Agency received 67 requests for access to documents to which the Agency granted a full access to 15 requests, while for 38 requests access was only partially granted and further 10 requests were refused mostly due to 'Protection of public security' and 'Protection of privacy and the integrity of the individual';

28. Notes that four of the refusals were subject to a confirmatory application resulting in two confirmations of previously refused access, one request was given partial access and one full access to documents; notes also that one of the refusals was transmitted to the European Ombudsman; calls on the Agency to inform the discharge authority of the Ombudsman's decision and the subsequent procedure;

Main achievements

29. Welcomes the three main achievements identified by the Agency in 2016, namely:

— the adoption of the European Border and Coast Guard Regulation (EU) 2016/1624 which defines its expanded mandate;

— the assistance to 232 Return Operations (+251 % comparing with the operation assisted in 2015) returning in total 10 698 people;

— the launch in January 2017 of the first step of the common vulnerability assessment methodology;

30. Acknowledges the fact that the Regulation on the European Border and Coast Guard Agency opened up new possibilities for cooperation with other Agencies in relation to the coastguard function, resulting in a trilateral working arrangement between Frontex, the European Fisheries Control Agency (EFCA) and the European Maritime Safety Agency (EMSA); notes furthermore that close cooperation with the nine justice and home affairs (JHA) agencies continued, the cooperation with European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu-LISA) was strengthened, regular exchange with European Asylum Support Office (EASO) was facilitated and a cooperation agreement with Europol was tested throughout 2016;

31. Notes that the Agency shares offices with Europol and EASO in the framework of the European Regional Task Forces in Italy and Greece;

Internal control

32. Notes that the 2016 annual review of the internal control system provided reasonable assurance to the Agency management as to the level of compliance with all internal controls; acknowledges that it identified space for improvements in eight Internal Control Standards (ICS) and developed a strategy to address the weaknesses; it assessed the efficiency of its internal control system at the end of 2015; notes moreover that, according to the assessment, the ICS were implemented and functioning; notes however that, since the substantive increase in the Agency's budget allocation (financial and human resources) and the expansion of the tasks and responsibilities that are assigned to the Agency, the internal control system requires further improvements in 2017; calls on the Agency to report to the discharge authority on the measures taken to improve the internal control system;

Internal audit

33. Notes that in 2016 the Internal Audit Service (IAS) conducted an audit on 'Data Validation and Quality Assurance for the Risk Analysis', which resulted in four recommendations rated as 'important'; acknowledges from the Agency that it prepared an action plan to address these recommendations; calls on the agency to report to the discharge authority on the implementation of that action plan;

34. Notes the IAS' conclusions that no recommendations rated as 'critical' were issued in 2016;

35. Notes with satisfaction that to ensure a cost-effective and environment-friendly working place and to further reduce or offset CO_2 emissions the Agency has a new policy on printer and printing solutions that has reduced the consumption of paper, has implemented video conferences, and is aiming at improving water and energy efficiency as well as increasing recycling; the canteen uses biodegradable cleaning and disinfection products as well as provides eco-friendly take-away packaging methods and recyclable cups, plates and cutlery; meals served in the canteen are prepared using locally produced and seasonal products as well as ingredients sourced from ecological farmers;

36. Notes with satisfaction that the Agency is committed to promoting the use of public and eco-friendly transportation as the Agency helps covering the costs of public transportation costs for its staff;

37. Further notes that the Agency's premises has been designed and constructed according to the eco-requirements of the Building Research Establishment Environmental Assessment Method (BREEAM) certification and is now described as one of the most sustainable buildings in Poland;

38. Notes that the Agency sees no financial risks influencing its operations caused by the Brexit;

39. Highlights the contribution of Frontex to saving more than 250 000 people at sea in 2015; welcomes the increase in the Agency's search and rescue capacity; notes, however, that considerable efforts still have to be made in that direction;

40. Notes the existence of specific objectives and performance indicators for internal use for joint operations; regrets that these are not public and that the majority of Frontex operational programmes therefore lack quantitative objectives and specific target values for the joint operations; notes with concern that this, together with insufficient documentation from cooperating countries, might hamper the ex post evaluation of the effectiveness of joint operations in the long term; regrets that the actual impact of joint operations is therefore difficult to assess; calls on the Agency to further set relevant strategic objectives for its activities and to establish an effective result-oriented monitoring and reporting system with relevant and measurable key performance indicators;

41. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2018)0133 (see page 393 of this Official Journal).

DECISION (EU) 2018/1432 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the European Border and Coast Guard Agency (Frontex) for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Border and Coast Guard Agency (the Agency) for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European Border and Coast Guard Agency for the financial year 2016, together with the Agency's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0074/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 Regulation (EU) 2016/1624 of the European Parliament and of the Council of 14 September 2016 on the European Border and Coast Guard and amending Regulation (EU) 2016/399 of the European Parliament and of the Council and repealing Regulation (EC) No 863/2007 of the European Parliament and of the Council, Council Regulation (EC) No 2007/2004 and Council Decision 2005/267/EC ([5]), in particular Article 76 thereof,

— 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 94 of and Annex IV 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 (A8-0108/2018),

1. Approves the closure of the accounts of the European Border and Coast Guard Agency for the financial year 2016;

2. Instructs its President to forward this decision to the executive director of the European Border and Coast Guard 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 233.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 349, 25.11.2004, p. 1.
([5]) OJ L 251, 16.9.2016, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2018/1433 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the European GNSS Agency for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European GNSS Agency for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European GNSS Agency for the financial year 2016, together with the Agency's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0075/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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, repealing Council Regulation (EC) No 1321/2004 on the establishment of structures for the management of the European satellite radio navigation programmes and amending Regulation (EC) No 683/2008 of the European Parliament and of the Council ([4]), and in particular Article 14 thereof,

— 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 ([5]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0082/2018),

1. Grants the Executive Director of the European GNSS Agency discharge in respect of the implementation of the Agency's budget for the financial year 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 241.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 276, 20.10.2010, p. 11.
([5]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2018/1434 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European GNSS Agency for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European GNSS Agency for the financial year 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0082/2018),

A. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;

B. whereas, according to its statement of revenue and expenditure ([1]), the Union subsidy to the final budget of the European Global Navigation Satellite Systems Agency (the 'Agency') for the financial year 2016 was EUR 29 086 327, representing an increase of 5,36 % compared to 2015;

C. whereas the Court of Auditors (the 'Court'), in its report on the Agency's annual accounts for the financial year 2016 (the 'Court's report'), states that it has obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

The Agency's obligations

1. Reminds the Agency that it must respect the provisions laid down in Articles 109 and 110 of Regulation (EU) No 1271/2013 and that it must fulfil its obligations in the discharge procedure, in particular by replying to the questionnaire sent by the Members of the European Parliament and by answering the questions raised during the 2015 discharge procedure, the so-called follow-up exercise; considers that in 2016 the Agency did not fulfil its obligations by sending its answers too late and thus breached the rules and its obligations; is of the opinion that that this could be considered to be a procedural ground for postponing the discharge; is of the opinion that such a delay should not be repeated;

Follow-up to the 2014 and 2015 discharges

2. Notes with concern the number of ongoing corrective measures in response to the Court's comments in 2014 and 2015 related to the insurance coverage, the validation of the accounting system, the business continuity plan and the high staff turnover; calls on the Agency to complete as many corrective actions as possible in 2018;

Budget and financial management

3. Notes that the budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 100 %; notes furthermore that the payment appropriations execution rate was 82,42 %;

4. Notes that the Agency continued to manage a large amount of delegated budget in 2016 following the signature of two new delegation agreements (EGNOS Exploitation and Galileo Exploitation) in the course of 2016; notes that a total of EUR 1 074 000 000 delegated budget was committed in 2016 and EUR 111 600 000 made in payments;

Commitments and carry-overs

5. Notes that, according to the Court's report, the level of carry-overs for committed appropriations was high at EUR 2 806 212 (45 %) for Title 2 (Administrative expenditure) in 2016, compared with EUR 2 511 309 (42 %) in 2015; acknowledges that those carry-overs relate mainly to IT services provided in 2016 for which invoices were not received;

([1]) OJ C 230, 24.6.2016, p. 4.

6. Acknowledges that the level of cancellations of carry-overs of the Agency is very low (0,7 % overall budget lines in 2016); notes that the Agency considers this to be a better indication of budget management than the level of carry-overs itself;

7. Notes that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance and communicated to the Court;

Transfers

8. Notes that six internal transfers were processed in 2016, all of them authorised by the Executive Director as they concerned transfers of amounts either within Titles or below 10 % between Titles;

Staff policy

9. Notes that at the beginning of 2016, the Agency employed 99 temporary agents, 36 contract agents and 4 seconded national experts, for a total of 139 staff; notes that at the end of 2016, the Agency employed 113 temporary agents (out of 113 posts authorised under the Union budget), 43 contract agents and 4 seconded national experts, bringing the total number of staff up to 160;

10. Notes with concern that according to the number of posts occupied on 31 December 2016, the gender balance ratio was 36 % female to 64 % male staff;

11. Welcomes the Agency's implementation of numerous measures to increase its attractiveness both externally and internally, e.g. by highlighting the significance of its mission, by broadening the dissemination of its vacancies and simplifying them, by clarifying benefits for staff and by enhancing a cross-departmental collaborative environment in order to address the issue of high staff turnover; calls on the Agency to report to the discharge authority on the impact of those measures;

12. Stresses that work-life balance should be part of the staff policy of the Agency; notes that the budget spent on well-being activities amounts to approximately EUR 84,70 per staff corresponding to 1,1 day; observes that the average number of days' sick leave in 2016 was 7,1 days per member of staff;

13. Appreciates the fact that the Agency adopted a new policy on protecting the dignity of the person and preventing harassment in 2017; supports the training sessions organised to increase staff awareness and suggests to regularly organise training and information sessions on the matter;

14. Notes with satisfaction that the Agency did not receive any complaints, lawsuits or reported cases linked to hiring or dismissal of staff in 2016;

Procurement

15. Notes that the average payment time of the Agency was 14 days, well below the Commission's 30-day benchmark and its target of 20 days; notes that the Agency processed a total of 4 740 financial transactions, representing an 11 % increase compared with 2015;

16. Notes that, according to the Court's report, on 15 December 2016 the Agency signed a framework contract on the exploitation of the Galileo satellite system during the period 2017 to 2027, amounting to EUR 1 500 000 000; notes, moreover, that the contract was awarded following a public procurement procedure; notes that one of the tenderers involved has launched legal proceedings against the Agency at the Court of Justice of the European Union (the 'Court of Justice'), challenging the outcome of the procurement procedure; acknowledges that the ruling of the Court of Justice will decide on the legality and regularity of the procurement procedure concerning the framework contract and all related specific contracts and future payments; points out that the first payments were expected to be made in 2017;

Prevention and management of conflicts of interests, transparency and democracy

17. Notes that the Agency published its top management's declarations of interest and short CVs on its website;

18. Points out that the Agency has still not adopted a whistleblowing policy; notes, however, that, according to the follow-up report, the Agency will start the process of adoption of a whistleblowing policy on the basis of the Commission's implementing rules for agencies, which are expected to be finalised in 2018; calls on the Agency to report to the discharge authority on the adoption and implementation of its whistleblowing rules;

Main achievements

19. Welcomes the three main achievements identified by the Agency in 2016, namely that it:

— completed the EUR 1 500 000 000 procurement on the Galileo Service Operator;

— updated its delegation agreement with the Commission regarding Galileo;

— completed negotiations of and signed a working arrangement with the European Space Agency (ESA) on Galileo;

Internal audit

20. Notes that in 2016, the Internal Audit Service (IAS) conducted an audit of the Agency's planning, monitoring and reporting process; highlights the fact that the audit reported no critical findings; notes, moreover, that in 2016, the IAS announced plans to execute a periodic risk assessment of the Agency in April 2017;

Internal controls

21. Notes that the last assessment on compliance with the Internal Control Standards took place in October 2015 and that it showed that the Agency is compliant with all but one of the 16 Internal Control Standards — 'Business Continuity'; notes, moreover, that subsequently, in 2016, the Agency initiated a corporate business continuity assessment; calls on the Agency to report to the discharge authority on the outcome of that assessment;

22. Notes that, according to the Court's report, the IAS concluded in its audit report dated November 2016, that no Agency-wide annual risk assessment exercise had been conducted in 2016 and that the Agency's significant risks are not included in its planning documents or Activity reports; observes, in addition, that the IAS noted that the terminology used for the various elements of the performance measurement system was not consistent, therefore hampering performance monitoring; notes that the Agency and the IAS agreed a plan to take corrective action; acknowledges the fact that the Agency has implemented the IAS findings with respect to risk management and that in Q4 2016 the Agency has finalised a corporate risk management policy and procedure;

Other comments

23. Notes that the Agency operates the Galileo Security Monitoring Centre and the Galileo ground stations, both of which are located on United Kingdom territory; points out that the status of the United Kingdom within those frameworks remains to be determined; calls on the Agency to work in close cooperation with the Commission regarding the Brexit negotiations in order to be sufficiently prepared to minimise any negative operational or financial impact that may occur;

24. Notes with disappointment that the Agency's visibility remains unsatisfactory and that the Agency does not sufficiently highlight the work carried out by the Union in the Agency's field of activity; calls on the Agency to be more proactive in presenting its mission and work to the wider public and in increasing its overall visibility;

25. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2018)0133 (see page 393 of this Official Journal).

DECISION (EU) 2018/1435 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the European GNSS Agency for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European GNSS Agency for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the European GNSS Agency for the financial year 2016, together with the Agency's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (05941/2018 — C8-0075/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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, repealing Council Regulation (EC) No 1321/2004 on the establishment of structures for the management of the European satellite radio navigation programmes and amending Regulation (EC) No 683/2008 of the European Parliament and of the Council ([4]), and in particular Article 14 thereof,

— 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 ([5]), and in particular Article 108 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0082/2018),

1. Approves the closure of the accounts of the European GNSS Agency for the financial year 2016;

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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 417, 6.12.2017, p. 241.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 276, 20.10.2010, p. 11.
([5]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2018/1436 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the Bio-based Industries Joint Undertaking for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Bio-based Industries Joint Undertaking for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the Bio-based Industries Joint Undertaking for the financial year 2016, together with the Joint Undertaking's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2016 (05943/2018 — C8-0092/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 209 thereof,

— having regard to Council Regulation (EU) No 560/2014 of 6 May 2014 establishing the Bio-based Industries Joint Undertaking ([4]), and in particular Article 12 thereof,

— having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([5]),

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0071/2018),

1. Grants the Executive Director of the Bio-based Industries Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Executive Director of the Bio-based Industries 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 426, 12.12.2017, p. 8.
([2]) OJ C 426, 12.12.2017, p. 10.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 169, 7.6.2014, p. 130.
([5]) OJ L 38, 7.2.2014, p. 2.

RESOLUTION (EU) 2018/1437 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Bio-based Industries Joint Undertaking for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the Bio-based Industries Joint Undertaking for the financial year 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0071/2018),

A. whereas the Bio-based Industries Joint Undertaking (the 'Joint Undertaking') was established as a public-private partnership by the Council Regulation (EU) No 560/2014 ([1]) for a period of 10 years with the aim of bringing together all relevant stakeholders and contributing to establishing the Union as a key player in research, demonstration and deployment of advanced bio-based products and biofuels;

B. whereas pursuant Articles 38 and 43 of the Joint Undertaking's financial rules, adopted by the decision of its governing board on 14 October 2014, the Joint Undertaking is required to prepare and adopt its own annual accounts prepared by its accounting officer who is appointed by the governing board;

C. whereas the founding members of the Joint Undertaking are the Union, represented by the Commission, and industrial partners, represented by the Bio-based Industries Consortium (the 'BIC');

General

1. Notes that the maximum Union contribution to the activities of the Joint Undertaking is EUR 975 000 000, to be paid from Horizon 2020; notes that the industry members of the Joint Undertaking are to contribute resources of at least EUR 2 730 000 000 over the period of establishment of the Joint Undertaking, consisting of at least EUR 975 000 000 of in-kind and cash contributions to the Joint Undertaking's operational activities and at least EUR 1 755 000 000 of in-kind contributions to the Joint Undertaking's additional activities;

2. Notes that 29 out of 65 retained proposals from the 2016 call for proposals were at the grant agreement preparation stage by the end of 2016; notes moreover that by early 2017 the Joint Undertaking programme will have a portfolio of 65 ongoing projects with a total of 729 participants from 30 countries with a total grant value of EUR 414 000 000;

Budget and financial management

3. Notes that the report of the Court of Auditors' (the 'Court') on the annual accounts of the Joint Undertaking for the financial year 2016 (the 'Court's report') finds the 2016 annual accounts of the Joint Undertaking to present fairly, in all material respects, its financial position on 31 December 2016 and the results of its operations and cash flows for the year then ended, in accordance with its Financial Regulation and with accounting rules adopted by the Commission's accounting officer;

4. Notes that the Joint Undertaking's annual accounts provide that the final 2016 budget is to be available for implementation and include commitment appropriations of EUR 194 295 870 and payment appropriations of EUR 67 196 187, the utilisation rates for commitment and payment appropriations of which were 97,1 % and 95,8 %, respectively;

5. Observes that the payment appropriations were used mainly for the pre-financing of grant agreements resulting from the 2014 and 2015 calls for proposals;

([1]) Council Regulation (EU) No 560/2014 of 6 May 2014 establishing the Bio-based Industries Joint Undertaking (OJ L 169, 7.6.2014, p. 130).

6. Notes that 10 grant agreements were signed for a total value of EUR 49 653 711 and three proposals were retained for funding in December 2015 for a total value of EUR 73 741 237;

7. Notes that no in-kind contributions were reported by members other than the Union to the Joint Undertaking by 31 December 2016; notes that the Joint Undertaking entered into its accounts the estimated in-kind contributions of EUR 7 833 127, based on estimates reported by 31 January 2017;

8. Expresses some concern that several industry members participating in Joint Undertaking's projects could not report their in-kind contributions by the given deadline, either because their own 2016 accounts were not yet closed, or because the projects had started close to the end of 2016; acknowledges that the reporting deadline of 31 January needs to be revised in the case of future legislative proposals to amend Regulation (EU) No 560/2014; acknowledges that in those cases, the Joint Undertaking applied Commission guidelines for accounting standards and made a pro-rata estimation on the basis of project costs; asks, however, that industry members find a way to capture their in-kind contributions to prevent recurrence of this problem;

9. Notes that out of the EUR 975 000 000 of Horizon 2020 funds allocated to the Joint Undertaking, by the end of 2016, the Joint Undertaking made commitments of EUR 414 300 000 (42,5 %) and payments of EUR 79 500 000 (8 % of the allocated funds) for the implementation of its first wave of projects;

10. Expresses serious concern about the fact that out of the EUR 975 000 000 of contributions to be made by the industry members to the operational activities and administrative costs of the Joint Undertaking, industry members had reported in-kind contributions of only EUR 15 400 000 for operational activities, and the governing board had validated cash contributions by the members to the Joint Undertaking's administrative costs of EUR 3 000 000; regrets the low level of in-kind contributions which stems from the fact that most Joint Undertaking's projects were only in their preliminary stages in 2016; points out in this context that Regulation (EU) No 560/2014 establishing the Bio-based Industries Joint Undertaking was amended by Council Regulation (EU) 2018/121 ([1]) on 23 January 2018 with the aim of improving the level of private sector's financial contribution; calls on the Joint Undertaking to inform the discharge authority on the development of in-kind contributions and payments made;

11. Regrets that, by the end of 2016, the total contribution from the industry members amounted to EUR 313 200 000, compared to the Union's cash contribution of EUR 65 000 000 which stems from the fact that the industry members had already declared a significant amount of in-kind contributions to additional activities compared to the Union's input; hopes that the situation will return to equilibrium in the following years;

Procurement and recruitment procedures

12. Notes that by the end of 2016, the Joint Undertaking's staff was almost complete, with 20 posts filled out of a total of 22 posts allocated to the Joint Undertaking by the staff establishment plan; welcomes the fact that the target set in the 2016 annual work programme was fully achieved, with the recruitment of 13 temporary agents and 8 contract agents coming from 10 Members States;

Internal audit

13. Notes that on 11 April 2016, the governing board ratified the mission charter of the internal auditing service and, during July and August 2016, the internal auditing service carried out a risk assessment exercise covering the programme office's major processes, both operational and administrative;

Internal control

14. Expresses satisfaction of the fact that the programme office achieved all the priority objectives set in the Annual Work Programme 2016 for the internal control systems;

([1]) Council Regulation (EU) 2018/121 of 23 January 2018 amending Regulation (EU) No 560/2014 establishing the Bio-based Industries Joint Undertaking (OJ L 22, 26.1.2018, p. 1).

Legal framework

15. Notes with appreciation that in 2016 the human resources function continued to strengthen the legal framework paying particular attention to the application of the implementing rules of the Commission to the Joint Undertaking; welcomes the fact that, in that respect, nine new implementing rules were adopted by the governing board in 2016;

Prevention and management of conflicts of interests and transparency

16. Notes that following the adoption of an anti-fraud strategy by the Commission in June 2011, the first common research anti-fraud strategy was adopted in July 2012, and updated in March 2015 to take account of changes introduced by Horizon 2020; welcomes the fact that the research anti-fraud strategy includes an action plan to be implemented in cooperation with all the members of the research family;

Communication

17. Recognises the need for the Joint Undertaking to communicate with Union citizens, through the Union institutions, concerning the significant research and collaboration that it is undertaking; stresses the importance of highlighting the real improvements achieved as a consequence of its work, which are an important part of its mandate, as well as the fact that it works with other joint undertakings in promoting public awareness of the benefits of their work;

18. Calls on the Commission to ensure the direct involvement of the Joint Undertaking in the process of the Horizon 2020 mid-term review in the sphere of the further simplification and harmonisation of joint undertakings.

DECISION (EU) 2018/1438 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the Bio-based Industries Joint Undertaking for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Bio-based Industries Joint Undertaking for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the Bio-based Industries Joint Undertaking for the financial year 2016, together with the Joint Undertaking's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2016 (05943/2018 — C8-0092/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 209 thereof,

— having regard to Council Regulation (EU) No 560/2014 of 6 May 2014 establishing the Bio-based Industries Joint Undertaking ([4]), and in particular Article 12 thereof,

— having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([5]),

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0071/2018),

1. Approves the closure of the accounts of the Bio-based Industries Joint Undertaking for the financial year 2016;

2. Instructs its President to forward this decision to the Executive Director of the Bio-based Industries 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 426, 12.12.2017, p. 8.
([2]) OJ C 426, 12.12.2017, p. 10.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 169, 7.6.2014, p. 130.
([5]) OJ L 38, 7.2.2014, p. 2.

DECISION (EU) 2018/1439 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the Clean Sky 2 Joint Undertaking for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Clean Sky 2 Joint Undertaking for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the Clean Sky 2 Joint Undertaking for the financial year 2016, together with the Joint Undertaking's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2016 (05943/2018 — C8-0091/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 209 thereof,

— having regard to Council Regulation (EU) No 558/2014 of 6 May 2014 establishing the Clean Sky 2 Joint Undertaking ([4]), and in particular Article 12 thereof,

— having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([5]),

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0070/2018),

1. Grants the Executive Director of the Clean Sky 2 Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Executive Director of the Clean Sky 2 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 426, 12.12.2017, p. 15.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 169, 7.6.2014, p. 77.
([5]) OJ L 38, 7.2.2014, p. 2.

RESOLUTION (EU) 2018/1440 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget for the Clean Sky 2 Joint Undertaking for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the Clean Sky 2 Joint Undertaking for the financial year 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0070/2018),

A. whereas the Joint Undertaking started to work autonomously on 16 November 2009;

B. whereas the Clean Sky 2 Joint Undertaking (the 'Joint Undertaking') established by Regulation (EU) No 558/2014 replaced, with effect from 27 June 2014, the Clean Sky Joint Undertaking under Horizon 2020;

C. whereas the aim of the Joint Undertaking is to finalise the research and innovation activities under the Seventh Framework Programme and manage research and innovation activities under Horizon 2020; whereas the lifetime of the Joint Undertaking has been extended until 31 December 2024;

D. whereas the founding members of the Joint Undertaking are the Union, represented by the Commission, the leaders of the 'Integrated Technology Demonstrators' (ITDs), innovative aircraft development platforms (IADPs) and the transversal areas (TAs) together with the associate members of the ITDs;

E. whereas the maximum contribution from the Union to the Joint Undertaking is EUR 1 755 000 000 to be paid from the budget of Horizon 2020;

Follow-up of 2014 discharge

1. Notes that the Joint Undertaking incorporated into its procedures the common template for the declaration of absence of a conflict of interest as specified in the Commission's guidelines;

Budgetary and financial management

2. Notes that the Court of Auditors (the 'Court') stated that the 2016 annual accounts of the Joint Undertaking for the year ending 31 December 2016 present fairly, in all material respects, the financial position of the Joint Undertaking at 31 December 2016, the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with its Financial Regulation and with the accounting rules adopted by the Commission's accounting officer;

3. Notes that the Court, in its report on the Clean Sky 2, indicated the transactions underlying the annual accounts as legal and regular in all material aspects;

4. Notes that the Joint Undertaking's final budget for 2016 included commitment appropriations of EUR 310 498 422 and payment appropriations of EUR 287 755 748;

5. Notes that the commitment appropriations utilisation rate was 97,5 % (compared to 99,5 % in 2015) and the rate of payment appropriations was 87,9 % (compared to 75,4 % in 2015); notes furthermore that the lower implementation rate for payment appropriations was mainly due to delays in starting Horizon 2020 projects and, in particular, due to the delayed signature of one significant grant agreement;

6. Notes that out of the total amount of EUR 800 000 000 for the operational and administrative activities to be funded under the Seventh Framework Programme, the Joint Undertaking made commitments of EUR 784 531 968 (99,31 %) and payments of EUR 754 713 155 (95,53 %) by the end of 2016; notes furthermore that since the Joint Undertaking was no longer entitled to launch calls for proposals under the Seventh Framework Programme, the remaining commitments were to be used as appropriate for grant agreements with members; notes that the Union's cash contribution to the administrative costs of the Joint Undertaking amounted to EUR 13 417 267;

7. Takes note that by the end of 2016, the Governing Board validated in-kind contributions from other members of EUR 554 682 257 and that a further EUR 33 503 466 had been reported by the other members, and that other members' cash contribution to the administrative costs were EUR 14 515 387;

8. Notes that out of the total amount of EUR 1 755 000 000 for the operational and administrative activities to be funded under Horizon 2020, the Joint Undertaking made commitments of EUR 693 637 716 and payments of EUR 281 870 712; notes furthermore that the lower level of payments was partly due to delays in negotiating the Horizon 2020 grant agreements; notes that the Union's cash contribution to the administrative costs of the Joint Undertaking amounted to EUR 6 144 907;

9. Notes that out of the EUR 1 229 000 000 of contributions to be made by the industry members to the operational activities of the Joint Undertaking, the governing board had validated in-kind contributions of EUR 39 168 595 and a further EUR 103 988 023 had been reported by the end of 2016; notes, moreover, that the industry members' cash contributions to the administrative costs were EUR 6 389 515;

Calls for proposals

10. Notes that in 2016 the Joint Undertaking launched three calls for proposals and one call for core partners, received 381 eligible proposals (out of the total of 386) and selected 114 proposals to be funded;

11. Welcomes the fact that within the Clean Sky programme the Joint Undertaking has achieved significant progress and results with the delivery in 2016 of a total of 13 significant demonstrators (ground and flight tested) and closing, up to end of December 2016, 409 out of 482 Seventh Framework Programme projects arising from the grant agreements with partners;

12. Appreciates that, in terms of widening participation, in 2016 around 60 more core partners joined the Joint Undertaking membership in 2016, leading to a total membership of around 150 members from 20 countries;

Key controls and supervisory systems

13. Notes that the Joint Undertaking set up *ex-ante* control procedures based on financial and operational desk reviews, and ex-post audits at beneficiaries of grants;

14. Notes that the residual error rate for the *ex-post* audits reported by the Joint Undertaking were 1,51 % for Seventh Framework Programme projects and 0,95 % for Horizon 2020 projects;

Anti-fraud strategy

15. Welcomes the fact that, the governing board adopted a common anti-fraud strategy action plan in 2016; notes, moreover, that the Joint Undertaking's staff participated in a survey on fraud prevention and detection organised by the Internal Audit Capability of the Joint Undertaking as complementary measure to the common action plan, with a special focus on fraud in research projects;

16. Notes with satisfaction that the Joint Undertaking takes part in and implements the preventive and corrective measures in accordance with its 2015 anti-fraud strategy and anti-fraud action plan at Union level;

Internal audit

17. Notes that in 2016, the Internal Audit Service (IAS) finalised an audit on the Horizon 2020 grant process; notes that as the audit did not identify any 'very important' issues, the IAS highlighted four areas requiring further improvement of the internal control system and issued important related recommendations;

Internal control systems

18. Expresses concerns that, at the end of 2016, the Joint Undertaking had only partly completed the integration of its control systems with the Commission's common Horizon 2020 grant management and monitoring tools; notes from the Joint Undertaking's reply, however, that it has decided to continue to use its own dedicated grant management application (Grant Management Tool, GMT) developed under the Seventh Framework Programme, as some of the required features specific for the CS2 grant were not available in the common Horizon 2020 grant management tools; notes furthermore that the Joint Undertaking started to work with the respective Commission's services to implement

the necessary developments for the integration of the grant agreements for members (GAMs) into the Horizon 2020 grant management and reporting tools by the end of 2017; understands that in order to ensure a smooth transition between the two systems, the current tool developed by the Joint Undertaking will continue to be used until the migration has been fully completed; points out that it is intended that the 2017 reporting cycle will be done in the GMT and the GAMs will be fully managed by the Horizon 2020 tools from 2018 reporting period onwards;

Other issues

19. Notes that at the end of 2016, the Joint Undertaking had not yet cleared any of the pre-financing payments (EUR 176 000 000) made to its industrial members for projects under Horizon 2020 grant agreements; notes moreover that regular clearing of its pre-financing payments against statements of reported costs from the members would decrease the exposure of the Joint Undertaking to financial risk; underlines the fact that according to Horizon 2020 rules (Article 21 of the H2020 Model Grant Agreement), pre-financing is cleared only at the final reporting period of the project or before, if the total amount of pre-financing and interim payments exceeds 90 % of the maximum grant amount;

20. Welcome the continued progress in the field of cooperation with Member States and regions on synergies in aeronautics research and innovation with the Structural and Investment Funds and highlights that the Clean Sky Memorandum of Understanding model should be supported in the future Framework Research Programme and structured links to the Joint Undertaking should be established in the regional smart specialization strategies and Operational Programmes;

21. Recognises the need for the Joint Undertaking to communicate with Union citizens, through the Union institutions, concerning the significant research and collaboration that it is undertaking, stresses the importance of highlighting the real improvements achieved as a consequence of this work, which are an important part of its mandate, as well as the fact that it works with other joint undertakings in promoting public awareness of the benefits of their work.

22. Calls on the Commission to ensure the direct involvement of the Joint Undertaking in the process of the Horizon 2020 mid-term review in the sphere of further simplifications and harmonisation of joint undertakings.

DECISION (EU) 2018/1441 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the Clean Sky 2 Joint Undertaking for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Clean Sky 2 Joint Undertaking for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the Clean Sky 2 Joint Undertaking for the financial year 2016, together with the Joint Undertaking's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the joint undertaking in respect of the implementation of the budget for the financial year 2016 (05943/2018 — C8-0091/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 209 thereof,

— having regard to Council Regulation (EU) No 558/2014 of 6 May 2014 establishing the Clean Sky 2 Joint Undertaking ([4]), and in particular Article 12 thereof,

— having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([5]),

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0070/2018),

1. Approves the closure of the accounts of the Clean Sky 2 Joint Undertaking for the financial year 2016;

2. Instructs its President to forward this decision to the Executive Director of the Clean Sky 2 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 426, 12.12.2017, p. 15.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 169, 7.6.2014, p. 77.
([5]) OJ L 38, 7.2.2014, p. 2.

DECISION (EU) 2018/1442 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the ECSEL Joint Undertaking for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the ECSEL Joint Undertaking for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the ECSEL Joint Undertaking for the financial year 2016, together with the Joint Undertaking's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2016 (05943/2018 — C8-0096/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 209 thereof,

— having regard to Council Regulation (EU) No 561/2014 of 6 May 2014 establishing the ECSEL Joint Undertaking ([4]), and in particular Article 12 thereof,

— having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([5]),

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0072/2018),

1. Grants the Executive Director of the ECSEL Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Executive Director of the ECSEL 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 426, 12.12.2017, p. 23.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 169, 7.6.2014, p. 152.
([5]) OJ L 38, 7.2.2014, p. 2.

RESOLUTION (EU) 2018/1443 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget for the ECSEL Joint Undertaking for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the ECSEL Joint Undertaking on Electronic Components and Systems for European Leadership for the financial year 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0072/2018),

A. whereas the ECSEL Joint Undertaking on Electronic Components and Systems for European Leadership (the 'Joint Undertaking') was established on 7 June 2014 on the basis of Article 187 of the Treaty on the Functioning of the European Union, for the implementation of the ECSEL Joint Technology Initiative for the period up to 31 December 2024;

B. whereas the Joint Undertaking was established by Regulation (EU) No 561/2014 in June 2014 to replace and succeed the ARTEMIS and ENIAC Joint Undertakings;

C. whereas the members of the Joint Undertaking are the Union, the Member States and, on a voluntary basis, the countries associated to Horizon 2020 (Participating States) and private member associations (Private Members) that represent their constituent companies and other organisations active in the field of electronic components and systems in the Union; whereas the Joint Undertaking should be open to new members;

D. whereas the contributions to the Joint Undertaking envisaged for the entire period of Horizon 2020 amount to EUR 1 184 874 000 from the Union, EUR 1 170 000 000 from the Participating States and EUR 1 657 500 000 from the Private Members;

Follow-up to the 2015 discharge

1. Welcomes the fact that the Joint Undertaking has taken steps to assess the implementation of *ex-post* audits by the national funding authorities (NFAs), and has obtained written statements from the NFAs declaring that the implementation of their national procedures provided for a reasonable assurance of the legality and regularity of transactions;

2. Notes with satisfaction the fact that the issue concerning the variation in the methodologies and procedures used by the NFAs is no longer relevant to the implementation of Horizon 2020 projects, as the *ex-post* audits are undertaken either by the Joint Undertaking or by the Commission; notes that in accordance with the provisions of the common *ex-post* audit plan for Horizon 2020, there are at present 17 *ex-post* audits already launched on transactions relating to the activities of the Joint Undertaking;

Budgetary and financial management

3. Notes that the Court of Auditors (the 'Court'), in its report on the Joint Undertaking's annual accounts for the financial year 2016 (the 'Court's report'), finds that the Joint Undertaking's annual accounts present fairly, in all material respects, its financial position as at 31 December 2016 and the results of its operations and cash flows for the year then ended, in accordance with its financial rules and the accounting rules adopted by the Commission's accounting officer;

4. Notes that the Joint Undertaking's final budget for the financial year 2016 included commitment appropriations of EUR 169 300 000 and payment appropriation of EUR 245 000 000; notes that the utilisation rates for commitment and payment appropriations were 99 % and 91 % respectively;

5. Notes that the maximum Union contribution to the activities of the Joint Undertaking is EUR 1 185 000 000, to be paid from Horizon 2020; notes with some concern that at least a similar amount should come from the Participating States;

6. Notes that the Court's report states that the transactions underlying the annual accounts of the Joint Undertaking for the financial year 2016 are, in all material respects, legal and regular;

7. Highlights as a matter of particular concern that the Court issued a qualified opinion on Joint Undertaking's payments related to projects taken over from its legal predecessors, the ARTEMIS and ENIAC Joint Undertakings and invites the Court to reconsider the methodology that results in repetitive qualified opinions based on this reoccurring issue that cannot be solved until the Seventh Framework Programme projects are terminated; notes that the payments made for those projects by the Joint Undertaking in 2016, against certificates of acceptance of costs issued by the NFAs of the Participating States, amounted to EUR 118 000 000, which represents 54 %of the total operational payments made by the Joint Undertaking in 2016; notes that the NFAs compiled 'declarations of assurance' on the 2016 expenditure as received on 22 January 2018 from Joint Undertaking; which cover 98 % of the participation fees from the Participating States for the Seventh Framework Programme expenditure in 2016;

8. Notes that by their closure in June 2014, the ARTEMIS and ENIAC Joint Undertakings had made commitments of EUR 623 000 000 (EUR 181 000 000 and EUR 442 000 000 respectively) for operational activities to be funded under the Seventh Framework Programme; notes, moreover, that the related payments recorded in the Joint Undertaking's accounts amounted to EUR 411 000 000 (EUR 132 000 000 and EUR 279 000 000 respectively) by the end of 2016; hopes that the payments recorded, as against outstanding commitments, will continue to be met by the ARTEMIS and ENIAC Joint Undertakings;

9. Notes that the Joint Undertaking had made, by the end of 2016, out of the EUR 1 185 000 000 of Horizon 2020 funds allocated to the Joint Undertaking, commitments of EUR 415 000 000 and payments of EUR 156 000 000 (13 % of the allocated funds) for the implementation of its first wave of projects;

10. Notes that the 28 Participating States are required to make financial contributions of at least EUR 1 170 000 000 to the operational activities of the Joint Undertaking; notes that, at the end of 2016, the Participating States taking part in the 2014, 2015 and 2016 calls for proposals — 19, 21, and 24 States respectively — had made commitments amounting to EUR 371 000 000 and payments of EUR 56 800 000 (4,9 % of the total required contributions); acknowledges that, notwithstanding the early stage of implementation of the Horizon 2020 projects, the apparently low level of the Participating States' contributions is related to the fact that some Participating States recognise and report costs only at the end of the projects that they support and recognises the difficulty this presents for the Joint Undertaking; asks that the Participating States find a way to capture project support earlier in the funding cycle;

11. Notes that the Joint Undertaking estimated at the end of 2016 that, out of the EUR 1 657 500 000 of contributions to be made by industry members to the activities of the Joint Undertaking, the members had made in-kind contributions of EUR 202 000 000, compared to the Union's cash contribution of EUR 264 000 000;

Internal controls

12. Expresses concern that in 2012, the Joint Undertaking was informed of insolvency proceedings concerning two beneficiaries but did not attempt to recover the pre-financing payments made to those beneficiaries until 2016, some four years later; notes that by then the proceedings were closed and the outstanding pre-financing of EUR 230 000 had to be waived; acknowledges that the bankruptcy of the two beneficiaries is a legacy of the ENIAC Joint Undertaking and happened before its incorporation into the Joint Undertaking; notes, however, that funding was lost and that this error should be recognised for the purpose of proper accounting;

13. Notes that the Joint Undertaking has adopted rules on the prevention and management of conflicts of interests to mitigate the risks related to its governance structure; notes, however, that in 2016 the Joint Undertaking did not apply those rules consistently; observes that the internal register of declarations of conflicts of interest was not managed in line with internal guidelines and was not regularly updated; acknowledges the fact that the minutes of board meetings record all conflicts of interest declared by a delegate: those are baseline documents used to fill in the register;

Internal audit

14. Notes that in 2016 the internal audit services performed an important risk assessment of the Horizon 2020 grant process of the Joint Undertaking and that as a result it identified five recommendations;

Human resources management

15. Notes that on 31 December 2016 the Joint Undertaking employed 29 staff; notes that during 2016 the Joint Undertaking filled two positions, in the fields of internal audit capability and external communications and advertised one position for filling a vacant position in the field of information and communication technology;

16. Welcomes the fact that with a view to adapting the structure of the organisation to priorities and needs for expertise, the organisation chart of the Joint Undertaking was updated on 4 January 2016;

Communication

17. Recognises the need for the Joint Undertaking to communicate with Union citizens, through the Union institutions, concerning the significant research and collaboration that it is undertaking, stresses the importance of highlighting the real improvements achieved as a consequence of its work, which are an important part of its mandate as well as the fact that it works with other joint undertakings in promoting public awareness of the benefits of their work;

18. Calls on the Commission to ensure the direct involvement of the Joint Undertaking in the process of the Horizon 2020 mid-term review in the sphere of the further simplification and harmonisation of joint undertakings.

DECISION (EU) 2018/1444 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the ECSEL Joint Undertaking for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the ECSEL Joint Undertaking for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the ECSEL Joint Undertaking for the financial year 2016, together with the joint undertaking's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the joint undertaking in respect of the implementation of the budget for the financial year 2016 (05943/2018 — C8-0096/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 209 thereof,

— having regard to Council Regulation (EU) No 561/2014 of 6 May 2014 establishing the ECSEL Joint Undertaking ([4]), and in particular Article 12 thereof,

— having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([5]),

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0072/2018),

1. Approves the closure of the accounts of the ECSEL Joint Undertaking for the financial year 2016;

2. Instructs its President to forward this decision to the Executive Director of the ECSEL 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

Antonio TAJANI

The Secretary-General

Klaus WELLE

([1]) OJ C 426, 12.12.2017, p. 23.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 169, 7.6.2014, p. 152.
([5]) OJ L 38, 7.2.2014, p. 2.

DECISION (EU) 2018/1445 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2016, together with the Joint Undertaking's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2016 (05943/2018 — C8-0094/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 209 thereof,

— having regard to Council Regulation (EU) No 559/2014 of 6 May 2014 establishing the Fuel Cells and Hydrogen 2 Joint Undertaking ([4]), and in particular Article 12 thereof,

— having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([5]),

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0073/2018),

1. Grants the Executive Director of the Fuel Cells and Hydrogen 2 Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Executive Director of the Fuel Cells and Hydrogen 2 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 426, 12.12.2017, p. 42.
([2]) OJ C 426, 12.12.2017, p. 44.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 169, 7.6.2014, p. 108.
([5]) OJ L 38, 7.2.2014, p. 2.

RESOLUTION (EU) 2018/1446 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0073/2018),

A. whereas the Fuel Cells and Hydrogen Joint Undertaking (FCH) was set up in May 2008 as a public-private partnership by Council Regulation (EC) No 521/2008 ([1]) for a period until 31 December 2017 to focus on developing market applications and facilitating additional industrial efforts towards a rapid deployment of fuel cells and hydrogen technologies; whereas Regulation (EC) No 521/2008 was repealed by Regulation (EU) No 559/2014;

B. whereas Regulation (EU) No 559/2014 established the Fuel Cells and Hydrogen 2 Joint Undertaking (FCH2) in May 2014 to replace and succeed FCH for a period until 31 December 2024;

C. whereas the members of FCH were the Union, represented by the Commission, the Fuel Cell and Hydrogen Joint Technology Initiative Industry Grouping, and the Research Grouping N.ERGHY;

D. whereas the members of FCH2 are the Union, represented by the Commission, the New Energy World Industry Grouping AISBL (the 'Industry Grouping'), renamed Hydrogen Europe in 2016, and the New European Research Grouping on Fuel Cells and Hydrogen AISBL (the 'Research Grouping');

E. whereas the maximum Union contribution towards the FCH2's first phase of activities is EUR 470 000 000 from the Seventh Framework Programme, whereas the contributions from the other members must be at least equal to the Union contribution;

F. whereas the maximum Union contribution to the FCH2 is EUR 665 000 000 from the Horizon 2020 and the members from the Industry Grouping and the Research Grouping are expected to contribute resources of at least EUR 380 000 000, comprising in-kind contributions in the Horizon 2020 projects funded by the FCH2, in-kind contributions to additional activities (of at least EUR 285 000 000) and cash-contributions to administrative costs;

Budget and financial management

1. Notes that the report of the Court of Auditors (the 'Court') on the FCH2's annual accounts of (the 'Court's report') finds the 2016 annual accounts to present fairly, in all material respects, the financial position of the FCH2 at 31 December 2016, the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with the FCH2's Financial Regulation and with the accounting rules adopted by the Commission's accounting officer; notes, moreover, that the FCH2's accounting rules are based on internationally-accepted accounting standards for the public sector;

2. Notes that FCH2's final budget for the financial year 2016 included commitment appropriations of EUR 127 762 297 and payment appropriations of EUR 115 535 426; notes that commitment appropriations increased by 5 % compared to 2015 due to the addition to the initial budget of unused appropriations from previous years, mainly used for the 2016 call for proposals and payment appropriations increased by 17 %, reflecting the higher pre-financing needs for the 2016 call for proposals;

([1]) Council Regulation (EC) No 521/2008 of 30 May 2008 setting up the Fuel Cells and Hydrogen Joint Undertaking (OJ L 153, 12.6.2008, p. 1).

3. Notes that the annual activity report observes that the *ex-post* audit effort was pursued with the launch of 18 new audits, for the first time using the research, technological development and demonstration framework contract for the Seventh Framework Programme audits and signing specific contracts with four external audit firms; notes that the residual error rate was below 2 %;

4. Regrets that the overall 2016 budget execution of commitment and payment appropriations reached 77,7 % and 83,9 % respectively, representing a lower commitment execution rate compared to previous year due to the outcome of the evaluation for the 2016 call; notes that the payment execution represented the best execution rate of payments for the FCH2 to date;

5. Notes that out of the EUR 470 000 000 of the funds of the Seventh Framework Programme allocated to the FCH2 by the end of 2016, the FCH2 had made commitments of EUR 464 400 000 and payments of EUR 372 000 000; points out that according to the FCH's payment plan for ongoing projects of the Seventh Framework Programme, the outstanding operational payments of EUR 75 300 000 (17 %) will be used by the end of 2019;

6. Notes that out of the EUR 470 000 000 of in-kind and cash contributions to be made by the members of the Industry Grouping and the Research Grouping to the operational activities of the FCH by the end of 2016, the governing board had validated contributions of EUR 299 000 000; points out that additional in-kind contributions to operational activities of EUR 40 600 000 had been reported to the FCH2 by the end of 2016, highlights the fact that consequently, at the end of 2016, the total contribution of the members of the Industry and Research Groupings to the Joint Undertaking amounted to EUR 339 600 000, compared to the Union contribution of EUR 383 700 000;

7. Notes that out of the EUR 665 000 000 of Horizon 2020 funds allocated, the FCH2 made commitments of EUR 288 100 000 (43 %) and payments of EUR 77 400 000 for the implementation of its first wave of projects;

8. Notes that by the end of 2016, the members of the Industry Grouping and the Research Grouping had reported in-kind contributions of EUR 4 900 000 for operational activities, and the governing board had validated cash contributions to the FCH2 administrative costs of EUR 1 200 000; notes, moreover, that out of the minimum of EUR 285 000 000 of in-kind contributions to be made by the other members for additional activities, EUR 188 600 000 (66 %) had already been reported and certified by the end of 2016; highlights the fact that, by the end of 2016, the total contributions of the members of the Industry Grouping and the Research Grouping consequently amounted to EUR 194 700 000, compared to the Union's cash contribution of EUR 79 500 000; notes that the difference is explained by the high contribution of other FCH2 members to the additional activities of the FCH2;

9. Notes that for the Seventh Framework Programme, at the end of 2016, 69 operational payments for interim and final periodic reports were made for a total of EUR 44 900 000; notes that the budget execution (in terms of payment appropriations) was 73,7 % (compared to 75,7 % in 2015);

10. Notes that for Horizon 2020, in terms of payment appropriations, 15 pre-financing payments were made for the projects of the 2015 call for proposals; notes, moreover, that the budget execution (in terms of payments) reached 98 % (compared to 99 % in 2015); highlights the fact that in terms of commitment appropriations the budget execution reached 78,6 %; notes that the execution rate is lower than in 2015 (88,7 %) due to the outcome of the call and the unused commitment appropriations amounted to EUR 25 900 000 and were introduced in the 2017 budget to be used for the 2017 call for proposals;

11. Notes that from 31 December 2016, the estimated in-kind contributions in operational activities for the 30 projects signed in relation to Horizon 2020 (2014 and 2015 calls for proposals) was EUR 16 802 191; notes, moreover, that the total estimated value of in-kind contributions in additional activities for the period covering 2014 to 2017 is EUR 565 200 000;

Transfer

12. Notes that four transfers were made between different budget lines without any need to make changes to the budget;

Calls for proposal

13. Notes that the 2016 call for proposals was published on 19 January 2016, including, in accordance with the FCH2's 2016 annual work programme, 24 topics with an indicative budget of EUR 117 500 000; notes, moreover, that that call closed on 3 May 2016 and received 81 proposals; points out that 16 out of 19 grant agreements were signed in 2016;

Internal Audit

14. Notes that in 2016, the FCH2 finalised implementation of all action plans addressing recommendations on internal audit service (IAS) audits on the evaluation and selection process of Horizon 2020 grant proposals in the FCH2 carried out by IAS in 2015; notes that in 2016, the IAS undertook a new audit on the performance management of the FCH2; notes, moreover, that on 29 November 2016, the FCH2 received a final audit report from the IAS on this audit, which resulted in four recommendations; welcomes the fact that the FCH2 agreed with all the recommendations and sent an action plan to IAS on 22 December 2016, which was subsequently agreed by the IAS in January 2017;

Internal Controls

15. Welcomes the fact that the FCH2 has set up *ex-ante* control procedures based on financial and operational desk reviews, and performs *ex-post* audits of grant cost claims under the Seventh Framework Programme; welcomes the fact that the residual error rate for the *ex-post* audits reported in the FCH2's 2016 annual activity report was 1,24 %;

Prevention and management of conflicts of interest and transparency

16. Notes that during the annual risk assessment workshop held on 17 October 2016, the FCH2 team reflected on the status of the significant risks and action plans that were identified in the previous year and assessed their adequacy and relevance for the year 2017; welcomes the fact that consolidated input from all the programme office staff was gathered in order to establish a list of new significant risks for 2017, and the respective action plans were established;

Communication

17. Recognises the need for the FCH2 to communicate with Union citizens, through the Union institutions, concerning the significant research and collaboration that it is undertaking; stresses the importance of highlighting the real improvements achieved as a consequence of its work, which are an important part of its mandate, as well as the fact that it works with other joint undertakings in promoting public awareness of the benefits of their work;

18. Calls on the Commission to ensure the direct involvement of the Joint Undertaking in the process of the Horizon 2020 mid-term review in the sphere of the further simplification and harmonisation of joint undertakings.

DECISION (EU) 2018/1447 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2016, together with the Joint Undertaking's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2016 (05943/2018 — C8-0094/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 209 thereof,

— having regard to Council Regulation (EU) No 559/2014 of 6 May 2014 establishing the Fuel Cells and Hydrogen 2 Joint Undertaking ([4]), and in particular Article 12 thereof,

— having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([5]),

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0073/2018),

1. Approves the closure of the accounts of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2016;

2. Instructs its President to forward this decision to the Executive Director of the Fuel Cells and Hydrogen 2 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 426, 12.12.2017, p. 42.
([2]) OJ C 426, 12.12.2017, p. 44.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 169, 7.6.2014, p. 108.
([5]) OJ L 38, 7.2.2014, p. 2.

DECISION (EU) 2018/1448 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2016, together with the Joint Undertaking's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the joint undertaking in respect of the implementation of the budget for the financial year 2016 (05943/2018 — C8-0093/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 209 thereof,

— having regard to Council Regulation (EU) No 557/2014 of 6 May 2014 establishing the Innovative Medicines Initiative 2 Joint Undertaking ([4]), and in particular Article 12 thereof,

— having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([5]),

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0075/2018),

1. Grants the Executive Director of the Innovative Medicines Initiative 2 Joint Undertaking discharge in respect of the implementation of the joint undertaking's budget for the financial year 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Executive Director of the Innovative Medicines Initiative 2 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 426, 12.12.2017, p. 49.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 169, 7.6.2014, p. 54.
([5]) OJ L 38, 7.2.2014, p. 2.

RESOLUTION (EU) 2018/1449 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0075/2018),

A. whereas the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines ('IMI 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 produce more effective and safer innovative medicines;

B. whereas following the adoption of Regulation (EU) No 557/2014 in May 2014 the Innovative Medicines Initiative 2 Joint Undertaking ('IMI 2 Joint Undertaking') replaced the IMI Joint Undertaking in June 2014 with the aim of finalising research activities of the Seventh Framework Programme and extended the lifetime of the Joint Undertaking until 31 December 2024;

C. whereas the Union, which is represented by the Commission, and the European Federation of Pharmaceutical Industries and Associations are the founding members of the Joint Undertaking;

D. whereas the maximum contribution for the period of 10 years from the Union to the IMI Joint Undertaking is EUR 1 000 000 000, to be paid from the budget of the Seventh Framework Programme and the founding members are to contribute equally to the running costs, each with an amount not exceeding 4 % of the total Union contribution;

E. whereas the maximum contribution for the period of 10 years from the Union to the IMI 2 Joint Undertaking is EUR 1 638 000 000, to be paid from the budget of Horizon 2020 and the members, other than the Commission, have to contribute 50 % of the running costs and should contribute to operational costs through cash or in-kind contributions, or both, equal to the financial contribution of the Union;

Budgetary and financial management

1. Notes that, in the Court of Auditors' (the 'Court') opinion, the accounts of the IMI 2 Joint Undertaking for the year ending 31 December 2016 present fairly, in all material respects, the financial position of the IMI 2 Joint Undertaking at 31 December 2016, the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with its Financial Regulation and with accounting rules adopted by the Commission's accounting officer and are based on internationally accepted accounting standards for the public sector;

2. Notes the clean opinion of the Court on the legality and regularity of transactions underlying the annual accounts of the IMI 2 Joint Undertaking for the year 2016 which are legal and regular in all material respects;

3. Notes that the final 2016 budget available for the Seventh Framework Programme and Horizon 2020 programme implementation included commitment appropriations of EUR 307 053 000 and payment appropriations of EUR 263 423 000; notes that the utilisation rates for commitment appropriations were 94,1 % (increase of 3,06 % compared to 2015);

4. Regrets to note that payment appropriations were for the third consecutive year below 75 %: in 2016 they were at 69,6 %; notes, however, that the number of payments increased by 63 % (from 46 to 75) and the paid amount by 30 % (from EUR 134 514 000 to EUR 175 182 730) compared to 2015 and represent the highest number for the IMI 2 Joint Undertaking so far. Invites the IMI 2 Joint Undertaking to present updated information to the discharge authority and to improve the payment appropriations for the procedure next year;

5. Notes that out of the EUR 1 000 000 000 of the Seventh Framework Programme funds allocated to the IMI Joint Undertaking, by the end of 2016 the IMI 2 Joint Undertaking had made commitments of EUR 966 000 000 and payments of EUR 648 000 000; observes that the high level of outstanding payments of EUR 318 000 000 (32 %) was mainly due to the delayed start of the Seventh Framework Programme activities during the first years of the IMI Joint Undertaking;

6. Notes that out of the EUR 1 000 000 000 of contributions to be made by the industry members to the activities of the IMI Joint Undertaking, by the end of 2016 the IMI 2 Joint Undertaking had validated in-kind and cash contributions of EUR 403 000 000; points out that a further EUR 103 000 000 of in-kind contributions without validation had been reported by the members to the IMI 2 Joint Undertaking; highlights the fact that consequently, at the end of 2016, the in-kind and cash contributions of the industry members totalled EUR 506 000 000, compared to the Union's cash contributions to the Seventh Framework Programme activities of the IMI Joint Undertaking, which amounted to EUR 728 000 000;

7. Notes with concern that out of the EUR 1 638 000 000 of Horizon 2020 funds allocated to the IMI Joint Undertaking, by the end of 2016 the IMI 2 Joint Undertaking had made commitments of EUR 515 000 000 (31 %) and payments of EUR 111 000 000 (7 % of the allocated funds) for the implementation of its first wave of projects; acknowledges the fact that the low level of payments is mainly due to the time required by project consortia to conclude Horizon 2020 grant agreements with the industry partners which delays IMI Joint Undertaking planned pre-financing for the given year; notes moreover that projects in Ebola and antimicrobial resistance programmes have claimed less funds than foreseen in the initial project budgets, which was mainly due to the decline of the epidemic and which were mentioned in previous reports by the Court and by the IMI 2 Joint Undertaking;

8. Notes that out of the EUR 1 638 000 000 of in-kind and cash contributions to be made by the industry members and associated partners to the activities of the IMI 2 Joint Undertaking, EUR 47 200 000 had been validated by the executive director and a further amount of EUR 36 600 000 had been reported by the end of 2016; notes moreover that consequently, at the end of 2016, the total contributions of the industry members to the Horizon 2020 activities of the IMI 2 Joint Undertaking amounted to EUR 83 800 000, compared to the Union's cash contribution of EUR 135 000 000; notes that the difference was caused by advance payments made to beneficiaries to kick-start projects activities; highlights the fact that, at this stage of programme implementation, commitments of EUR 275 800 000 of Union funds and EUR 249 100 000 of industry in-kind contributions have been allocated to 25 Horizon 2020 projects;

Anti-Fraud Strategy

9. Notes that the IMI 2 Joint Undertaking has an anti-fraud strategy aligned with the common anti-fraud strategy of the Directorate-General for Research and Innovation; regrets to discover that in 2016 one instance of suspicion was communicated to OLAF which decided to dismiss the case based on the documentation provided; notes that the IMI 2 Joint Undertaking undertook in parallel an independent financial audit which concluded with a minor adjustment and no significant material findings; notes with satisfaction the effectiveness of the preventive and corrective anti-fraud measures taken in accordance with the anti-fraud strategy; recognises the need for further vigilance in that respect;

Internal audit

10. Notes that the Internal Audit Service (IAS) issued the final audit report on 'Controls over in-kind contributions to the IMI 2 Joint Undertaking on 21 January 2016; highlights the fact that the IAS recommended that IMI 2 Joint Undertaking provide more precise instructions on the certification methodology to be applied by the external auditors and strengthen the review and approval process of the certificates, develop a strategy, procedures and guidance with clear managerial responsibilities and timelines of actions for the control of in-kind contributions, increase the value of operational and financial *ex-ante* and *ex-post* controls and perform checks on the quality of accounting data;

11. Welcomes the fact that IMI 2 Joint Undertaking prepared an action plan approved by the IAS on 26 February 2016 and all four recommendations were implemented within the agreed deadlines in the course of 2016, thus mitigating the residual risk towards reasonable assurance;

Internal control systems

12. Acknowledges the fact that the IMI 2 Joint Undertaking has set up effective *ex-ante* control procedures based on financial and operational desk reviews, and it performs *ex-post* audits of grant cost claims under the Seventh Framework Programme; notes that the residual rate for the *ex-post* audits reported by the IMI 2 Joint Undertaking at the end of 2016 was 1,67 %;

13. Regrets to note that at the end of 2016 — the third year of Horizon 2020 implementation — the IMI 2 Joint Undertaking had only partially completed the integration of its control systems with the Commission's common Horizon 2020 grant management and monitoring tools; and that prioritisation be given to complete the integration process quickly; acknowledges, however, the significant progress achieved in close cooperation with the Commission services which should enable all IMI 2 Joint Undertaking project reporting, monitoring and payment to be carried out via the common Horizon 2020 tools as of the beginning of 2018;

14. Regrets to note that the IMI 2 Joint Undertaking experienced some delays in payments to beneficiaries (universities, research organisations and small and medium-sized enterprises); notes that the time-to-pay target of 90 days for interim payments was exceeded by 5 days in 2016; acknowledges the corrective measures taken by the IMI 2 Joint Undertaking to improve the situation, notably by enhancing cooperation with project consortia, by reviewing internal procedures and by hiring more staff for the financial unit; acknowledges in this respect that the average time-to-pay for final payments of costs claimed by beneficiaries was 62 days;

Communication

15. Recognises the need for the IMI 2 Joint Undertaking to communicate with Union citizens through the institutions of the Union about the important research and collaboration that it is undertaking, stresses the importance of highlighting real improvements as a consequence of this work, notes that the results from such expenditure is an important part of the IMI 2 Joint Undertaking's mandate and that it works with other joint undertakings in promoting public awareness of the benefits of their work;

16. Calls on the Commission to ensure the direct involvement of the IMI 2 Joint Undertaking in the process of the Horizon 2020 mid-term review in the sphere of further simplifications and harmonisation of joint undertakings.

DECISION (EU) 2018/1450 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2016, together with the Joint Undertaking's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the joint undertaking in respect of the implementation of the budget for the financial year 2016 (05943/2018 — C8-0093/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 209 thereof,

— having regard to Council Regulation (EU) No 557/2014 of 6 May 2014 establishing the Innovative Medicines Initiative 2 Joint Undertaking ([4]), and in particular Article 12 thereof,

— having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([5]),

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0075/2018),

1. Approves the closure of the accounts of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2016;

2. Instructs its President to forward this decision to the Executive Director of the Innovative Medicines Initiative 2 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 426, 12.12.2017, p. 49.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 169, 7.6.2014, p. 54.
([5]) OJ L 38, 7.2.2014, p. 2.

DECISION (EU, EURATOM) 2018/1451 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

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 2016

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 2016,

— 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 2016, together with the joint undertaking's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the joint undertaking in respect of the implementation of the budget for the financial year 2016 (05943/2018 — C8-0089/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,

— 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 No 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 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]),

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0095/2018),

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 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision and the resolution forming an integral part of it to the 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 426, 12.12.2017, p. 31.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 90, 30.3.2007, p. 58.
([5]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU, EURATOM) 2018/1452 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget for the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision 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 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0095/2018),

A. whereas the European Joint Undertaking for ITER and the Development of Fusion Energy (the 'Joint Undertaking') was established in March 2007 for a period of 35 years by Decision 2007/198/Euratom;

B. whereas the members of the Joint Undertaking are Euratom, represented by the Commission, the member states of Euratom, and third countries which have concluded a cooperation agreement with Euratom in the field of controlled nuclear fusion;

C. whereas the objectives of the Joint Undertaking are: (a) providing the Union's contribution to the ITER international fusion energy project; (b) implementing the broader approach agreement between Euratom and Japan; and (c) preparing for the construction of a demonstration fusion reactor;

D. whereas the Joint Undertaking started to work autonomously in March 2008;

General

1. Notes that the report of the Court of Auditors (the 'Court') on the Joint Undertaking's annual accounts for the financial year 2016 (the 'Court's report') finds the annual accounts to be presented fairly, in all material respects, its financial position as at 31 December 2016 and the results of its operations, its cash flows and the changes in its net assets for the year then ended, to be in compliance with its financial regulation and the accounting rules adopted by the Commission's accounting officer;

2. Acknowledges that the transactions underlying the annual accounts of the Joint Undertaking for the financial year 2016 are, in all material respects, legal and regular;

3. Highlights that the Joint Undertaking is responsible for the management of the Union's contribution to the ITER project and that the budget cap of EUR 6 600 000 000 until 2020 must be maintained; notes that this figure does not include the EUR 663 000 000 proposed by the Commission in 2010 to cover potential contingencies;

4. Notes that in November 2016, the Council of ITER Organization (the 'ITER Council') approved a new ITER project baseline for the scope, schedule and the costs of the project; notes, moreover, that the overall project schedule for operations 'First Plasma' and 'Deuterium-Tritium' was approved, notes that, following the approval of the new ITER project baseline, the Joint Undertaking set the new timetable and recalculated the related cost at completion of the Joint Undertaking's contribution to the project construction phase;

5. Expresses ongoing concern that the estimated completion date for the whole construction phase is currently planned with a delay of about 15 years compared to the original baseline; notes that the new schedule endorsed by the ITER Council set out a four-stage approach, making December 2025 the deadline for achieving the first strategic milestone of the project construction phase ('First Plasma') and December 2035 the estimated completion date for the whole construction phase; acknowledges the fact that the aim of the new staged approach is to better align the project implementation with the priorities and constraints of all members of ITER Organization;

6. Notes the Court's report finding that the results, which were presented to the Joint Undertaking's Governing Board in December 2016, indicated an expected additional funding requirement to that already committed of EUR 5 400 000 000 for the construction phase after 2020, which represents an increase of 82 % in relation to the approved EUR 6 600 000 000 budget; reiterates the fact that the amount of EUR 6 600 000 000 adopted by the Council in 2010 serves as a ceiling for the Joint Undertaking's spending up to 2020; recognises that the additional funding required to complete the ITER project must involve future Multiannual Financial Framework commitments;

7. Highlights that, in addition to the construction phase, the Joint Undertaking will have to contribute to the ITER operational phase after 2035 and to the subsequent ITER deactivation and decommissioning phases; is concerned that those contributions are not yet estimated; calls on the Joint Undertaking to estimate the cost of such phases as soon as possible;

8. Stresses that on 14 June 2017, the Commission issued a communication entitled 'EU contribution to a reformed ITER project' ([1]), seeking Parliament's support and a mandate from the Council for the Commission to approve the new baseline on behalf of Euratom;

9. Acknowledges the fact that, while the Joint Undertaking's forecasts for First Plasma are compatible with the ITER Organization timetable for the project, the schedule is considered to be the earliest possible technically achievable date;

10. Stresses that even though the new baseline does not include a contingency, the Commission suggested in its above mentioned communication from 14 June 2017 that a contingency of up to 24 months in terms of schedule and 10 to 20 % in terms of budget would be appropriate; notes in addition that the measures taken to respect the EUR 6 600 000 000 capped budget included postponing the procurement and installation of all components not essential to First Plasma; draws attention to the fact that while positive steps have been taken to improve the management and control of the ITER project construction phase, there remains an ongoing risk of further cost increases and delays in project implementation compared to the new proposed baseline; notes that the recognition of such risks must be appreciated by the Joint Undertaking and indeed all parties of the project;

11. Stresses that on 29 March 2017, the United Kingdom notified the European Council of its decision to withdraw from the Union and from Euratom; notes that an agreement setting out the arrangements for its withdrawal is being negotiated; notes that, on several occasions, the United Kingdom has expressed its interest in further participating in EU fusion energy activities; notes furthermore that the Union and the United Kingdom fusion communities expressed their hope that the JET (Joint European Torus) experiment at Culham in the United Kingdom continue beyond 2018, in order to undertake vital preparation work for the ITER project.

Budget and financial management

12. Notes that the final 2016 budget available for implementation included commitment appropriations of EUR 488 000 000 and payment appropriations of EUR 724 510 000; notes that the utilisation rates for commitment and payment appropriations were 99,8 % and 98 % respectively;

13. Notes that out of EUR 488 000 000 available for commitment appropriations, almost 100 % was implemented through direct individual commitments;

14. Acknowledges the fact that almost full implementation of the 2016 budget and the automatic carry-over make the level of cancelled appropriations very low for 2016, representing less than 1 % of the budget; observes that the cancelled appropriations for the amount of EUR 1 202 662 correspond to the amounts not paid in 2016 on open administrative commitments carried over from 2015;

15. Notes that, in 2015, the balance of the budget outturn amounted to EUR 5 880 000;

16. Expresses concern that the Joint Undertaking missed the opportunity to introduce detailed information about its budgetary and financial management in 2016 compared to 2015 (payment transactions, global and individual commitments, important notes and comments on the implementation of the budget); invites the Joint Undertaking to provide these data to the discharge authority as a follow up to this report;

Prevention and management of conflicts of interest and transparency

17. Notes that in June 2015, the Joint Undertaking's governing board adopted an anti-fraud strategy and corresponding action plan, of which most of the actions were implemented in 2016; notes, however, that the Joint Undertaking has not set up a specific tool to facilitate the monitoring of its actions in relation to procurement procedures, in particular those related to risk assessment and the evaluation, negotiation and award phases of the procedures; welcomes the fact that the Joint Undertaking is currently defining the requirements to parameterise the tool that will allow the Joint Undertaking to collect systematically information relating to anti-fraud indicators on procurement procedures and will also offer the possibility to the Joint Undertaking's staff to insert additional information related to red flags on any procurement procedure;

([1]) COM(2017) 319.

18. Welcomes the fact that the anti-fraud and ethics officer together with the respective units further implemented Joint Undertaking's anti-fraud strategy, which was checked by the Court as part of its regular visits, during 2016;

19. Notes that further to the adoption of the Joint Undertaking's whistleblowing rules in 2015, an implementation process was drafted, establishing a concise and detailed process map on how serious irregularities and wrongdoings can be reported and are being followed-up within the Joint Undertaking;

Personal selection and recruitment

20. Notes that the Joint Undertaking missed the standard opportunity to introduce detailed information about their personal selection and recruitment procedures in 2016 (number of Union officials, temporary agents, contract agents and interim staff, number of published vacancies, etc.), invites the Joint Undertaking to provide those data to the discharge authority as a follow up to this report;

Internal Control

21. Notes that, according to the Court's report, the Joint Undertaking has a system for performing audits at contractors' premises with the aim of checking compliance with its quality assurance requirements; acknowledges the fact that the audits cover numerous aspects of implementation, including the quality plan, any situations of non-compliance with a specific requirement, purchase control and subcontracting management, documentation and data management, change and deviation management, the civil works quality control plan, the detailed project schedule, contract risk management and the technical works quality control plan; draws attention to the fact that the 29 audits carried out in 2016 identified 47 situations of non-conformity with the quality assurance requirements and 202 areas for improvement; and invites the Joint Undertaking to provide a comprehensive statement on data exchange to the discharge authority;

22. Acknowledges the fact that in September 2016, the Commission's internal audit service (IAS) completed an audit on the implementation of procurement arrangements and the Joint Undertaking is implementing an action plan in response to the resulting recommendations; recognises with appreciation the fact that the IAS also followed up its audit on contract management and concluded that all its related recommendations had been adequately implemented by the Joint Undertaking;

23. Notes that in 2016, the Joint Undertaking internal audit capability (IAC) followed up its audit of procurement in the area of ITER buildings and acknowledged the important work performed by the Joint Undertaking in formalising and designing the process, guidelines, rules and tools related to procurement activities; takes further note on the fact that the IAC also made six further recommendations for improvements in procedures; welcomes that as of July 2017, five out of the six new IAC recommendations have been implemented and the ongoing recommendation relates to the redefinition of the role of the internal review panel;

24. Notes that a residual error rate for grant payments has not been calculated due to their low share of the Joint Undertaking's budget and the small number of *ex-post* audits carried out; notes with appreciation that in 2016, the Research Executive Agency launched an *ex-post* audit of a beneficiary on behalf of the Joint Undertaking; welcomes the fact that the Joint Undertaking has taken the necessary action to correct the errors identified in previous years' audits;

Operational procurement and grants

25. Notes that during 2016, 40 operational procurement procedures were launched and 52 procurement contracts were signed;

26. Notes with concern that the average time to contract for procurements above EUR 1 000 000 increased (from 140 to 162 days) during 2016 with respect to 2015; notes that the average timeframe for procurement procedures below EUR 1 000 000 also increased (from 59 to 71 days) but for grants decreased significantly (from 103 to 61) in line with 2015 figures; and that clear action must be taken by the Joint Undertaking to adequately address the worrying increase in the timeframe to contract for procurements for both amounts above and below the EUR 1 000 000 threshold;

Other issues

27. Invites the Joint Undertaking to use the benefits of the network of the joint undertakings network, which serves as a platform of cooperation between joint undertakings;

28. Recognises the need for the Joint Undertaking to communicate with Union citizens through the institutions, concerning the significant research and collaboration that is it undertaking, stresses the importance of highlighting the real improvements achieved as a consequence of its work, which are an important part of its mandate as well as the fact that it works with other joint undertakings in promoting public awareness of the benefits of their work.

DECISION (EU, EURATOM) 2018/1453 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2016

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 2016,

— having regard to the Court of Auditors' report on the annual accounts of the Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2016, together with the joint undertaking's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the joint undertaking in respect of the implementation of the budget for the financial year 2016 (05943/2018 — C8-0089/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,

— 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 No 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 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]),

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A8-0095/2018),

1. Approves the closure of the accounts of the Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2016;

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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 426, 12.12.2017, p. 31.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 90, 30.3.2007, p. 58.
([5]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2018/1454 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the SESAR Joint Undertaking for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the SESAR Joint Undertaking for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the SESAR Joint Undertaking for the financial year 2016, together with the Joint Undertaking's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the joint undertaking in respect of the implementation of the budget for the financial year 2016 (05943/2018 — C8-0090/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 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]),

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0077/2018),

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 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision and the resolution forming an integral part of it to the 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 426, 12.12.2017, p. 1.
([2]) OJ C 426, 12.12.2017, p. 56.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 64, 2.3.2007, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2018/1455 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget for the SESAR Joint Undertaking for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the SESAR Joint Undertaking for the financial year 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0077/2018),

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, which aims to modernise traffic management in the Union;

B. whereas, following the adoption of Council Regulation (EU) No 721/2014 ([1]), the SESAR 2020 Programme ('SESAR 2020') extended the lifetime of the Joint Undertaking until 31 December 2024;

C. whereas the Joint Undertaking was designed as a public-private partnership, with the Union and Eurocontrol as founding members;

D. whereas the Union contribution for the deployment phase of the SESAR 2020 2014 to 2024 funded by Horizon 2020 is EUR 585 000 000; whereas under the new Horizon 2020 Membership Agreements, the contribution from Eurocontrol is expected to be around EUR 500 000 000, and the contribution from the other partners from the aviation industry is expected to be around EUR 720 700 000 of which around 90 % should be in-kind;

Follow-up to the 2015 discharge

1. Notes that the Joint Undertaking incorporated into its procedures the common template for the declaration of absence of a conflicts of interests;

General

2. Observes from the report of the Court of Auditors (the 'Court') on the Joint Undertaking's annual accounts for the year ended 31 December 2016 (the 'Court's report') that those accounts present fairly, in all material respects, the financial position of the Joint Undertaking at 31 December 2016, the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with its financial rules and with accounting rules adopted by the Commission's accounting officer;

3. Acknowledges that the Court's report states that the transactions underlying the annual accounts of the Joint Undertaking for the financial year 2016 are, in all material respects, legal and regular;

Budget and financial management

4. Notes that in 2016, the payment budget of the Joint Undertaking was EUR 157 100 000 (2015: EUR 136 900 000);

5. Notes from the Court's report that the final 2016 budget available from the Seventh Framework Programme ('FP7') and Horizon 2020 included commitment appropriations of EUR 101 400 000 and payment appropriations of EUR 162 800 000;

([1]) OJ L 192, 1.7.2014, p. 1.

6. Notes that according to the Court's report the utilisation rates for commitment and payment appropriations were 95,7 % and 63,2 % respectively; expresses concern that the low implementation rate for payment appropriations was caused by delays in the implementation of the studies and developments conducted by the members of the Joint Undertaking; acknowledges that one of the main reasons for the delay in implementation of payments for member studies and developments has been difficulties in adapting the common Horizon 2020 IT tools to the special needs of the Joint Undertaking; however prioritisation should be given to ensure these issues do not arise again in the future;

7. Notes that 383 cost statements were audited as part of the 2016 audit, representing all 15 Members and amounting to EUR 77 000 000 or 10 % out of the total costs claimed of EUR 728 800 000, with a residual error rate of 1,34 %;

Multiannual budget implementation under FP7 and TEN-T

8. Notes that out of the total operational and administrative budget of EUR 892 800 000 for SESAR 1 Programme ('SESAR 1') activities, by the end of 2016 the Joint Undertaking had made commitments of EUR 827 400 000 and payments of EUR 704 200 000 (79 % of the available budget);

9. Notes that out of the EUR 1 254 500 000 of in-kind and cash contributions to be made by the other members to the operational and administrative activities of the Joint Undertaking (EUR 670 200 000 from Eurocontrol and EUR 584 300 000 from the air traffic sector members), by the end of 2016 the Joint Undertaking had validated contributions of EUR 910 000 000 (EUR 427 700 000 from Eurocontrol and EUR 482 300 000 from the air traffic sector); notes moreover that in-kind contributions of EUR 133 500 000 from other members had been reported to the Joint Undertaking by the end of 2016 (EUR 49 200 000 from Eurocontrol and EUR 84 200 000 from the air traffic sector members);

10. Notes that at the end of 2016, cumulative cash contributions from the Union amounted to EUR 597 100 000, compared to total in-kind and cash contributions of EUR 476 900 000 from Eurocontrol, and EUR 566 500 000 from the air traffic sector members;

Multiannual budget implementation under Horizon 2020

11. Notes that out of the EUR 585 000 000 of Horizon 2020 funds allocated to the Joint Undertaking for the implementation of SESAR 2020, by the end of 2016 the Joint Undertaking had made commitments of EUR 61 600 000 and payments of EUR 49 900 000 (8,5 % of the allocated funds); notes, moreover, that those payments were mainly pre-financing payments for the first wave of SESAR 2020 projects;

12. Notes that by the end of 2016, the cumulative Union cash contributions to the operational activities of the Joint Undertaking amounted to EUR 56 800 000;

13. Highlights that other members should make in-kind and cash contributions of EUR 1 220 700 000 to the operational activities of the Joint Undertaking for SESAR 2020 (EUR 500 000 000 from Eurocontrol and EUR 720 700 000 from the air traffic sector); expresses concerns that at the end of 2016 no in-kind and cash contributions had been validated by the Administrative Board, however notes that SESAR 2020 projects were in their early stages; acknowledges the fact that it is expected that members will submit their first cost declarations in 2018 and the Joint Undertaking will then start to validate the related in-kind contributions;

14. Notes that the Joint Undertaking faced difficulties in adapting the Horizon 2020 IT tools to its particular needs, which resulted in delay in the implementation of payments for member studies and developments; deplores that EUR 14,5 million payment appropriations — related to SESAR 2020 calls for proposals and activities initially budgeted in 2016 — had to be cancelled by an amended budget for 2016 due to external factors beyond control of the Joint Undertaking; is concerned about the continuing rising trend for outstanding commitments (RAL), which increased from EUR 72,1 million to EUR 83,8 million during 2016, and calls for this trend to be reversed following transition to SESAR 2020;

15. Welcomes the signing of the renewed Eurocontrol/SESAR Joint Undertaking agreement in 2016, which outlines the new role of Eurocontrol as a co-founder of SESAR and includes a series of commitments and engagements regarding the implementation of SESAR 2020; also welcomes the expansion of membership to 19 members, representing over 100 companies across the industry, who will participate in the industrial research, validation and demonstration activities of SESAR 2020; takes note of the adoption of the first edition of the Joint Undertaking's Single Programming Document for the period 2017-2019;

Procurement and recruitment procedures

16. Notes from the Court's report that at 31 December 2016, the Joint Undertaking employed 44 staff (2015: 41);

17. Points out that the Joint Undertaking undertook six procurement procedures with an approximate value of EUR 22 300 000 in compliance with the Joint Undertaking's financial rules to ensure fair competition amongst suppliers and the most efficient use of Joint Undertaking funds;

18. Notes that in its procedures for the procurement of services, the Joint Undertaking sets a maximum contract budget; is concerned by the fact that this maximum amount is not based on a systematic cost estimation process and a reasonable market price reference system; notes moreover that this does not ensure the cost-effectiveness of its multi-annual service contracts, as experience shows that most of the bids received were close to the maximum budget; welcomes the fact that following the observation of the Court, the Joint Undertaking introduced in April 2017 a methodology to systematically assess during the procurement planning phase the needs and costs for contracts;

19. Notes the results of the 2016 Human Resources benchmarking exercise: 62 % operational posts, 30 % administrative and 8 % of neutral posts;

Prevention and management of conflicts of interests and transparency

20. Notes that during 2016 nine audits were carried out by a different external audit company due to an identified conflict of interest of the Member with the statutory auditor; takes note that the Joint Undertaking has a revised framework contract in place for audit services with three external audit firms and the audit activity is performed solely by those firms; highlights the fact that no material issue has been identified in the audits performed to date that would require the attention of the Administrative Board;

Internal Control

21. Welcomes with satisfaction that the Joint Undertaking has set up *ex-ante* control procedures based on financial and operational desk reviews, and performs *ex-post* audits of beneficiaries;

22. Expresses concern that the Joint Undertaking has not yet introduced specific guidance for the members and their external auditors concerning the declaration and certification of members' in-kind contributions to SESAR 2020 projects; is moreover concerned that the Joint Undertaking has not established internal guidance on its *ex-ante* checks of cost claims for SESAR 2020 projects; welcomes the fact that in December 2016 the Joint Undertaking's Administrative Board adopted the document 'Methodology and Validation process for In kind contributions (IKC) in the SJU (SESAR 2020 Programme only)'; notes that the Joint Undertaking is supposed to investigate whether there is a need to adapt the Commission's Horizon 2020 *ex-ante* control strategy to specific risks related to SESAR 2020 projects;

23. Calls on the Joint Undertaking to establish a systematic internal procedure to reassess a finding of weak financial viability in respect of a grant project coordinator, including measures to mitigate and compensate for the increased financial risk; notes the absence of specific guidance for the members and their external auditors regarding the declaration and certification of members' in-kind contributions to SESAR 2020 projects and invites the Joint Undertaking to develop Terms of Reference and a model certificate before any in-kind contributions are received in 2018;

24. Welcomes the fact that the Joint Undertaking has continued to apply a multi-faceted approach for the purpose of effectively reviewing, managing and mitigating risks, and expects the Joint Undertaking to pay particular attention to critical corporate risks it has identified regarding ATM Master Plan and SESAR 2020; welcomes the fact that the Joint Undertaking's Administrative Board adopted the Anti-Fraud Strategy on 18 March 2016;

25. Notes that as regards SESAR 1, 21 audit exercises in five selected Members were planned of which 14 were completed in 2016 as part of the third cycle of audits in all 15 Members as described in the Ex-Post Audit Strategy of the Joint Undertaking; is concerned by the residual error rate for the year 2016 of 6,21 %; however, is satisfied that the SESAR 1 cumulative residual error rate is 1,34 %;

Internal audits

26. Notes that in October 2015 the Commission's Internal Audit Service (IAS) performed an audit on 'Operational governance and Master Plan update'; observes that the IAS issued three recommendations; invites the Joint Undertaking to report to the discharge authority on the implementation of the remaining open recommendations;

27. Notes that in October 2016, the IAS performed an audit on Horizon 2020 processes; notes the fact that that audit assessed the Joint Undertaking's compliance with Horizon 2020 processes, namely with regards to topic identification, the evaluation and selection of proposals and the preparation of the grant agreements;

Calls for proposals

28. Notes that for the restricted call for industrial research which was limited to the Joint Undertaking's industry members, the Joint Undertaking awarded grants to project consortia, despite the fact that, in two cases, the checks of the financial viability of the beneficiaries performed by the research executive agency indicated that the financial capacity of the coordinating industry member of the consortia was weak; notes that this implies a higher financial risk to the completion of those projects and the financial risk is also higher for the other projects in which these two beneficiaries are involved; notes that the Executive Director's decision in those two cases was based on complementary ad-hoc risk assessments performed by Joint Undertaking staff; is concerned by the fact that the Joint Undertaking has not yet established a systematic internal procedure to reassess a weak financial viability of a grant project coordinator, including measures to mitigate and compensate for the increased financial risk; notes that following the results of complementary risk assessments carried out in accordance with the Horizon 2020 guidelines, the Joint Undertaking found that rejecting the project coordinators on the sole basis of the analysis conducted by the research executive agency could have exposed the Joint Undertaking to a significant risk of litigation; notes that the Joint Undertaking agrees that an internal procedure for the reassessment of a weak financial viability of a grant project coordinator, including measures to mitigate and compensate for the increased financial risks, should be established;

Communication

29. Recognises the need for the Joint Undertaking to communicate with Union citizens, through the Union institutions, concerning the significant research and collaboration that it is undertaking; stresses the importance of highlighting the real improvements achieved as a consequence of that work, which are important part of its mandate, as well as the fact that it works with other joint undertakings in promoting public awareness of the benefits of their work.

30. Calls on the Commission to ensure the direct involvement of the Joint Undertaking in the process of the Horizon 2020 mid-term review in the sphere of further simplifications and harmonisation of joint undertakings.

Other issues

31. Is pleased that all SESAR 1 projects were closed from an operational standpoint at the end of 2016 and that 61 solutions which are ready for industrialisation and deployment, contained in the first edition of the SESAR Solution Catalogue, have been delivered to the aviation community; notes that 54 solutions initiated in SESAR 1 will be further developed in SESAR 2020, exemplifying the efforts to ensure an effective transition between the two programmes;

32. Calls on the Joint Undertaking and the Commission to evaluate the results of the deployment of SESAR solution, especially from the point of view of assuring the interoperability and of the steps forward in completion of the Single European Sky; taking into account that the deployment phase is already in progress, calls on the Joint Undertaking to start the development of the Pilot Project regarding a new architecture of the European airspace that will contribute substantially to the financial effectiveness of the deployment;

33. Welcomes the publication of the 'SESAR European Drones Outlook Study' in November 2016; considers that a variety of innovations, including technologies related to Air Traffic Management, are required to safely integrate drones into European airspace; notes with interest its overview of the development of the European drone market to 2050 and the huge potential for Europe and its global competitiveness, as well as the actions that need to be taken in the coming 5 to 10 years to unlock that potential, including support for research and development achieved by setting up, at Union level, an ecosystem that encompasses both a regulatory framework and technology, and that brings together all key public and private stakeholders, and results in the provision of increased levels of Union funding, boosting small and medium-sized enterprises in the sector in particular;

34. Notes that European airspace management remains fragmented and the Single European Sky as a concept has not yet been achieved; reiterates the vital role of the Joint Undertaking in coordinating and implementing research into the SESAR project, which is a pillar project of the Single European Sky, although the deadline for meeting the SESAR project objectives has been deferred from the original date of 2020 to 2035;

35. Draws attention to the importance of the resolving the problem of the fragmentation of the European sky, as at present the European Single Market is not exploiting to the full the advantages offered by the Single European Sky.

DECISION (EU) 2018/1456 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the SESAR Joint Undertaking for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the SESAR Joint Undertaking for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the SESAR Joint Undertaking for the financial year 2016, together with the Joint Undertaking's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the joint undertaking in respect of the implementation of the budget for the financial year 2016 (05943/2018 — C8-0090/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([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 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]),

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0077/2018),

1. Approves the closure of the accounts of the SESAR Joint Undertaking for the financial year 2016;

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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 426, 12.12.2017, p. 1.
([2]) OJ C 426, 12.12.2017, p. 56.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 64, 2.3.2007, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2018/1457 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the Shift2Rail Joint Undertaking for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Shift2Rail Joint Undertaking for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the Shift2Rail Joint Undertaking for the financial year 2016, together with the Joint Undertaking's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the joint undertaking in respect of the implementation of the budget for the financial year 2016 (05943/2018 — C8-0095/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 209 thereof,

— having regard to Council Regulation (EU) No 642/2014 of 16 June 2014 establishing the Shift2Rail Joint Undertaking ([4]), and in particular Article 12 thereof,

— having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([5]),

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0076/2018),

1. Grants the Executive Director of the Shift2Rail Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2016;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Executive Director of the Shift2Rail 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 426, 12.12.2017, p. 64.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 177, 17.6.2014, p. 9.
([5]) OJ L 38, 7.2.2014, p. 2.

RESOLUTION (EU) 2018/1458 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget for the Shift2Rail Joint Undertaking for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the Shift2Rail Joint Undertaking for the financial year 2016,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0076/2018),

A. whereas the Shift2Rail Joint Undertaking (the 'Joint Undertaking') was established in June 2014 for a period of 10 years by Regulation (EU) No 642/2014 (the 'Regulation establishing the Joint Undertaking');

B. whereas the founding members are the Union, represented by the Commission, and rail industry partners (key stakeholders, including rail equipment manufacturers, railway companies, infrastructure managers and research centres); with the possibility that other entities may participate in the Joint Undertaking as associated members;

C. whereas the objectives of the Joint Undertaking are: (a) to achieve a Single European Railway Area; (b) to enhance the attractiveness and competitiveness of the European railway system; (c) to ensure a modal shift from road transport; and (d) to maintain the European rail industry's leading position in the global market;

D. whereas the Joint Undertaking started to work autonomously in May 2016;

General

1. Acknowledges that the Court of Auditors' report on the annual accounts of the Joint Undertaking for the year ended 31 December 2016 (the 'Court's report') presents fairly, in all material respects, the financial position of the Joint Undertaking at 31 December 2016, the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with its financial rules and with accounting rules adopted by the Commission's accounting officer;

2. Acknowledges that the Court's report states that the transactions underlying the annual accounts of the Joint Undertaking for the financial year 2016 are, in all material respects, legal and regular;

3. Notes that the maximum Union contribution to the activities of the Joint Undertaking is EUR 450 000 000, to be paid from Horizon 2020; notes that the industry members of the Joint Undertaking are to contribute resources of at least EUR 470 000 000, consisting of at least EUR 350 000 000 for in-kind and cash contributions to the operational activities and administrative costs of the Joint Undertaking and at least EUR 120 000 000 of in-kind contributions to the Joint Undertaking's additional activities;

Budget and financial management

4. Notes that the final 2016 budget available for implementation included commitment appropriations of EUR 50 200 000 and payment appropriations of EUR 52 300 000; stresses that the utilisation rates for commitment and payment appropriations were 94 % and 82 % respectively which represent a low level especially for payment appropriations; notes moreover that most of the payments made by the Joint Undertaking in 2016 were pre-financing payments for Horizon 2020 projects selected under the 2015 and 2016 calls for proposals;

5. Notes that out of the EUR 450 000 000 of Horizon 2020 funds assigned to the Shift2Rail initiative, EUR 52 000 000 were earmarked for the Horizon 2020 Transport Work Programme 2014-2015 managed by the Commission, resulting in EUR 398 000 000 allocated to the Joint Undertaking; observes that by the end of 2016, the Joint Undertaking had made commitments of EUR 92 400 000 and payments of EUR 42 700 000 (10,7 % of the allocated funds) for the implementation of its first wave of projects;

6. Acknowledges the fact that out of the EUR 350 000 000 of contributions to be made by the industry members to the operational activities and administrative costs of the Joint Undertaking, by the end of 2016, i.e. four months after the Joint Undertaking had launched its first Horizon 2020 projects, the members had reported in-kind contributions of EUR 4 500 000 for operational activities, of which EUR 3 000 000 had been certified; notes that the governing board had validated cash contributions to the Joint Undertaking's administrative costs of EUR 3 200 000;

7. Takes note that out of the EUR 120 000 000 of industry members' contributions to be made to additional activities, by the end of 2016 the members had already reported EUR 55 000 000 (45,8 %), of which EUR 35 200 000 had been certified;

8. Observes that by the end of 2016, the total contributions from industry members amounted to EUR 62 700 000, compared to the Union's cash contribution of EUR 48 500 000;

9. Notes that, in 2016, the Joint Undertaking signed 27 grant agreements resulting from the calls of 2015 and 2016, and that the value of the research and innovation activities of those calls amounted to EUR 167,3 million, to be co-funded by the Joint Undertaking up to a maximum of EUR 79,1 million;

Prevention and management of conflicts of interest and transparency

10. Notes that even though the Commission's research anti-fraud strategy is mandatory for the Joint Undertaking, at the end of 2016, the Joint Undertaking had not yet performed a specific anti-fraud risk assessment, nor had it established an action plan for the implementation of its own anti-fraud strategy, both important and expected systems of governance and best practice based on the methodology provided by the Commission; notes the fact that in 2017 the Joint Undertaking took the first steps towards establishing its own anti-fraud action plan, i.e. an anti-fraud awareness session for Joint Undertaking staff organised by the European Anti-Fraud Office (OLAF), and an anti-fraud risk assessment; notes that this plan will be followed by an impact assessment establishing the key objectives relating to mitigation of identifiable weaknesses (in the 4th quarter of 2017) and an evaluation of the anti-fraud strategy and the action plan by June 2018;

Personal selection and recruitment

11. Notes that in 2016, the Joint Undertaking recruited 7 members of staff in accordance with its staff establishment plan: an executive director, a head of administration and finance, a communication officer, an IT assistant and three programme managers;

12. Notes that at the end of 2016, the Joint Undertaking's staff consisted of 17 members as foreseen in the establishment plan;

Internal Control

13. Notes that, according to the Court's report, the Joint Undertaking has set up an action plan for the implementation of its internal control framework, which takes into account the results of a risk assessment completed by the Commission's Internal Audit Service (IAS) in December 2016; notes moreover that ex-post audits of project cost claims by independent external auditors are to be launched after the validation of the first cost claims in the course of 2017;

14. Acknowledges the fact that IAS performs the role of Internal Auditor of the Joint Undertaking and, in this respect, it reports to the governing board and the executive director indirectly; notes that the first audit mission consisted in establishing a risk profile of the Joint Undertaking with the objective of establishing a triennial internal audit work plan;

Operational procurement and grants

15. Expresses its concern that in its procedures for the procurement of services, the Joint Undertaking unwisely set a maximum contract budget; observes that there was no evidence that this maximum amount has been based on a cost estimation process and a reasonable market price reference system; takes the view that this might not ensure the cost-effectiveness of its multi-annual service contracts, as experience shows that most of the bids received were close to the maximum budget; welcomes the fact that the approach followed by the Joint Undertaking is in line with the provisions of the Commission Procurement Vademecum and the principles of its financial rules;

16. Draws attention to the fact that in two cases out of eight, the Joint Undertaking awarded grants to project consortia, despite the fact that the checks of the financial viability of the beneficiaries performed by the Research Executive Agency indicated that the financial capacity of the coordinating industry members of the consortia was weak; notes that this implies an unnecessarily high financial risk for the completion of those projects and the financial risk was

particularly high in one case, in which the coordinating partner had been assigned over 45 % of the total project funding; calls on the Joint Undertaking to provide before the end of 2018 the clear reasons why it decided to take such risk and to inform in written the discharge authority about the development of both projects as a part of the discharge follow up; draws attention to the ongoing and substantial need for a proper risk assessment system that should be followed in a comprehensive fashion;

Other issues

17. Calls on the Commission to ensure the direct involvement of the Joint Undertaking in the process of the Horizon 2020 mid-term review in the sphere of further simplifications and harmonisation of joint undertakings;

18. Recognises the need for the Joint Undertaking to communicate with Union citizens, through the Union institutions, concerning the significant research and collaboration that it is undertaking; stresses the importance of highlighting the real improvements achieved as a consequence of its work, which are an important part of its mandate, as well as the fact that it works with other joint undertakings in promoting public awareness of the benefits of their work; notes in this respect that also many of the private partners of the Joint Undertaking are endowed with capacities to communicate directly with Union citizens and should be encouraged to participate in such an effort.

19. Underlines the fact that research and innovation in the rail sector are decisive for the development of a safe and globally competitive rail sector and play an important role in order to achieve a significant reduction of the life-cycle cost of the railway transport system and to achieve significant increases in capacity of the railway transport system, in reliability and punctuality, as well as in order to remove the remaining technical obstacles to interoperability and to reduce the negative externalities linked to transport; highlights also that the objectives of the Joint Undertaking are to achieve a Single European Railway Area and to enhance the attractiveness and competitiveness of the European railway system;

20. Recalls that research and innovation is not an isolated process using a simple rule for process management; stresses therefore that it is significantly important to identify among the research and innovation projects those that are capable to bring innovative solutions to the market; highlights that changes in the Regulation establishing the Joint Undertaking and in its Statutes will be very important for the future development of the Joint Undertaking in order to improve its efficiency; stresses, in particular that there is a need to foresee the use of the principle of multiannual financing and to adopt flexible timetables for publishing projects proposals;

21. Insists on the importance of the cooperation between the Joint Undertaking and the Union Agency for Railways (ERA); welcomes the involvement of ERA in meetings of the Joint Undertaking governing board; asks the Joint Undertaking to provide more concrete information on the main achievements of this cooperation in its annual activity report;

22. Takes note of the fact that, during the first months since it became autonomous, the Joint Undertaking started some exploratory work to consider how to make use of activities planned in other Union programmes and funds, in relation to the railway sector, in particular the European Fund for Strategic Investments, Regional and Cohesion fund, and that the Joint Undertaking intends to further develop this activity; requests the Joint Undertaking to provide details about how it intends to develop synergies between those activities and what are the expected outcomes;

23. Underlines that research and innovation projects should be followed by a higher Technology Readiness Level in the demonstration and implementation phase; stresses that the necessity of complementary financing using the relevant funding instruments is key to build a competitive railway system in the future.

DECISION (EU) 2018/1459 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on the closure of the accounts of the Shift2Rail Joint Undertaking for the financial year 2016

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Shift2Rail Joint Undertaking for the financial year 2016,

— having regard to the Court of Auditors' report on the annual accounts of the Shift2Rail Joint Undertaking for the financial year 2016, together with the Joint Undertaking's reply ([1]),

— 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the joint undertaking in respect of the implementation of the budget for the financial year 2016 (05943/2018 — C8-0095/2018),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 209 thereof,

— having regard to Council Regulation (EU) No 642/2014 of 16 June 2014 establishing the Shift2Rail Joint Undertaking ([4]), and in particular Article 12 thereof,

— having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([5]),

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0076/2018),

1. Approves the closure of the accounts of the Shift2Rail Joint Undertaking for the financial year 2016;

2. Instructs its President to forward this decision to the Executive Director of the Shift2Rail 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 — Antonio TAJANI

The Secretary-General — Klaus WELLE

([1]) OJ C 426, 12.12.2017, p. 64.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 177, 17.6.2014, p. 9.
([5]) OJ L 38, 7.2.2014, p. 2.

RESOLUTION (EU) 2018/1460 OF THE EUROPEAN PARLIAMENT

of 18 April 2018

on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2016: performance, financial management and control

THE EUROPEAN PARLIAMENT,

— having regard to its decisions on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2016,

— having regard to the Commission's report on the follow-up to the discharge for the 2015 financial year (COM(2017)0379),

— having regard to the Court of Auditors' specific annual reports ([1]) on the annual accounts of the decentralised agencies for the financial year 2016,

— having regard to the report of the Court of Auditors on the rapid case review on the implementation of the 5 % reduction of staff posts published on 21 December 2017,

— 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 Article 208 thereof,

— 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 ([3]), and in particular Article 110 thereof,

— having regard to Rule 94 of and Annex IV to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinions of the Committee on Employment and Social Affairs and the Committee on Civil Liberties, Justice and Home Affairs (A8-0115/2018),

A. whereas this resolution contains, for each body within the meaning of Article 208 of Regulation (EU, Euratom) No 966/2012, cross-cutting observations accompanying the discharge decisions in accordance with Article 110 of Commission Delegated Regulation (EU) No 1271/2013 and Article 3 of Annex IV to Parliament's Rules of Procedure;

B. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;

1. Emphasises that the agencies are highly visible in the Member States and have significant influence on policy and decision making and programme implementation in areas of vital importance to European citizens, such as health, safety, security, freedom and justice, research and industrial development, economic and monetary affairs, employment and social progress; reiterates the importance of the tasks performed by agencies and their direct impact on the daily lives of European citizens; reiterates also the importance of the autonomy of the agencies, in particular of the regulatory agencies and those with the function of independent information collection; whilst recognising that stakeholders have found their way to the agencies, it is concerned that in general the visibility of agencies for European citizens is still limited, whereas a high level of visibility is required for their accountability and independence;

2. Recalls that the main reasons for establishing agencies was for the purpose of making independent technical or scientific assessments, which make clear and effective rules to prevent conflicts of interest indispensable, operating Union systems and facilitating the implementation of the Single Market; calls on all agencies to participate in the inter-institutional agreement on the transparency register that is currently subject of negotiations between the Commission, the Council and the Parliament;

([1]) OJ C 417, 6.12.2017.
([2]) OJ L 298, 26.10.2012, p. 1.
([3]) OJ L 328, 7.12.2013, p. 42.

3. Notes that, according to the Court of Auditors' summary of results of the Court's 2016 annual audits of the Union agencies and other bodies ('the Court's summary'), the agencies' 2016 budget amounted to some EUR 3,4 billion, representing an increase of about 21,42 % compared to 2015 and about 2,4 % (compared to: 2 % in 2015) of the Union's general budget; points out that the increase is mainly related to agencies working on matters related to industry, research and energy (additional EUR 358 000 000) and civil liberties, justice and home affairs (additional EUR 174 000 000); notes moreover that of the EUR 3,4 billion budget, some EUR 2,4 billion were financed by the Union general budget, whereas some EUR 1 billion were financed by fees and also by direct contributions from Member States, the European Free Trade Association countries and other sources;

4. Calls on the Commission to work in close cooperation with the EU Agencies Network (the 'Network') and the individual agencies when preparing its proposal for the post-2020 Multiannual Financial Framework and examining alternative sources of financing for the Union's decentralised agencies;

5. Emphasises that the Interinstitutional Working Group on decentralised agencies examined, in particular, the pilot case of the European Aviation Safety Agency (EASA) for fee-financed agencies; states that even if agencies are fully fee-funded, they are still fully accountable to the discharge authority considering the reputational risks involved; expresses, moreover, its concerns with the quality indicators used in the EASA pilot, as these are heavily focusing on customer satisfaction and less on air safety; calls upon the Commission to examine how the independence of fully fee-funded agencies can be ensured;

6. Notes that the agencies employ 10 364 permanent, temporary, contract or seconded staff (compared to 9 848 in 2015), representing an increase of 5,24 % compared with the previous year mainly due to the new tasks assigned; points out that the number of staff increased the most in agencies dealing with matters related to industry, research and energy (110), civil liberties, justice and home affairs (177) and economic and monetary affairs (85);

7. Notes that the Court, according to its summary, issued an unqualified opinion on the reliability of the accounts of all agencies; notes in addition that the Court issued an unqualified opinion on the legality and regularity of the transactions underlying the accounts for all agencies, except for the European Asylum Support Office (EASO);

8. Is of the opinion that the discharge procedure needs to be streamlined and accelerated towards n+1; calls therefore on the agencies and the Court to follow the good example set by the private sector and proposes to set the deadline for the publication of the agencies' final accounts, annual activity reports and reports on budgetary and financial management on 31 March as well as advance the publication of the Court's annual reports on agencies for 1 July at the very latest, in order to simplify and speed up the process, thereby closing the discharge procedure within the year following the accounting year in question;

Common Approach and Commission's roadmap

9. Recognises the implementation by the Union agencies of the Common Approach and its roadmap;

10. Welcomes the contribution provided by the Network in coordinating, collecting and consolidating actions and information for the benefit of the Union Institutions, including the Parliament; notes that its coordination tasks include the annual discharge and budget procedures, the implementation of the Commission's roadmap stemming from the Common Approach and related policy initiatives, and the review and implementation of Financial and Staff Regulations;

11. Believes that the Network provides for concrete added value in the relations between the Union Institutions and the decentralised agencies; considers that it would be an asset to support the management of the Network's Shared Support Office in Brussels; strongly supports its request for one temporary agent post, whose cost would be shared amongst the agencies in the European Food Safety Authority (EFSA) 2019 budget request, especially if the competences of the Network are clarified and, whilst respecting the autonomy of the agencies, are strengthened, whenever possible; encourages the Commission to include the extra post in its proposal for the 2019 budget;

12. Observes that the Network, via the Performance Development sub-Network (PDN), prepared in 2016 the agencies' performance framework document, which describes the tools in place, including the use of indicators with a particular focus on the planning, measurement and reporting of efficiency; welcomes the fact that the PDN is currently working, together with the Commission, on the development of a maturity model for performance-based budgeting to guide

each agency in its efforts to optimise its capabilities to plan, monitor and report on results and budget and resources used; notes room for improvement in some agencies' use of outcome and impact indicators in their key performance indicators; calls on the Network to report to the discharge authority on the measures adopted and their implementation;

Budget and financial management

13. Recalls that the principle of annuality is one of the three basic accounting principles, together with unity and balance, which are indispensable to ensuring the efficient implementation of the Union budget; notes that, according to the Court's summary, despite a considerable decrease, a high level of carry-overs of committed appropriations remains the most frequent issue in budgetary and financial management, affecting 23 agencies, compared to 32 in 2015;

14. Notes that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality;

15. Acknowledges the Network's proposal on reporting of cancelled carry-overs exceeding 5 % of the total budget; notes however that, in order to evaluate budgetary planning and implementation, the agencies could additionally report on the levels of planned carry-overs and the reasons behind them; encourages the agencies to include this information in their respective consolidated annual activity reports;

16. Highlights that the level of carry-over cancellations is indicative of the budget planning capacity and the extent to which the agencies have correctly anticipated their financial needs and is often a better indicator of good budgetary planning than the mere level of carry-overs;

17. Stresses, therefore, the immediate need to establish clear definitions of acceptable carry-overs in order to streamline the Court's reporting on this issue, as well as to enable the discharge authority to distinguish between the carry-overs indicating poor budgetary planning, and the carry-overs as a budgetary tool which support multiannual programmes as well as procurement planning; believes that the Court's suggestion to use differentiated appropriations would allow more transparency as regards what constitutes a justified carry-over;

18. Points out that the tasks and budgets of the European Border and Coast Guard Agency (Frontex) and EASO increased significantly in 2016; recognises that these agencies were confronted with administrative and operational challenges and high expectations without much time to adapt their systems and procedures and to hire the necessary staff; notes that as a result they faced problems in absorbing additional Union funds granted during the budgetary year, leading to considerable cancellations and carry-overs as well as difficulties in complying with budgetary and financial rules;

19. Invites the Commission, the Court and the Network to discuss and to propose possible solutions for this issue, in order to streamline, in particular, financial management in the areas of multiannual programming and procurement;

20. Notes with concern that the audited budgetary implementation reports of certain agencies differ from the level of detail provided by most other agencies, which hampers readability and comparability, and which demonstrates the need for clear guidelines on the agencies' budget reporting; acknowledges the efforts made in order to ensure consistency on the presentation and reporting of accounts; stresses the importance of more standardised and comparable reporting to simplify and rationalise the discharge procedure and to facilitate the discharge authority's work; calls furthermore on the Network and the individual agencies to continue working on streamlined indicators and report the measures taken to the discharge authority;

21. Notes with concern that public procurement still remains an error-prone area; expresses its dissatisfaction with EASO, the European Monitoring Centre for Drugs and Drugs Addiction (EMCDDA), the European Agency for the operational management of large-scale IT Systems in the area of freedom, security and justice (eu-LISA), the European Medicines Agency (EMA) and the Body of European Regulators for Electronic Communications (BEREC), which did not fully comply with the public procurement principles and rules laid down in the Financial Regulation; calls on the agencies to pay particular attention to the Court's comments on public procurement;

22. Notes with satisfaction that the majority of the agencies (27 out of 31) have a business continuity plan in place; considers that all agencies should have such a plan in place; calls on the Network to report to the discharge authority on the evolution of that situation;

Cooperation among agencies and with other institutions — shared services and synergies

23. Notes with satisfaction that some agencies already cooperate according to their thematic grouping, such as the justice and home affairs agencies ([1]) and the European supervisory authorities ([2]); encourages other agencies which have not already started, to cooperate further with other agencies within the same thematic grouping whenever possible, not only in establishing shared services and synergies, but in their common policy areas as well; emphasises that there are two locations for the Railways Agency, four agencies on social policies and six agencies on Justice and Home Affairs issues; expresses its disappointment with the outcome so far in this respect of the Inter-Institutional Working Group on decentralised agencies, as no specific proposals were developed to merge or co-locate agencies concentrating on related policy fields; calls upon the Commission to prepare a survey of possible steps in this direction; encourages the Court to consider presenting landscape reviews of the agencies' common policy areas;

24. Notes that some agencies continue to have dual headquarters and multiple operational centres and offices; considers that all dual and multiple seats which do not offer any operational added value should be done away with at the earliest opportunity; expects the Commission's evaluation in this regard, which should focus on added value and the costs incurred;

25. Highlights the benefits of sharing services, which enable consistent application of administrative implementing rules and procedures that concern human resources and finance issues, as well as the potential efficiency and cost-effectiveness gains of sharing services between the agencies, in particular when considering the budget and staff reductions that the agencies are facing; notes that seeking synergies amongst agencies could alleviate administrative burden especially on smaller agencies;

26. Acknowledges furthermore that the European Union Intellectual Property Office and the European Fisheries Control Agency signed a 'proof of concept' pilot project on the provision of disaster recovery services; notes that it has allowed for the provision of these services with savings estimated at more than 65 % of the estimated costs on the basis of market prices; observes that the project has been extended to the Agency for Cooperation of Energy Regulators in the first half of 2017, and a number of other agencies are studying the possibility of joining later in 2017 or 2018; calls on the Network to report to the discharge authority on further developments regarding this project;

27. Welcomes the fact that the agencies started to use the Joint Procurement Portal — the central register of joint procurement opportunities — hosted by the agencies' extranet, which includes functionalities such as document sharing and forum discussions which makes communication among agencies regarding procurement services more transparent and easier to manage;

28. Welcomes the achieved results in the field of savings and improved efficiency due to the use of the joint services through five large interagency joint procurements within the past two years, three under the leadership of EFSA, namely cloud services, audit services and professional network services; one under the leadership of the European Training Foundation (ETF), namely survey services; and one under the leadership of the European Foundation for the Improvement of Living and Working Conditions (Eurofound), namely evaluation and feedback services; points out that these five joint procurements had high participation rates, ranging from 8 to 30 agencies; welcomes the savings achieved, which are estimated to be EUR 6 700 000 for cloud services, EUR 970 000 for audit services, EUR 1 490 000 for professional network services, EUR 400 000 for survey services and EUR 1 160 000 for evaluation and feedback services; calls on the network and individual agencies to continue working together and further improve a list of joint goods and services which could be included in joint procurement procedures;

([1]) European Border and Coast Guard Agency (Frontex), European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA), European Asylum Support Office (EASO), European Institute for Gender Equality (EIGE), European Monitoring Centre for Drugs and Drug Addiction (EMCDDA), European Union Agency for Law Enforcement Training (CEPOL), European Union Agency for Law Enforcement Cooperation (Europol), European Union Agency for Fundamental Rights (FRA), Eurojust.

([2]) European Banking Authority (EBA), European Insurance and Occupational Pensions Authority (EIOPA), European Securities and Markets Authority (ESMA).

29. Recognises the progress made by the agencies in harmonising IT solutions to budget management and accounting systems; endorses the Court's recommendation to pursue a higher degree of IT solutions in key areas such as human resources management and procurement or contract management to reduce internal control risks and strengthen IT governance;

Human resources management

30. Recalls that paragraph 27 of the inter-institutional agreement ([1]) calls for a progressive reduction of staff by 5 % in all institutions, bodies and agencies to be effected between 2013 and 2017; notes that the decentralised agencies, following the Commission's timetable ([2]), started the reduction one year later and plan to finish by 2018; welcomes the fact that most agencies have already met or exceeded the 5 % reduction; notes that, according to the Court's rapid case review on the implementation of the 5 % reduction of staff posts, the decentralised agencies already reduced their number of establishment plan posts by a total of 279 in the period 2013-2017 against a target of 303 posts by 2018; points out that a horizontal target has not proven to be the most suitable solution for the decentralised agencies, as their tasks and operational needs differ significantly;

31. Notes that the Commission applied an additional annual 1 % levy during the five-year period 2014-2018 to create a 'redeployment pool', consisting of 218 posts in the period 2013-2017, from which it would allocate the posts to the agencies with new tasks entrusted to them or in a start-up phase ([3]); notes that most new posts were granted to Frontex, the European Police Office (Europol), EASO and EASA;

32. Is concerned that with the additional staff reduction, fulfilment of the agencies' mandates and annual work programmes are proving increasingly difficult to deliver, particularly for the agencies classified by the Commission as 'cruising speed agencies'; calls on the Commission and the budgetary authority to look into other options in order not to hinder the agencies' ability to fulfil their mandate; recommends that the budgetary authorities authorise additional resources to agencies that are entrusted by the legislators to carry out new tasks; calls moreover on the Commission to recognise the savings the Network and the individual agencies achieved by using joint procurement procedures, by increasing efficiency and human resources management, as well as to allow, where needed, for the staff reduction targets to adapt accordingly;

33. Observes that decentralised agencies increased the use of contract staff by 718 full-time equivalents to implement new tasks, in partial compensation for the 5 %staff cut and the levy for the creation of the redeployment pool; notes that this mostly concerns Frontex, Europol, EASO and EASA, the European Union Agency for Network and Information Security (ENISA) and the European Global Navigation Satellite Systems Agency (GSA); is of the opinion that contract staff should be used mainly as a temporary measure in agencies with the greatest demand for new staff due to an increase in workload; calls on the Commission to deliberate again on its plans for a further 1 % annual staff reduction;

34. Is concerned by a number of factors hindering the operational performance of agencies, such as establishment plan cuts, limited human resources, difficulties in recruiting qualified people at given grades, a low correction coefficient in certain countries and the implementation of activities through a lengthy and administratively demanding grant process; notes from the Network that the low correction coefficient for some countries results in the systematic use of higher grading in order to attract and retain suitable personnel; calls on the Commission to work on the revision of the formula used to calculate the correction coefficient in order to find a more effective balance between a tempting salary and a low cost of living;

35. Observes significant differences in the rates of absence from work due to staff sick leave between agencies; is of the opinion that measures promoting health and safety in the work-place, regular medical checks and staff well-being activities form a preventive health policy that, when fully implemented, increases job satisfaction and allows for a much higher savings than the initial investment;

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

([2]) For decentralised agencies, the Commission's communication COM(2013)0519 of 10 July 2013 applied the 5 % staff reduction target to the decentralised agencies over a five year period (2014-2018, with the reference year 2013).

([3]) Following the terminology used by the Commission to classify decentralised agencies as 'start-up phase', 'new tasks' or 'cruising speed' reflecting their stage of development and the growth of their Union contributions and staffing levels.

Conflicts of interest and transparency

36. Expresses concern that only 22 agencies (71 %) have adopted internal rules and guidelines on whistleblowing and reporting irregularities in accordance with the provisions of the Staff Regulations; notes that the remaining nine agencies foresee adoption of the relevant rules and guidelines; calls on the Network to report to the discharge authority on the adoption and implementation of these measures per individual agency;

37. Regrets that internal whistleblowing procedures have not yet been implemented as justice and home affairs agencies were waiting for guidance or input from the Commission; understands that, as an interim measure, some of the agencies have been pro-active by including general whistleblowing principles in their code of conducts and which are easily accessible on their website; urges the Commission to ensure the swift adoption of its guidelines on whistleblowing that will consequently be immediately adopted and effectively implemented by Union agencies, including Eurojust, CEPOL, EASO and eu-LISA, in the form of clear internal rules on the protection of whistleblowers;

38. Notes that the declarations of interest of management board members, management staff and in-house experts were published by 29 agencies (94 %) on their websites; calls on the remaining agencies who have not yet done so to publish them without further delay listing membership of any other professional organisations, allowing for internal independent scrutiny; welcomes the fact that medium-sized agencies and those more likely to face a conflict of interest due to their field of work perform reviews of the declarations of interest upon their submission, on an annual basis or even more frequently;

39. Welcomes the fact that 26 agencies (84 %) have guidelines in place for granting public access to documents; calls on the remaining agencies who do not yet have such guidelines to adopt them without further delay; approves the development of internal systems in place to handle the requests, including specially trained access-to-documents teams dedicated to handling the incoming requests in agencies facing a higher frequency and complexity of requests; calls on the Network to develop common guidelines for applying public access to documents to be implemented by the agencies, especially as regards intellectual property rights;

40. Points out that one of the main achievements of the Network in the fight against fraud and corruption in 2016 was the establishment of an Anti-Fraud Working Group of the Inter-Agency Legal Network, with the aim to enhance harmonised and standardised approaches for anti-fraud strategies among the agencies; welcomes the development of a strong anti-fraud culture within agencies; calls on the Network to report to the discharge authority on the work of this working group;

41. Welcomes the cooperation between agencies and the European Anti-Fraud Office (OLAF) in the sphere of prevention, especially when adopting their anti-fraud strategies, by aligning them with the methodology described in the guidance document provided by OLAF; encourages all the agencies to adopt OLAF's guidelines for agencies' anti-fraud strategies;

42. Urges in particular Eurojust, EASO and eu-LISA to step up their efforts to adopt guidelines for an efficient policy on the prevention and management of conflicts of interest without delay, to the benefit of transparency and so that there is also a more coherent approach to public declarations concerning conflicts of interest;

Communication and visibility

43. Notes that the agencies are actively promoting their work through various channels but reiterates its call for more visibility in Member States by developing a comprehensive plan to reach more European citizens, in particular by regularly updating their websites to provide information and promote the work they have delivered; notes in addition that social media is increasingly becoming a standard communication tool for the agencies; observes that open days, targeted campaigns and videos explaining the core work of agencies are some of the activities used in educating citizens and providing them with opportunities to learn more about the work of the agencies and the Union institutions; acknowledges that the general or specialised media relations activities are regularly measured through different indicators, as well as that each agency has its communication plan with specific activities tailored for its needs;

44. Notes that the agencies organised workshops and trainings on themes such as crisis communication, human rights and values, video production, working with journalists, internal communications, data visualisation and web technology to enhance their communications capacity and to stimulate the sharing of information about agencies' roles and functions with citizens; welcomes the PDN's activity and presence on various relevant social media platforms and successful joint (inter-agency) campaigns;

Other comments

45. Notes that in its opinion No 1/2017 on the revision of the Financial Regulation, the Court proposed to update the arrangement for the audit of the decentralised agencies; regrets that the legislative proposal does not foresee any reduction of the excessive administrative burden that continues to be borne by the decentralised agencies; notes that the audit of the decentralised agencies 'remains under the full responsibility of the Court, which manages all administrative and procurement procedures required'; reiterates moreover that the new audit approach involving private sector auditors has resulted in a significant increase of the administrative burden on the agencies, as well as that the time spent on procurement and administration of audit contracts created additional expenditure, thus straining further the diminishing resources of the agencies; emphasises that it is imperative to resolve this issue in accordance with the Common Approach, within the context of the current revision of the Financial Regulation and the subsequent revision of the Framework Financial Regulation; calls on all parties involved in these revisions to provide clarity on this issue as a matter of urgency so as to significantly reduce the excessive administrative burden;

46. Notes that, according to the Court's summary, the external evaluations of the agencies are in general positive and agencies prepared action plans to follow up issues raised in the evaluation reports; notes that while most agencies' founding regulations provide for an external evaluation to be carried out periodically (usually every four to six years), the founding regulations of six decentralised agencies — BEREC Office, EASO, eu-LISA, ETF, ENISA and European Institute for Gender Equality — do not include such a provision and the founding regulation of the EMA requires an external evaluation only every ten years; is of the opinion that this issue should be addressed;

47. Notes the agreement reached at the General Affairs Council of 20 November 2017 to move EMA and the European Banking Authority (EBA) from London to Amsterdam and Paris respectively; is aware of the potential impact of the United Kingdom's departure from the Union on them, in terms of future costs and loss of expertise, causing a risk to business continuity; notes moreover the possible impact on the revenue and activities of several non-London based agencies, in particular EASA, the European Chemicals Agency, the European Insurance and Occupational Pensions Authority, the European Securities and Markets Authority and GSA; calls on the Commission to keep the individual agencies and the Network fully informed of the Brexit negotiation process and the future preparations to minimise any negative impact that may occur;

48. Notes the ongoing revision of the founding regulations of the three tripartite agencies (European Centre for the Development of Vocational Training (Cedefop), Eurofound and European Agency for Safety and Health at Work (EU-OSHA)); recalls the importance of preserving the tripartite nature of the agencies in order to ensure the active participation of national authorities, European employers' organisations and European workers' organisations in their governance and functioning; recalls that staffing cuts were implemented with great difficulty and reiterates its opposition to further cuts which would limit the agencies' ability to carry out their mandates;

49. Notes the ongoing external evaluation of the four agencies working in the area of employment, social affairs and inclusion (Cedefop, Eurofound, EU-OSHA and ETF);

50. Recalls that discussion of the draft annual work programmes and the multiannual strategies of the agencies in the committees responsible helps to ensure that the programmes and strategies reflect political priorities;

51. Acknowledges the efforts of the agencies to balance their multiannual strategies to reflect the political priorities and goals represented by the Europe 2020 strategy;

52. Points out that eu-LISA and EASO are the only justice and home affairs agencies for which there are no obligations to conduct regular external audits in their founding regulations; calls on the co-legislators to evaluate options to address this important issue when revising their founding regulations;

53. Instructs its President to forward this resolution to the agencies subject to this discharge procedure, 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).

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