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II

(Non-legislative acts)

DECISIONS

RESOLUTION (EU) 2020/1836 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2018: 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 2018,

— having regard to the Commission's report on the follow-up to the discharge for the 2017 financial year (COM(2019) 334),

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' replies ([1]),

— having regard to the Court of Auditors' Review No 07/2019 'Reporting on sustainability - A stocktake of EU Institutions and Agencies' (Rapid Case Review), published on 12 June 2019,

— 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 1(2) and Article 208 thereof,

— having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU, and repealing Regulation (EU, Euratom) No 966/2012 ([3]), and in particular Articles 68 and 70 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 ([4]), and in particular Article 110 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([5]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinions of the Committee on Employment and Social Affairs and the Committee on Civil Liberties, Justice and Home Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0079/2020),

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ L 298, 26.10.2012, p. 1.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 328, 7.12.2013, p. 42.
([5]) OJ L 122, 10.5.2019, p. 1.

A. whereas this resolution contains, for each body within the meaning of Article 208 of Regulation (EU, Euratom) No 966/2012 of Article 70 of Regulation (EU, Euratom) 2018/1046, cross-cutting observations accompanying the discharge decisions in accordance with Article 110 of Delegated Regulation (EU) No 1271/2013 and Article 3 of Annex V to Parliament's Rules of Procedure;

B. whereas in the context of the discharge procedure, the discharge authority stresses the importance of further strengthening the concept of performance-based budgeting, accountability of Union institutions and good governance of human resources;

1. Emphasises that the agencies have significant influence on policy, decision making and programme implementation in areas of vital importance to European citizens, such as security, safety, health, research, economic affairs, freedom and justice; reiterates the importance of the tasks performed by the agencies and their direct impact on the daily lives of Union citizens; reiterates also the importance of the autonomy of the agencies, in particular the autonomy of the regulatory agencies and those agencies which have the function of independent collection of information; recalls that the main reasons for establishing the agencies were for operating Union systems, facilitating the implementation of the European Single Market and making independent technical or scientific assessments; welcomes in this regard the effective overall performance of the agencies;

2. Welcomes the visible progress made by the agencies in their efforts to respond to the demands and recommendations expressed within the annual discharge procedures; notes with satisfaction that, according to the annual report of the Court of Auditors' (the 'Court') on Union agencies for the financial year 2018 (the 'Court's report'), the Court issued an unqualified audit 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 revenue underlying the accounts for all agencies; observes that the Court issued an unqualified opinion on the legality and regularity of the payments underlying the accounts for all agencies, except in the case of the European Asylum Support Office (EASO); notes that for EASO the Court issued a basis for a qualified opinion in relation to its findings for the financial years 2016 and 2017 in respect of the legality and regularity of the payments, but that except for the effects of the financial years 2016 and 2017, the Court is of the opinion that the EASO payments underlying the annual accounts for the year ended 31 December 2018 are legal and regular in all material aspects; acknowledges the continued progress made by EASO in delivering reforms and corrective action plans;

3. Notes that for the 32 decentralised Union agencies, the 2018 budgets amounted to around EUR 2 590 000 000 in commitment appropriations, representing an increase of approximately 10,22 % compared to 2017, and to EUR 2 360 000 000 in payment appropriations, showing an increase of 5,13 % in comparison to 2017; notes moreover that of the EUR 2 360 000 000, some EUR 1 700 000 000 were financed from the general budget of the Union, representing 72,16 % of the agencies' total financing in 2018 (72,08 % in 2017); acknowledges furthermore that some EUR 657 000 000 were financed by fees and charges and by direct contributions from participating countries;

4. Recalls its request to streamline and accelerate the discharge procedure with a view to deciding on granting discharge in the year immediately following the year for which the discharge is granted and closing the procedure within the year following the accounting year in question; welcomes in this regard the positive efforts made and the good cooperation with the European Union Agencies Network (the 'Network') and the individual agencies, and in particular with the Court, showing clear potential for streamlining and accelerating the procedure on their part; appreciates the progress made so far and invites all relevant actors to continue their efforts towards further advancing the procedure;

Main risks and recommendations identified by the Court

5. Notes with satisfaction that according to its report, the Court considers the overall risk to the reliability of agencies' accounts, based on international accounting standards, to be low, and that only a few material errors arose in the past; notes, however, that the increasing number of delegation agreements, whereby the Commission assigns specific additional tasks and revenue to agencies, represent a challenge in terms of the consistency and transparency of the treatment of agencies' accounts;

6. Notes that according to its report, the Court considers the overall risk to the legality and regularity of revenue underlying the agencies' accounts to be low for the majority of agencies, and to be medium for the partly self-financed agencies where specific regulations are applicable to the charging and collecting of fees and contributions from economic operators or cooperating countries; notes that the Court considers the overall risk to the legality and regularity of transactions underlying the agencies' accounts to be medium, varying from low to high for specific budget titles; notes that the risk for Title I (staff expenditure) is generally low, for Title II (administrative expenditure) the risk is considered to be medium, and for Title III (operational expenditure) the risk is considered to be low to high, depending on the agency in question and the nature of its operational expenditure; points out that high risk sources usually derive from procurement and grant payments which should be taken into account when the Court decides on a sample of future checks and audits;

7. Observes that, according to the Court's report, the risk to sound financial management is medium and is identified mainly in the areas of information technology (IT) and public procurement; regrets that IT and public procurement remain areas prone to error; reiterates its call on the Commission to provide for additional training and exchange of good practices for Agencies' procurement teams;

8. Stresses that the necessity to have separate administrative structures and procedures for each agency constitutes an inherent risk to administrative inefficiency and urges agencies to strengthen thematic bundling and cooperation in accordance with their fields of policy to ensure harmonisation and efficient sharing of resources; calls on the agencies to make additional efforts towards widening the scope of their shared services thereby improving the efficiency and cost effectiveness of their procedures;

9. Highlights the problem whereby dual operational and administrative headquarters do not offer operational added value for the agencies and encourages further action to limit the inefficiencies; encourages agencies to co-locate while concentrating on their specific policy fields; notes that the Commission is responsible for providing proposals regarding possible mergers, closures and/or transfers of tasks;

10. Notes, according to the Court's report, that, following observations raised in previous years and due to known Union policy developments in certain areas, the risk identified in relation to the level of cooperation of Member States is high for some agencies, namely the European Borders and Coast Guard Agency (Frontex), EASO and the European Chemicals Agency (ECHA); reiterates its call on the Commission to put these issues on the agenda of Council with a view to strengthening Member States' cooperation;

11. Acknowledges that the effective, efficient and error-free work of the agencies is closely linked to an adequate level of funding to cover their operational and administrative activities;

Budget and financial management

12. Notes the Network's reply in support of Parliament's invitation to provide the Union institutions with constructive feedback in the framework of the post-2020 Multiannual Financial Framework negotiations and that each agency was invited to perform an analysis of the Multiannual Financial Framework 2021-2027 proposal by the Commission; acknowledges the high importance of the Multiannual Financial Framework on the budgeting of the agencies and encourages them to continue exploring new sources of financing in addition to the existing Union budget contributions;

13. Notes that the level of detail provided in the audited budgetary implementation reports of certain agencies differs from that of the majority of agencies, which demonstrates the need for clear guidelines on agencies' budget reporting; acknowledges the efforts made to ensure consistency in the presentation and reporting of accounts; observes, again this year, discrepancies in information and documents disclosed by the agencies, especially regarding staff-related figures, including in reports on the establishment plan (posts filled, or maximum posts authorised, under the Union budget); notes the reply from the Network that it is following the guidelines from the Commission, which were revised following the Delegated Regulation (EU) 2019/715 and adopted on 20 April 2020; furthermore, reiterates its calls on the Commission in the coming years to automatically provide the discharge authority with the official budget (in commitment appropriations and in payment appropriations) and staff figures (establishment plan, contract agents and seconded national experts as of 31 December of the year in question) in respect of the 32 decentralised agencies;

Performance

14. Encourages the agencies and the Commission to further develop and implement the principle of performance-based budgeting, to consistently seek the most effective ways to provide added value, and to explore possible improvements in efficiency in relation to resources management; notes the Court's suggestion that the publication of agency budgets by activity would allow the linking of resources to the activities for which they are used, and would facilitate easier budget allocation, efficacy and would limit unnecessary expenses;

15. Notes with satisfaction that the Network was set up by the agencies as an inter-agency cooperative platform to enhance the agencies' visibility, to identify and promote improvements in efficiency and to add value; recognises the added value of the Network in its cooperation with Parliament and welcomes its efforts in coordinating, collecting and consolidating actions and information for the benefit of Union institutions; furthermore appreciates the guidance provided by the Network to the agencies in their efforts to optimise their capacity to plan, monitor and report on results, budget and resources used;

16. Notes with satisfaction that some agencies cooperate effectively according to their thematic grouping (for example, the Justice and Home Affairs agencies ([6]) and the European Supervisory Authorities ([7])); encourages other agencies to increase cooperation with each other wherever possible, not only in establishing shared services and synergies, but in their common policy areas as well; notes that the majority of agencies focus and strive on enhancing synergies and sharing resources; notes that the Network has established an online catalogue of shared services (mainly IT services) and that in 2018, a pilot programme was developed to monitor the use and benefit of shared services and that this has been extended in 2019 to all shared services;

17. Notes that, according to the Court's report, in 2018, some progress was made in relation to the introduction of Sysper2 (the human resources management tool developed by the Commission), with five additional agencies signed up to it in 2018; notes, however, that progress in its implementation varies, due to the project being complex and each agency having its own specificities; invites the Commission therefore to assist in ensuring that good use is made of the tool; notes furthermore that satisfactory progress was made in the introduction of e-procurement; notes, however, that a number of agencies are still in the process of introducing the tools for electronic invoicing developed by the Commission;

18. Expresses its concern about the fact that only one Union agency, the European Union Intellectual Property Office, publishes a sustainability report; calls on all agencies to fully integrate sustainability in their reporting information, to publish sustainability reports covering both the running of the organisation and the operations carried out, and to ensure the reliability of sustainability reporting through auditing;

19. Underlines that Union agencies, when carrying out their activities, need to pay particular attention to ensuring compatibility with Union law, respecting the principle of proportionality and complying with the fundamental principles of the internal market;

20. Encourages the agencies to pursue the development of a coherent policy for the digitalisation of their services;

Staff policy

21. Notes that the 32 decentralised agencies employed a total of 7 626 officials, temporary agents, contract agents and seconded national experts in 2018 (7 324 in 2017), representing an increase of 3,74 % compared with the previous year;

22. Notes that in 2018, at the level of senior management, an even gender balance was achieved by 6 agencies, a good balance was achieved by 4 agencies, but that there was no gender balance in 14 agencies (one of them featured only male representation); calls on the agencies to increase their efforts towards better gender balance among management staff;

([6]) European Border and Coast Guard Agency (Frontex), European Union 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), European Union Agency for Criminal Justice Cooperation (Eurojust).

([7]) European Banking Authority (EBA), European Insurance and Occupational Pensions Authority (EIOPA), European Securities and Markets Authority (ESMA).

23. Notes further that in 2018, within management boards, an even gender balance existed in 3 agencies, a good balance existed in 6 agencies, but that there was no gender balance in 21 agencies (one of them featuring only male representation); asks the Member States and the relevant organisations which participate in management boards to bear in mind the necessity for a better gender balance when nominating their representatives to these bodies;

24. Observes that only one agency, European Securities and Markets Authority (ESMA), has reported an even gender balance for both senior management staff and the management board; welcomes this achievement and encourages the other agencies to follow this good example;

25. Notes the information provided by the agencies concerning the gender balance among senior management and within management boards, and the remarks by some agencies that they have no senior management apart from the executive director; asks in this regard that the agencies in future present data for all categories of management staff;

26. Encourages the agencies to develop a long term human resources policy framework which addresses the work-life balance of its staff, lifelong guidance and career development, gender balance, teleworking, non-discrimination, geographical balance and the recruitment and integration of persons with disabilities;

27. Notes the conclusion in the Court's report that, following its rapid case review in 2017 on how agencies implemented the commitment made to cut 5 % of staff in their establishment plans for the period 2014-2018, the 5 % reduction had been implemented, albeit with some delays;

28. Notes that some of the agencies are facing the challenge of insufficient staff, especially when new tasks are allocated without additional personnel envisaged for their implementation, and that the discharge authority is concerned specifically with the difficulties that some agencies experience in hiring qualified staff at specific grades, which hinders the overall performance of the agencies and necessitates the employment of external actors;

29. Recognises the steps towards establishing a harassment-free environment taken by the agencies, such as the additional training for staff and management as well as the introduction of confidential counsellors; encourages agencies which have not yet introduced such steps to do so; and encourages agencies which have received harassment-related complaints to treat these as a priority;

30. Notes that the agencies continuously monitor and assess their staffing levels and their needs in terms of additional human and financial resources, and that they make relevant requests where necessary; acknowledges that such requests should be subject to a wider interinstitutional process, so that the level of resources corresponds to the tasks and responsibilities of the agencies;

31. Stresses the importance of a staff well-being policy; stresses that agencies should provide for decent, high quality working conditions for all staff;

32. Notes that, according to the Court's report, payments in its audit samples indicate a trend towards compensating for shortages in its own statutory staff by external staff (particularly IT consultants) working in the premises of the agencies at times, and involves the use of contract and interim staff; notes that five agencies engaged in the use of interim workers provided by registered temporary work agencies, but did not respect all the rules laid down in both Directive 2008/104/EC of the European Parliament and of the Council ([8]) and the respective national law (for instance, as regards working conditions for interim workers); notes that three agencies used contracts for the provision of IT and other consultancy services which were formulated and/or implemented in a way that, in practice, might result in the assignment ('mise à disposition') of temporary agency workers instead of the provision of clearly specified services or products and as required by Directive 2008/104/EC, and by Staff Regulations and social and employment rules, thereby exposing these agencies to legal and reputational risks; calls on the Network to introduce a general policy to preclude the replacement of permanent staff by more expensive external consultants;

33. Notes with concern the findings made by the Court that in some agencies interim workers have poorer working conditions than workers employed directly by the agency; recalls that, according to Directive 2008/104/EC and several national labour laws, interim workers are to work under the same working conditions as workers employed directly by the user undertaking; calls on the agencies concerned to analyse the working conditions of their interim workers and ensure that they are in line with Union and national labour law;

([8]) Directive 2008/104/EC of the European Parliament and of the Council of 19 November 2008 on temporary agency work (OJ L 327, 5.12.2008, p. 9).

34. Notes the very low number of whistleblower cases in Union agencies, raising concerns of staff not being aware of existing rules, or a lack of trust in the system; calls for the bringing of whistleblower protection policies of all Union agencies into line with Directive (EU) 2019/1937 of the European Parliament and of the Council ([9]); urges the agencies to effectively utilise their established internal rules or guidelines on whistleblowing; and calls on the agencies that are still in the process of adopting such rules to do so without unnecessary delay;

35. Calls on all agencies to disclose their level of annual staff turnover and average levels of absence from work due to sick leave and to clearly indicate the positions which are occupied on 31 December of the relevant year, in order to ensure inter-agency comparability;

36. Reiterates its call on the Commission to review how the salary coefficient for staff working in different Member States is calculated with the aim of providing for a better geographical balance of staff in agencies;

37. Notes with concern that low correction coefficients applied to staff salaries create difficult situations that may hamper an agency's ability to effectively perform its daily duties and may lead to high levels of staff turnover; stresses that agencies located in countries where a low correction coefficient is applied should receive further support from the Commission in implementing complementary measures in order to make them more attractive to current and prospective staff, such as establishing European schools and other facilities; calls on the Commission to assess the impact and viability of applying salary correction coefficients in the future;

38. Notes that most agencies do not publish their vacancy notices on the website of the European Personnel Selection Office (EPSO); takes note of the concern regarding high translation costs; welcomes in this regard the inter-agency job board launched and maintained by the Network and invites all agencies to take advantage of the platform;

39. Encourages the Union agencies that do not have a fundamental rights strategy to consider adopting one, including making a reference to fundamental rights in a code of conduct that could define the duties of their staff and training for staff; recommends that effective prevention policies should be implemented and efficient procedures identified to resolve harassment issues;

Procurement

40. Notes with concern that, according to the Court's report, shortcomings were found related to excessive dependency on contractors, external consultancy and interim workers, to the use of inadequate award criteria and to the conclusion of contracts with abnormally low tenderers without reasonable justification; notes that several agencies have outsourced, extensively, regular activities and, occasionally, core business activities, thereby weakening internal expertise and control over contract execution, with some weakening in the procurement process which may impair fair competition and the achievement of best value for money procurements; recommends an adequate ratio between price and quality when awarding contracts, an optimal design of framework contracts, justified intermediary services and the use of detailed framework contracts; notes that for six agencies the framework contract terms for the provision of IT maintenance and equipment were weak, as they allowed the purchase of items which were not specifically mentioned therein and were not subject to an initial competitive procedure, and they also allowed the contractor to charge uplifts on the prices of items purchased from other suppliers; notes that although agencies have no power to change the basic contractual arrangements, their related *ex-ante* controls did not check the accuracy of the up-lifts charged by the contractor; calls on all agencies and bodies of the Union to strictly abide by public procurement rules; underlines that digitalisation is a great opportunity for agencies to increase efficiency and transparency, including in the field of procurement; calls, therefore, on all agencies and bodies to rapidly finalise and implement e-tendering, e-submission, e-invoicing and e-forms for public procurement; asks the Commission and the agencies to address necessary improvements in procurement teams as a matter of urgency, taking into account that the problem persists and needs to be addressed systemically;

([9]) Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law (OJ L 305, 26.11.2019, p. 17).

41. Considers that agencies, bodies and institutions of the Union must set an example in terms of transparency; calls therefore for the publication of the full lists of contracts awarded through public procurement procedures, including those below the legally required EUR 15 000 threshold;

42. Notes that the decentralised agencies and other bodies, together with the eight Union joint undertakings, push for increased administrative efficiency and economies of scale through an increased use of joint procurement procedures; notes, however, that despite the promising trend, attempts for joint procurement procedures were not always successful, for instance due to inadequate market analysis;

Prevention and management of conflicts of interests and transparency

43. Notes that on 2 April 2019 a workshop was organised at the request of Parliament's Committee on Petitions on 'Conflicts of Interest: Integrity, Accountability and Transparency in EU institutions and agencies' in the course of which the preliminary findings of an upcoming study on 'Conflicts of interests and EU Agencies' were presented; regrets that the study, whose date of presentation was supposed to be in July 2019, was published only in January 2020; notes that the study provides a comprehensive overview and analysis of the policies on avoidance of conflicts of interest in the different agencies and also that it makes recommendations in relation to improved scrutiny of conflict of interest policies in agencies; calls on the Network to report to the discharge authority on developments in the application of conflict of interest regulations and policies, and on possible changes in terms of such regulations and policies;

44. Notes with concern that not all agencies and bodies of the Union have published on their respective websites the declarations of interest for members of the management boards, executive leadership and seconded experts; regrets that some agencies still publish declarations of absence of conflict of interest; highlights that it is not up to the board members or executives to declare themselves to have an absence of conflict of interest; calls for a unified model of declarations of interest to be implemented by all agencies; stresses the importance of establishing an independent ethics body to assess conflict of interest and revolving door situations throughout the institutions, agencies and other bodies of the Union; urges the Member States to ensure that all seconded experts publish their respective declarations of interest and CVs on the respective agency websites;

45. Reiterates that an insufficiently detailed conflict of interests policy may result in a loss of credibility of an agency; upholds that the starting point for all of these policies is the submission of regular and sufficiently detailed declarations of interests; stresses in this regard that moving towards positive declarations of interests instead of declarations of absence of interests would allow for more comprehensive controls; stresses that in addition to this, Union agencies should have a conflict of interests screening mechanism in place, proportionate to the size and function of that agency;

46. Calls on all agencies to participate in the interinstitutional agreement on the transparency register for interest representatives under negotiation between the Commission, the Council and Parliament;

47. Considers it regrettable that there are still no clear guidelines and that there is no consolidated policy on the revolving doors issue; stresses the fact that this issue is of key importance, particularly in the case of those agencies working with industries; calls on the Commission to provide stronger rules, better controls and clearer guidelines on cooling-off periods for outgoing staff, as well as other revolving-doors related measures;

48. Welcomes the fact that most agencies, except the Translation Centre for the Bodies of the European Union (CdT) and the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) have guidelines in place for granting public access to documents; notes, however, that CdT envisages having guidelines in place and that eu-LISA is going to develop internal rules on how to handle requests to access public documents and will endeavour to adopt them in 2020;

49. Reiterates its concern that agencies which receive a large part of their revenues as fees paid by the industry are more prone to the risk of the conflict of interests and their professional independence; calls on the agencies and the Commission to reduce dependency on industry fees;

50. Reiterates its call on the agencies to implement a comprehensive and horizontal policy concerning the avoidance of conflicts of interest, and to use ECHA's independence policy as a model of best practice and an exemplary system for monitoring and preventing any conflicts of interest; encourages all agencies to set up a conflicts of interest advisory committee;

Internal controls

51. Acknowledges the Court's comment that when using interinstitutional contracts, agencies remain responsible for the application of public procurement principles for their specific purchases, and that agencies' internal controls must ensure they are respected;

52. Notes that at the end of 2018, the boards of 29 agencies had adopted the Commission's revised internal control framework, and that 15 agencies also reported its implementation; calls for the adoption and implementation of the internal control framework by all agencies in order to align control standards to the highest international standards and to make sure that internal controls support decision making effectively and efficiently;

53. Notes that, according to the Court's report, some agencies do not have policies in place defining their sensitive functions and related mitigating controls (which aim to reduce the risk of the misuse of powers delegated to staff and which should be a standard element of internal control); urges those agencies therefore to adopt such policies;

Other comments

54. Notes that, according to the Court's report, the agencies previously based in London (the European Banking Authority (EBA) and the European Medicines Agency (EMA)) were relocated from the United Kingdom in 2019 and that their accounts include provisions for the related removal costs; notes, furthermore, in the case of EMA, that the Court referred to developments following the lease agreement of the agency and the ruling of the High Court of Justice of England and Wales; notes the contingent liability of EUR 465 000 000 left following the conclusion of the new sublease agreement and the uncertainty about the total loss of staff following the relocation; in addition, notes with concern that for both agencies, the Court also referred to possible decreases in revenue following the United Kingdom's withdrawal from the Union;

55. Welcomes the Court's Review No 07/2019 'Reporting on sustainability: A stocktake of EU Institutions and Agencies' (Rapid Case Review), published on 12 June 2019; reiterates its findings that the information collected or published mainly relates to how the running of the organisation affects sustainability (such as its internal use of paper or water) rather than on how the organisation has considered sustainability in its overall strategy and operations; stresses that such internally-focused reporting does not capture the most essential issues for an organisation; calls on all agencies to take stock of the adverse impact on sustainability produced by their operations, and to include this in a structural way in their sustainability reporting;

56. Encourages strongly the agencies to implement the Court's recommendations;

57. Stresses the urgent need to direct the focus of the agencies towards disseminating the results of their research and work to the general public, and to reach out to public via social media and other media outlets in order to raise awareness of their operations; recalls the general lack of awareness of citizens about the agencies even within the country in which they are based; appeals to the agencies to reach out to people more effectively and frequently;

58. Stresses the possible negative effects of the United Kingdom's withdrawal from the European Union on the organisation, operations and accounts of the agencies, specifically when it comes to a reduction in direct contributions; urges the Commission to act with extreme diligence when handling risk prevention and risk mitigation for the agencies;

59. Welcomes the creation of the European Labour Authority (ELA), whose founding regulation came into effect in March 2018 and which started its operation in October 2019; highlights the need to ensure that sufficient financial resources are set aside for its establishment; insists that funding cannot be accomplished by redeploying allocations from the other employment and social affairs agencies and budgetary lines, and that the ELA, being a new body, requires fresh resources to run smoothly; stresses in particular that the establishment of ELA should not result in a reduction of resources and capabilities for European Employment Services (EURES), which plays a pivotal role in facilitating labour mobility of Union citizens and offers services and partnerships for jobseekers and employers, public employment services, the social partners and the local authorities; highlights therefore the need to maintain clear and separate budget lines for both ELA and EURES;

60. Points out that ELA will help ensure that Union rules on labour mobility and social security coordination are enforced effectively and fairly, will assist national authorities in cooperating to enforce these rules, and will make it easier for citizens and businesses to benefit from the internal market; is of the opinion that, although the four agencies European Centre for the Development of Vocational Training (Cedefop), European Foundation for the Improvement of Living and Working Conditions (Eurofound), European Training Foundation (ETF) and European Agency for Safety and Health at Work (EU-OSHA) are predominantly research-centred, they could usefully support and contribute to the work of ELA;

61. Highlights that transparency, and awareness by citizens of the existence of the agencies are essential for their democratic accountability; considers that ease of use of agency resources and data are of paramount importance; calls therefore for an assessment of how data and resources are currently presented and made available, and of the degree to which citizens find them easy to identify, recognise and use;

62. Recommends that all agencies focus on public communication and publicity as their existence and activities are often not recognised among citizens;

63. Encourages the Union agencies to consider adopting a fundamental rights strategy, including a reference to fundamental rights in a code of conduct that could define the duties of their staff and training for staff; encourages the setting up of mechanisms to ensure that any violation of fundamental rights are detected and reported, and that risks of such violations are swiftly brought to the attention of the main bodies of the agency concerned; encourages the establishing, whenever relevant, of the position of a fundamental rights officer, reporting directly to the management board (to ensure a certain degree of independence vis-à-vis other staff) in order to ensure that threats to fundamental rights are immediately addressed, and that a constant upgrading of the fundamental rights policy within the organisation takes place; encourages the developing of a regular dialogue with civil society organisations and relevant international organisations on fundamental rights issues; encourages making compliance with fundamental rights a central component of the terms of reference of the collaboration of the agency concerned with external actors, including in particular members of national administrations with whom they interact at an operational level.

64. Encourages all agencies in the area of Justice and Home Affairs, to consider registration under the Eco-Management and Audit Scheme (EMAS) in order to improve their environmental performance.

65. 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).

DECISION (EU) 2020/1837 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU Joint Undertakings for the financial year 2018, together with the Joint Undertakings' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2018 (05763/2019 – C9-0070/2019),

— 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 71 thereof,

— having regard to Council Regulation (EU) No 559/2014 of 6 May 2014 establishing the Fuel Cells and Hydrogen 2 Joint Undertaking ([5]), 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 ([6]),

— having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]),

([1]) OJ C 426, 18.12.2019, p. 1.
([2]) OJ C 426, 18.12.2019, p. 42.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 169, 7.6.2014, p. 108.
([6]) OJ L 38, 7.2.2014, p. 2.
([7]) OJ L 142, 29.5.2019, p. 16.

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0030/2020),

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 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1838 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU Joint Undertakings for the financial year 2018, together with the Joint Undertakings' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2018 (05763/2019 — C9-0070/2019),

— 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 71 thereof,

— having regard to Council Regulation (EU) No 559/2014 of 6 May 2014 establishing the Fuel Cells and Hydrogen 2 Joint Undertaking ([5]), 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 ([6]),

— having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]),

([1]) OJ C 426, 18.12.2019, p. 1.
([2]) OJ C 426, 18.12.2019, p. 42.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 169, 7.6.2014, p. 108.
([6]) OJ L 38, 7.2.2014, p. 2.
([7]) OJ L 142, 29.5.2019, p. 16.

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0030/2020),

1. Approves the closure of the accounts of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1839 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget for the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2018

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 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0030/2020),

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 Council Regulation (EU) No 559/2014 ([2]);

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 ('Industry Grouping'), renamed Hydrogen Europe in 2016, and the New European Research Grouping on Fuel Cells and Hydrogen AISBL ('Research Grouping');

E. whereas the maximum Union contribution towards 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;

Budget and financial management

1. Notes that the report of the Court of Auditors (the 'Court') on FCH2's annual accounts (the 'Court's report') finds the 2018 annual accounts to present fairly, in all material respects, the financial position of FCH2 at 31 December 2018, the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with FCH2's financial regulation and with accounting rules adopted by the Commission's accounting officer; notes, moreover, that 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 2018 included commitment appropriations of EUR 85 504 157 and payment appropriations of EUR 126 526 307;

3. Notes that the overall 2018 budget execution of commitment and payment appropriations reached 93 % and 83 % respectively,

([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).

([2]) Council Regulation (EU) No 559/2014 of 6 May 2014 establishing the Fuel Cells and Hydrogen 2 Joint Undertaking (OJ L 169, 7.6.2014, p. 108).

Multiannual budget implementation under the Seventh Framework Programme

4. Notes that the Union contribution to FCH2 is EUR 421 300 000 from the Seventh Framework Programme, including EUR 19 100 000 of in-kind contributions, and the members from the Industry and Research Groupings contribute with resources in the amount of EUR 442 500 000, comprising EUR 420 000 000 in-kind contributions in the Seventh Framework Programme projects funded by FCH2, and EUR 17 900 000 cash to administrative costs;

5. Regarding FCH2's 2018 budget available for Seventh Framework Programme projects, the implementation rate for payment appropriations was 79,6 % due to delays in submission of cost claims for ongoing Seventh Framework Programme projects;

Multiannual budget implementation under Horizon 2020

6. Notes that the Union contribution to FCH2 is EUR 318 800 000 from Horizon 2020 and that the contribution of resources by members from the Industry and Research Groupings amount to EUR 649 400 000 comprising EUR 1 800 000 of in-kind contributions in the Horizon 2020 projects funded by FCH2, EUR 7 700 000 of in-kind contributions to additional activities and EUR 3 600 000 of cash contributions to administrative costs;

7. Observes that the low level of industry members' in-kind contributions for operational activities is due to the fact that FCH2 certifies them together with the final cost claims; therefore, the certification of most of the committed in-kind contributions will happen later in the Horizon 2020 programme when the final payment for the projects is made and the certificates of financial statement are due;

8. Observes that the implementation rate for commitment appropriations was 95,8 % while the rate for payment appropriations was 84,4 %; notes that at the end of 2018, 29 payments for interim and mainly final periodic reports were made for a total of EUR 21 400 000 for the Seventh Framework Programme; notes that the budget execution rate (in terms of payment appropriations) was 79,6 % (compared to 73,8 % in 2017);

9. Notes that in terms of payment appropriations, 19 pre-financing payments were made for projects relating to the 2017 and 2018 calls for proposals, 11 payments to studies and 2 to the Joint Research Centre for Horizon 2020; notes, moreover, that the budget execution rate (in terms of payments) reached 83,4 % (compared to 93,3 % in 2017); notes that in terms of commitment appropriations the budget execution rate reached 95,8 % (compared to 98,3 % in 2017), due to the outcome of the call for proposals, whereby one topic was not covered, and to the delay in the procurement planning;

10. Observes that FCH2 prepared an action plan that was endorsed by the FCH2 governing board in March 2018, which includes a wide set of actions to be implemented by FCH2, for which a certain number of activities has already been initiated; notes that the majority of those activities are to be carried out in 2018 and 2019, while a small number will be taken into consideration for the next programming period;

Performance

11. Notes that FCH2 uses certain measures as key performance indicators to assess the added value provided by its activities such as renewable energy, end-user energy efficiency, smart grids and storage; notes, furthermore, that FCH2 uses other measures like having demonstrator projects hosted in Member States and regions benefit from Union funds; notes the revision of key performance indicators endorsed by FCH2 in 2018 due to the substantial technological progress in recent years and of the new applications that have started to emerge;

12. Observes the fact that the management cost ratio (administrative and operational budget) remains below 5 %, thus pointing to rather lean and efficient organisational structure of FCH2;

13. Notes the 2018 value of leverage effect of 1,36 compared to the requirement of 0,56; furthermore, notes that, taking into account in-kind contributions in projects from all private partners, the leverage reached 1,96;

14. Welcomes the fact, that all calls for proposals were published and closed according to the respective work plans and with the annual work programme 2018, included 20 topics;

15. Notes that at the end of 2018 FCH2 had 27 staff from 10 Member States and is pleased to note that there is gender balance among staff (51 % men and 49 % women); notes also that in 2018 the share of women participating in Horizon 2020 projects stood at 31 %, that 26 % of programme coordinators were women, that 22 % of the members of FCH2 Member State representatives group were women and that 33 % of the members of the scientific committee were women;

16. Notes that effective communication is an essential component of successful Union-financed projects; considers it to be important to increase the visibility of the achievements of FCH as well as the dissemination of information on its added value; calls on FCH2 to pursue a proactive communications policy, disseminating the results of its research to the public, such as by means of social media or other media outlets, thus aiming to raise public awareness of the impact of Union support, with particular regard to market uptake.

17. Observes that on the transport side, FCH2 supported demonstration activities concerning over 1 900 light-duty vehicles, more than 630 of which were already in operation in 2018; notes also that the FCH2 has demonstrated 45 buses operational in 10 cities of the Union in 2018; notes with satisfaction that the deployment of fuel cells electric buses can be considered to be world-wide state of the art, having progressed significantly throughout FCH2 projects;

Internal audit

18. Notes that in 2018 FCH2 finalised the implementation of all action plans addressing the recommendations of the internal audit service (IAS) audits on the performance management undertaken by the IAS in 2016, including a recommendation on the revision of the multiannual work programme and of the strategic and operational objectives; notes that in January 2018 FCH2 submitted an action plan to the IAS in relation to three recommendations raised by the IAS regarding coordination with central support service (CSC) and implementation of CSC tools and services; observes that as part of the action plan FCH2 organised its first workshop with the CSC; welcomes the fact that in December 2018 FCH2 submitted all action plans addressing the recommendations of the 2017 audit report to the IAS for a review; furthermore, notes with satisfaction that in 2019 the IAS sent a letter to the governing board confirming that all the recommendations and action plans have been successfully implemented;

19. Notes that the *ex post* audit effort was pursued with the launch of 141 audits for Seventh Framework Programme grants, of which 132 were finalised and the remaining to be finalised in the first quarter of 2019, representing a cumulative audit coverage of 23 % of the value of validated cost claims; notes that the residual error rate was below 2 %; observes that 14 new audits for Horizon 2020 were launched in 2018;

20. Observes that the Commission's final evaluation on FCH for the period between 2008 and 2016 and the interim evaluation on FCH2 operating under Horizon 2020 covering the period from 2014 to 2016 were carried out, having an action plan been endorsed by the governing board in March 2018, of which several actions have already been initiated, with the expectation of completing most of the program between 2018 and 2019, but taking into consideration that a small number of actions are expected to be implemented by the following programming period;

Internal controls

21. Welcomes the fact that FCH2 has set up *ex ante* control procedures, based on financial and operational desk reviews and *ex post* audits at beneficiaries of grants, for interim and final payments under the Seventh Framework Programme and for project cost claims under Horizon 2020, while the Commission is the responsible of the *ex post* audits; welcomes the fact that the residual error rate for the *ex post* audits at the end of 2018 was 1,10 % for the Seventh Framework Programme and 0,46% for Horizon 2020, which the Court finds below materiality;

22. Notes that in 2017, FCH2, together with the Commission DG Research and Innovation's common audit service(CAS), launched the first *ex post* audit of a random sample of interim cost claims under Horizon 2020; notes that FCH2 has set up *ex ante* control procedures based on financial and operational desk reviews; notes that for interim and final payments under the Seventh Framework Programme, FCH2 performs *ex post* audits at the beneficiaries, whilst for project cost claims under Horizon 2020 the CAS is responsible for the *ex post* audits; however, notes with concern that by the end of 2018 there were two open audits launched in 2017 and FCH2 did no finalise theses audits due to ongoing discussions with beneficiaries that also required coordination with other DG Research and Innovation services to ensure coherent audit results across different stakeholders;

23. Asks the Court to assess the soundness and reliability of the methodology for calculating and valuing in-kind contributions and that that assessment evaluate the design and the robustness of the guidance for the implementation of the in-kind contribution procedure in order to assist in the planning, reporting and certification process of the in-kind contributions.

DECISION (EU) 2020/1840 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the Clean Sky 2 Joint Undertaking for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Clean Sky 2 Joint Undertaking for the financial year 2018,

— having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2018, together with the Joint Undertakings' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2018 (05763/2019 – C9-0067/2019),

— 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 71 thereof,

— having regard to Council Regulation (EU) No 558/2014 of 6 May 2014 establishing the Clean Sky 2 Joint Undertaking ([5]), 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 ([6]),

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Transport and Tourism,

— having regard to the report of the Committee on Budgetary Control (A9-0032/2020),

([1]) OJ C 426, 18.12.2019, p. 1.
([2]) OJ C 426, 18.12.2019, p. 32.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 169, 7.6.2014, p. 77.
([6]) OJ L 38, 7.2.2014, p. 2.

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 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1841 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the Clean Sky 2 Joint Undertaking for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Clean Sky 2 Joint Undertaking for the financial year 2018,

— having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2018, together with the Joint Undertakings' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2018 (05763/2019 – C9-0067/2019),

— 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 71 thereof,

— having regard to Council Regulation (EU) No 558/2014 of 6 May 2014 establishing the Clean Sky 2 Joint Undertaking ([5]), 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 ([6]),

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Transport and Tourism,

— having regard to the report of the Committee on Budgetary Control (A9-0032/2020),

([1]) OJ C 426, 18.12.2019, p. 1.
([2]) OJ C 426, 18.12.2019, p. 32.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 169, 7.6.2014, p. 77.
([6]) OJ L 38, 7.2.2014, p. 2.

1. Approves the closure of the accounts of the Clean Sky 2 Joint Undertaking for the financial year 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1842 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 2018

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 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Transport and Tourism,

— having regard to the report of the Committee on Budgetary Control (A9-0032/2020),

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 Council Regulation (EU) No 558/2014 ([1]) replaced, with effect from 27 June 2014, the Clean Sky Joint Undertaking under Horizon 2020;

C. whereas the main objectives of the Joint Undertaking are to improve significantly the environmental impact of aeronautical technologies and to enhance the competitiveness of European aviation; 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 second phase of activities is EUR 1 755 000 000 to be paid from the budget of Horizon 2020;

Budgetary and financial management

1. Notes that the Court of Auditors (the 'Court') stated that the 2018 annual accounts of the Joint Undertaking for the year ended 31 December 2018 present fairly, in all material respects, the financial position of the Joint Undertaking at 31 December 2018, 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;

2. Notes that the Court, in its report on the Clean Sky 2 (the 'Court's report'), indicated the transactions underlying the annual accounts as legal and regular in all material aspects;

3. Notes that the Joint Undertaking's final budget for 2018 included commitment appropriations of EUR 371 100 000 and payment appropriations of EUR 343 786 573; notes that 98,7 % of commitment appropriations and 98,6 % of payment appropriations consist of Commission subsidies and carry over from previous years;

4. Notes that the commitment appropriations utilisation rate was 99,2 % (compared to 99,6 % in 2017) and the rate of payment appropriations was 97,3 % (compared to 98,5 % in 2017); notes the decrease in the execution rate of payment appropriations for administrative expenditures to 79,23 % (from 93,13 % in 2017);

5. Notes with satisfaction that the Joint Undertaking has implemented various tools to monitor the execution of the programme in terms of productivity, achievements, planning and risks of the operations;

([1]) Council Regulation (EU) No 558/2014 of 6 May 2014 establishing the Clean Sky 2 Joint Undertaking (OJ L 169, 7.6.2014, p. 77).

Multiannual budget implementation under Seventh Framework Programme

6. Notes that the Union contribution is EUR 800 000 000 from the Seventh Framework Programme and the members from the Industry and Research Groupings are contributing resources of EUR 608 300 000, comprising EUR 594 100 000 in-kind contributions in the Seventh Framework Programme projects funded by the Fuel Cells and Hydrogen 2 (FCH2), and EUR 14 900 000 in cash-contributions to administrative costs;

7. Notes that the Seventh Framework Programme was formally closed in 2017 with an implementation level of around 100 %; observes that in 2018 the Joint Undertaking still made recoveries of around EUR 850 000 stemming from outstanding pre-financings and *ex post* audit results;

Multiannual budget implementation under Horizon 2020

8. Notes that by the end of 2018, out of the total amount of EUR 2 064 000 000, for the activities to be funded under Horizon 2020, EUR 816 700 000 is the Union cash contribution and EUR 14 100 000 cash contribution from private members; notes that at the end of 2018, the governing board had validated in-kind contributions of EUR 273 900 000 and a further EUR 157 600 000 had been reported, but not yet validated, as well as EUR 801 700 000 of industry members' in-kind contributions to additional activities;

Calls for proposals

9. Notes that in 2018 the Joint Undertaking launched two calls for proposals, received 417 eligible proposals (out of the total of 420) and selected 131 proposals to be funded;

10. Notes the successful closure of the four Core Partners calls in 2017; takes note that the activity in 2018 concerned the implementation into the new Grant Agreement for Members (GAMs) of all selected core partners, a small number of which became an active member in 2018; observes that the results from all four calls and the accession of the winning entities as members resulted in 183 core partners of which 49 are affiliates or linked third parties;

11. Notes that, by the end of 2018, nine calls for proposals were launched, of which eight have been evaluated and fully implemented or in the final stage, notes that these eight calls are engaging more than 560 partners from 27 different countries; observes that the seventh call for proposals was implemented in October 2018 with 198 participants; furthermore, the eighth call for proposals started in November 2018 with 182 participants; in addition, the ninth call for proposals was launched in November 2018 with an evaluation taking place in March 2019;

Performance

12. Notes that information on some of Key Performance Indicators (KPIs) is not yet available due to nature of the projects; welcomes that most of the specific KPIs are either achieved or on track; takes note that the experts call for further monitoring activity and analysis, making a clear distinction between the actually achieved KPIs at the end of each year and the projected KPIs;

13. Observes that the management cost ratio (administrative and operational budget) remains below the 5 %, thus pointing to rather lean and efficient organisational structure of the Joint Undertaking;

14. Notes the fact, that the Joint Undertaking's turnover rates were high for temporary agents and contracts agents in 2017 and 2018; notes that for temporary staff the turnover rate increased almost 17 %; furthermore, the use of interim staff services almost doubled in 2018;

15. Notes that, in the 2018 annual activity report of the Joint Undertaking, the key performance indicators regarding gender balance in 2017 and 2018 show that the level of participation by women, while stable, is nevertheless quite low: women account for 22 % of those involved in the programme, 13 % of programme coordinators and 18 %-25 % of advisers and experts carrying out evaluations and analyses and working on the Scientific Committee; recommends that constant efforts be made to increase the participation level of women in the programme;

16. Welcomes the fact that the Joint Undertaking engages the best talents and resources in Europe; notes that it utilises the key skills and knowledge of the leading European aeronautic research establishments and academic faculties;

Key controls and supervisory systems

17. Notes that the Joint Undertaking has set up *ex ante* control procedures based on financial and operational desk reviews, *ex post* audits at beneficiaries of grants for Seventh Framework Programme interim and final payments and for Horizon 2020 project cost claims, it is the Commission's Common Audit Service the responsible of the *ex posts* audits;

18. Notes that the residual error rates for the *ex post* audits reported by the Joint Undertaking were 1,21 % for Seventh Framework Programme projects and 1,11 % for Horizon 2020 projects, both of which are below the materiality threshold of 2 %;

Anti-fraud strategy

19. Observes that the Joint Undertaking pays particular attention to fraud prevention and detection; as a result, DG RTD implements the 2020 Anti-Fraud Strategy with stakeholders in order to detect and prevent double funding; however, notes with concern that, during 2018, three cases of alleged fraudulent activities were detected in connection with receiving funding from the Joint Undertaking and were notified to the European Anti-Fraud Office (OLAF);

Internal audit

20. Notes that, in 2018, the Internal Audit Service (IAS) carried out an audit on the Coordination with the Common Support Centre (CSC) in order to assess the adequacy of the design of the Joint Undertaking governance, risk management and internal processes; notes with satisfaction that the IAS identified as a strength the active role of the Joint Undertaking in exchanging information with the CSC; moreover, notes that the auditors took note of the joint approaches of the Directors, setting out their needs in respect of important subjects, such as confidentiality; furthermore, several recommendations have been issued to the IAS to further adapt the IT systems of the Commission to remove the remaining constraints to the data transfer; calls on the Joint Undertaking to finalise the development of criteria and procedures for handling confidential data of the Joint Undertaking's beneficiaries;

Other comments

21. Notes the extension of the Joint Undertaking's bilateral contacts with a number of Member States and regions based on the research and innovation strategies for smart specialisation (RIS3) priorities mapping drawn up by the Joint Undertaking, which indicates over 60 regions that have indicated to the Joint Undertaking that aeronautics or correlated areas are among their R&I priorities; furthermore, notes with satisfaction that a further Memorandum of Understanding (MoU) was signed in 2018 with a region in Germany, which brought the number of MoUs in force by 31 December 2018 to 17; notes that this was followed by the signing of an MoU with the French region of Nouvelle Aquitaine in June 2019;

22. Notes that effective communication is an essential component of successful EU-financed projects. Considers it to be important to increase the visibility of the achievements of the Joint Undertaking, and the dissemination of information concerning the value added. Calls upon the Joint Undertaking to pursue a proactive communications policy, disseminating the results of its research to the general public, e.g. via social media or other media outlets, thereby aiming to raise public awareness of the impact of Union support, with particular regard to market uptake;

23. Asks the Court to assess the soundness and reliability of the methodology for calculating and valuing in-kind contributions. The assessment should evaluate the design and the robustness of the guidance for the implementation of the in-kind contribution procedure in order to assist in the planning, reporting and certification process of the in-kind contributions;

Transport and Tourism

24. Emphasises that the objectives of the Joint Undertaking should be adjusted to take account of the need for progressive decarbonisation and that the necessary financial and human resources should be automatically provided in order to ensure that the Joint Undertaking has sufficient capacity for any adjustments made;

25. Notes that the Joint Undertaking is a public-private partnership between the Union and the aeronautic industry the goal of which is to develop breakthrough technologies to significantly increase the environmental performance of aeroplanes and air transport; notes that it was set up as the 'Clean Sky Joint Undertaking' in 2007 under the Seventh Framework Programme for Research and Technological Development ('FP7') and became the 'Clean Sky 2 Joint Undertaking' in 2014 under the Horizon 2020 Framework Programme for Research and Innovation;

26. Notes that the Joint Undertaking's programmes are jointly funded under Horizon 2020 (for the period 2014-2020) through subsidies of the Union up to EUR 1 755 million and in-kind contributions from the private members of at least EUR 2 193,75 million; notes that the Union and the private members equally share the administrative costs that shall not exceed EUR 78 million over that period;

27. Welcomes the major contribution made by the Joint Undertaking to the increased efficiency of the aviation sector; highlights the very good results and the essential role played by the Joint Undertaking in Europe in ensuring net accelerations in green technologies that aim to reduce CO_2, gas emissions and noise levels produced by aircrafts; highlights the strategic importance that this Joint Undertaking should play under the future Horizon Europe programme towards contributing to the new 2050 'climate neutrality' goals and to the planned CO_2 reductions due to technological progress;

28. Points out that global use of the technologies created and promoted by the Joint Undertaking could eliminate the equivalent of total CO_2 emissions by the Netherlands;

29. Stresses that Clean Sky I technologies have reduced CO_2 emissions per passenger by 19 % on long-haul and 40 % on medium-haul flights; calls for the Joint Undertaking to be given all necessary human and financial resources to build on this successful approach;

30. Notes that up to 40 % of the Joint Undertaking funding is allocated to its 16 Leaders and their affiliates, i.e. to the industrials committed to deliver the full Clean Sky 2 programme throughout its duration; notes that 30 % of the Joint Undertaking funding are to be awarded via calls for proposals and calls for tenders to its Core partners (selected for long-term commitments to the programme); further notes that the remaining 30 % of the funding are to be awarded via calls for proposals and calls for tenders to other partners (participating in specific topics and projects in the context of a well-defined, limited commitment);

31. Notes that, from the cut-off date of the provisional accounts 2018 (end of February 2019), the private members of the Joint Undertaking have reported a cumulative sum of EUR 399 million as in-kind contributions for Operational activities (IKOP), and that the Joint Undertaking has validated certified contribution to the value of EUR 279,9 million; notes similarly that the private members have reported a cumulative EUR 827,9 million in in kind contributions for Additional Activities (IKAA), of which EUR 620 million were validated by the Joint Undertaking;

32. Notes that the Joint Undertaking now counts 16 Leaders, 193 Core partners (including 50 SMEs) and that nine calls for proposals were launched (to allocate the remaining of funds to other partners); notes that eight of these calls have been evaluated, leading to the selection of 560 partners (including 31 % of SMEs that account for 25 % of funding) from 27 countries;

33. Notes that the Joint Undertaking is planning to revise its Financial Rules in order to align them to the new financial rules applicable to the general budget of the Union in accordance with Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council [2];

[2] Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

34. Notes that the Internal Audit Service issued a very important recommendation to the Joint Undertaking calling for the elaboration of a consolidated risk register, to cover risk affecting the programme and the Joint Undertaking as a stand-alone entity; notes that the Internal Audit Officer (IAO) declared to the management of the Joint Undertaking that there was a lack of objectivity due to their repeated involvement in management tasks and due to the quality management processes; urges the Joint Undertaking to immediately resolve this issue and fully implement the recommendation of the IAO;

35. Notes with concern that the IAO identified several risk areas, which require actions of the Joint Undertaking's management; expects the Joint Undertaking's management to take all necessary measures to mitigate those risks;

36. Notes that during the year 2018, three cases of alleged fraudulent activities were detected in connection with beneficiaries receiving funds from the Joint Undertaking and were notified to OLAF; calls on the Joint Undertaking to take all necessary measures to prevent cases of fraud in the future.

DECISION (EU) 2020/1843 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the Bio-based Industries Joint Undertaking for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Bio-based Industries Joint Undertaking for the financial year 2018,

— having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2018, together with the Joint Undertakings' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2018 (05763/2019 – C9-0068/2019),

— 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 71 thereof,

— having regard to Council Regulation (EU) No 560/2014 of 6 May 2014 establishing the Bio-based Industries Joint Undertaking ([5]), 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 ([6]),

— having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]),

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0034/2020),

([1]) OJ C 426, 18.12.2019, p. 1.
([2]) OJ C 426, 18.12.2019, p. 24.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 169, 7.6.2014, p. 130.
([6]) OJ L 38, 7.2.2014, p. 2.
([7]) OJ L 142, 29.5.2019, p. 16.

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 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1844 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the Bio-based Industries Joint Undertaking for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Bio-based Industries Joint Undertaking for the financial year 2018,

— having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2018, together with the Joint Undertakings' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2018 (05763/2019 – C9-0068/2019),

— 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 71 thereof,

— having regard to Council Regulation (EU) No 560/2014 of 6 May 2014 establishing the Bio-based Industries Joint Undertaking ([5]), 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 ([6]),

— having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]),

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0034/2020),

([1]) OJ C 426, 18.12.2019, p. 1.
([2]) OJ C 426, 18.12.2019, p. 24.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 169, 7.6.2014, p. 130.
([6]) OJ L 38, 7.2.2014, p. 2.
([7]) OJ L 142, 29.5.2019, p. 16.

1. Approves the closure of the accounts of the Bio-based Industries Joint Undertaking for the financial year 2018;

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	*The Secretary-General*
David Maria SASSOLI	Klaus WELLE

RESOLUTION (EU) 2020/1845 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 2018

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 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0034/2020),

A. whereas the Bio-based Industries Joint Undertaking (the 'Joint Undertaking') was established as a public-private partnership by the Regulation (EU) No 560/2014 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 accounting officer prepared the annual accounts of the Joint Undertaking for the year 2018;

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 the Joint Undertaking's lifespan, consisting of at least EUR 182 500 000 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 implement additional activities outside the work plan of the Joint Undertaking;

2. Notes that 19 out of 101 retained proposals from the 2018 call for proposals were at the grant agreement preparation stage by the end of 2018; notes, moreover, that by early 2018, the Joint Undertaking programme had a portfolio of 101 ongoing projects with a total of 1 169 participants from 35 countries with a total grant value of EUR 499 000 000;

3. Notes that the objectives of the Joint Undertaking could not be addressed with traditional Union instruments; observes that the Joint Undertaking has provided a structuring effect, bringing together the sectors and actors towards deployment of new value chains, and it has mobilised increasing investments on developing innovations for the bio-based industries; in addition, notes that the mission of the Joint Undertaking is to implement the Strategic Innovation and Research Agenda (SIRA) developed by the BIC and endorsed by the Commission;

4. Notes that effective communication is an essential component of successful Union-financed projects; considers it to be important to increase the visibility of the achievements of the Joint Undertaking and to disseminate information about their added value; calls on the Joint Undertaking to pursue a proactive communication policy by disseminating the results of its research to the public, such as by means of social media or other media outlets, thus raising public awareness of the impact of Union support, with particular regard to market uptake;

5. Asks the Court of Auditors (the 'Court') to assess the soundness and reliability of the methodology for calculating and valuing in-kind contributions; asks that that assessment evaluate the design and the robustness of the guidance for the implementation of the in-kind contributions procedure in order to assist in the planning, reporting and certification process of in-kind contributions;

Budget and financial management

6. Notes that the Court's report on the Joint Undertaking's annual accounts for the financial year 2018 (the 'Court's report') finds the annual accounts of the Joint Undertaking to be presented fairly, in all material respects, with regard to the Joint Undertaking's financial position on 31 December 2018 and the results of its operations and cash flows for the year then ended, in accordance with its financial regulation and with the accounting rules adopted by the Commission's accounting officer;

7. Notes that the Joint Undertaking's annual accounts provide that the final 2018 budget is to be available for implementation and include commitment appropriations of EUR 121 231 820 and payment appropriations of EUR 118 126 520, the utilisation rates for commitment and payment appropriations of which were 99 % and 71 %, respectively;

8. Observes that the payment appropriations were used mainly for the pre-financing of grant agreements resulting from the 2017 call for proposals and interim payments for projects from the previous calls for proposals; furthermore, notes that the lower implementation rate of payment appropriations was due to delays of some periodic reports and cost declarations significantly below the budget approved in the grant agreements;

9. Notes that out of the maximum of EUR 975 000 000 of Union cash contributions to be allocated to the Joint Undertaking over its lifespan, the Union had contributed a total amount of EUR 264 600 000 by the end of 2018;

10. Expresses concern about the fact that out of the EUR 757 900 000 of contributions to be made by the industry members to the operational activities and administrative costs of the Joint Undertaking, industry members reported in-kind contributions of only EUR 36 800 000 for operational activities, and the governing board validated contributions by the industry members to the Joint Undertaking's administrative costs of EUR 21 200 000 (EUR 12 100 000 in kind and EUR 9 100 000 in cash);

11. Notes from the Court's report that in 2018 the Joint Undertaking carried out a review in order to update the membership status of its constituent entities as the main basis for the validation and recognition of industry members' in-kind contributions to the Joint Undertaking's operational activities; observes with appreciation that that review is considered to be good practice and that the review should be carried out on a regular basis;

12. Regrets that out of the minimum EUR 182 500 000 of cash contributions to be made by the industry members to the Joint Undertaking's operational costs, only EUR 800 000 were paid by the end of 2018, and that, as a result, the Commission decided at the end of 2018 to reduce the Joint Undertaking's 2020 budget of EUR 205 000 000 by EUR 140 000 000; observes with concern that there is a high risk that the minimum amount of cash contributions will not be achieved by the end of the Joint Undertaking's lifespan;

Performance

13. Notes that the Joint Undertaking's available specific key performance indicators were found to be on track; welcomes the fact that the Joint Undertaking has operated efficiently and its average performance against the three main key performance indicators of Horizon 2020 exceeds the set targets in 2018;

14. Notes with concern the value of leverage effect of 1,88 at the end of 2018, which is below expectation; observes with concern that the realised leverage effect has been decreasing since 2015; calls the Joint Undertaking to take steps to meet the target leverage effect of 2,86 over the whole 2014 to 2020 period;

15. Notes that Joint Undertaking's calls for proposals are fully open to the participation of any stakeholder; welcomes the Joint Undertaking's great efforts in communicating its objectives and achievements as well as its calls to the stakeholders in the Union through its events, meetings and website;

16. Notes that experts confirm that the Joint Undertaking has attracted a satisfactory level of participation of the best Union players in the areas of the selected value chains; observes that the good balance of industry sector participation was achieved, representing 61 % of the total number of participants; highlights the fact that 54 % of the private for profit entities are small and medium-sized enterprises and that 27 % are large enterprises;

17. Notes that in 2018 the Joint Undertaking operations included the conclusion of 17 grant agreements, resulting from the 2017 call for proposals, bringing the total number of the Joint Undertaking portfolio to 82 by the end of 2018; in addition, notes that the Joint Undertaking successfully implemented the 2018 call for proposals; notes that the procedure was initiated before the end of 2018 for 19 retained proposals;

18. Observes that due to the design of the 2018 call for proposals and the management of the ranking system for the proposals, one out of two flagship topics of the call remained unfunded despite having received eligible and highly evaluated proposals for both topics;

19. Notes with satisfaction that in 2018 the Joint Undertaking achieved a reasonable gender balance in its various bodies (scientific committee: 60 % women and 40 % men; States Representatives Group: 59 % women and 41 % men; programme office: 61 % women and 39 % men; evaluation experts (2018 call for proposals): 48 % women and 52 % men; project coordinators: 45 % women and 55 % men), with the exception of the governing board (20 % women and 80 % men); notes the Joint Undertaking's observation that it has no influence over the composition of the governing board; notes with satisfaction the gender balance among the staff involved in Joint Undertaking projects (46 % women and 54 % men);

Procurement and recruitment procedures

20. Notes that at the end of 2018, the Joint Undertaking's staff comprised 23 members reaching its full staff establishment plan; observes that two recruitment procedures were launched in 2018, one for a contract agent and the other one for a temporary agent; however, notes that the Joint Undertaking was reinforced with three additional contract agents in 2018; in addition, notes that one candidate for a temporary post was appointed at the end of 2018 and took up the duties in the first quarter of 2019;

Internal audit

21. Notes that in November 2017, the internal auditing service (IAS) performed the audit field work for the audit "Limited review of the implementation of the internal control standards (ICSs) in the BBI JU"; observes that according to the Court's report, the situation at the end of 2018 showed that the Joint Undertaking had largely implemented the ICSs;

22. Observes that the programme office performed a self-assessment of its ICSs to assess the current level of implementation of the ICSs and to explore the conditions necessary to move the internal control framework of the organisation to a higher degree of maturity; notes that the IAS made three recommendations in order to support and complement existing Joint Undertaking's efforts in the field; observes that the programme office proposed the corresponding action plans and the IAS considered them adequate to mitigate the issues; however, notes with concern that the three standards considered were yet to be fully implemented at the beginning of 2018;

23. Notes that according to the annual activity report, almost all the ICSs are considered to be implemented or largely implemented, and that only certain standards remain to be fully implemented such as ICS 8 (processes and procedures), ICS 10 (business continuity) and ICS 11 (document management);

24. Notes that in 2017, the Joint Undertaking, together with the common audit service of Commission's Directorate-General for Research and Innovation launched the first *ex-post* audit of a random sample of Horizon 2020 interim cost claims; notes that the second wave of audits started in 2018 but due to the low number of participants audited, no conclusion can yet be drawn;

25. Notes with appreciation the Court's finding that the residual error rate is below materiality, amounting to 0,01 % for Horizon 2020;

26. Notes that the Commission's interim evaluation on the Joint Undertaking's activities from 2014 to 2016 was carried out, and that an action plan was prepared to address the recommendations raised; notes that according to the action plan, most of the actions to be taken in response to the recommendations are to be implemented in 2018 and 2019, and several actions have already been undertaken;

Legal framework

27. Notes with concern that while the interim evaluation of the Joint Undertaking was completed in accordance with the precise timeframe fixed in its legal framework, nevertheless, it could not provide the best added value for the Joint Undertaking's decision-making process at this early stage of its activity;

Prevention and management of conflicts of interests and transparency

28. Notes the fact that the Joint Undertaking, together with six other joint undertakings launched a common joint undertaking call for expression of interest to select up to seven confidential counsellors that will set up a network of confidential counsellors; notes that, as a result, two confidential counsellors were appointed by the executive directors in November 2018.

DECISION (EU) 2020/1846 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority (EIOPA) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2018 (005761/2020 – C9-0058/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), 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 ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Economic and Monetary Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0042/2020),

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 34.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 331, 15.12.2010, p. 48.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

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 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1847 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the European Insurance and Occupational Pensions Authority (EIOPA) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2018 (05761/2020 – C9-0058/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), 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 ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Economic and Monetary Affairs,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 34.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 331, 15.12.2010, p. 48.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

— having regard to the report of the Committee on Budgetary Control (A9-0042/2020),

1. Approves the closure of the accounts of the European Insurance and Occupational Pensions Authority for the financial year 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1848 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 (EIOPA) for the financial year 2018

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 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Economic and Monetary Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0042/2020),

A. 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 2018 was EUR 25 207 008, representing an increase of 5,03 % compared to 2017; whereas the Authority is financed by a contribution from the Union (EUR 9 365 000, representing 37,15 %) and contributions from national supervisory authorities from the Member States (EUR 15 742 008, representing 62,45 %) ([2]);

B. 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 2018 (the 'Court's report'), states 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 budget monitoring efforts during the financial year 2018 resulted in a budget implementation rate of 100 %, representing an increase of 0,21 % compared to 2017; notes furthermore that the payment appropriations execution rate was 85,48 %, representing a decrease of 2,61 % compared to 2017;

2. Notes that the Authority's workload is constantly evolving and includes both regulatory tasks and the enforcement and application of Union law;

Performance

3. Notes that each of the Authority's three operationally focused strategic objectives have key performance indicators (KPIs) assessing the added value provided by its activities and the improvement of its budget management, in addition to other indicators used internally;

4. Notes that the Authority achieved its target for eleven KPIs; acknowledges that it was close to achieving the target for the remaining two KPIs, which were missed only marginally;

5. Notes that the majority of the Authority's planned work (218 products and services) was delivered successfully and that 25 products and services experienced minor delays due to insufficient resources, but also to changes in requirements and priorities; further notes that only three work streams were not delivered as planned or with a tolerable delay;

([1]) OJ C 108, 22.3.2018, p. 147.
([2]) OJ C 108, 22.3.2018, p. 149.

6. Notes that the Authority is replacing its current e-human resources management system with Sysper, which is provided by the Commission; notes with concern the delay in the implementation of Sysper 2; calls on the Authority to report to the discharge authority on developments in that regard;

7. Notes with satisfaction that the Authority is proactive in identifying opportunities for efficiency and synergies with other agencies, in particular with the European Banking Authority (EBA) and the European Securities and Markets Authority (ESMA), through the European Supervisory Authorities' Joint Committee and through joint procurements; welcomes the Authority's priority to develop common guidance in cooperation with EBA and ESMA on how to integrate anti-money laundering and terrorist financing risks in prudential supervision; strongly encourages the Authority to actively seek further and broader cooperation with all Union agencies; moreover calls on the Authority to explore possible ways of merging its non-expert services, such as ICT, with other Union agencies;

8. Emphasises that the Authority's role in promoting a common supervisory regime across the European financial system is essential in order to ensure financial stability, a better integrated, more efficient and safer financial market, as well as a high degree of consumer protection in the Union by promoting fairness and transparency on the product and financial services market;

9. Underlines the central role of the Authority in contributing to high quality common regulatory and supervisory standards and practices, to the consistent application of legally binding Union acts, to stimulate and facilitate the delegation of tasks and responsibilities among competent authorities, to monitor and assess market developments within the scope of its competence and to foster the protection of policy holders, pension scheme members and beneficiaries;

10. Emphasises the need for closer supervision in certain Member States with a view to addressing vulnerabilities in the insurance markets of those Member States and protecting consumers from unfair practices of multinational insurance companies;

11. Stresses that, while making sure that all assignments are carried out in full and within deadline, the Authority should adhere to and make full use of the tasks and the mandate assigned to it by Parliament and the Council, and that the Authority must never attempt to go beyond its mandate; points out that focussing on the mandate assigned by Parliament and the Council will lead to a more effective and efficient use of resources;

12. Shares the Court's concern that, through peer reviews, national supervisors have a decisive say in the Authority's main governing body, which means that they are in a position to decide the scope of the Authority's action to review their own effectiveness;

Staff policy

13. Notes that, on 31 December 2018, the establishment plan was 95,54 % executed, with 107 temporary agents appointed out of 112 temporary agents authorised under the Union budget (compared with 101 authorised posts in 2017); notes that, in addition, 33 contract agents and 18 seconded national experts worked for the Authority in 2018;

14. Regrets the unbalanced participation of men (six members) and women (one member) in the management board; notes that the Authority has reported a relatively good gender balance for 2018 with regard to senior managers (five men and three women);

15. Notes that the Court considers that the Authority has not yet accomplished the shift from regulatory tasks to supervisory tasks and that the Authority should strengthen human resources assigned to supervisory tasks;

Procurement

16. Notes with concern that the Authority applied award criteria that consisted of non-competitive price elements for one procurement procedure; calls on the Authority to use award criteria that focus on competitive price elements;

Prevention and management of conflicts of interest and transparency

17. Acknowledges the measures the Authority already has in place and its ongoing efforts to secure transparency, to prevent and manage conflicts of interests, and to protect whistleblowers; notes the fact that the Authority publishes on its website a register of meetings with external stakeholders;

18. Underlines the importance of an open, efficient and independent administration for all Union agencies and the Union as a whole; recalls the problem of conflict of interest arising from 'revolving door' situations and stresses the need for a unified legal framework to address such issues;

Internal Controls

19. Notes that the Commission's Internal Audit Service issued an audit report on 'Stress Tests in EIOPA', which led to five recommendations for improvement and the implementation of an action plan;

20. Notes that in 2018, the Authority used 29 interim workers through contracts with temporary work agencies; recalls that, according to Directive 2008/104/EC of the European Parliament and of the Council ([3]), those workers should work under the same working conditions as workers employed directly by the Authority; notes with concern that the contracts did not require the temporary work agencies to respect those working conditions, causing litigation and reputational risks; calls on the Authority to analyse the working conditions of its interim workers and ensure they are in line with Union and national labour law;

Other comments

21. Notes that a future decrease in the Authority's revenue is possible as a result of the United Kingdom's withdrawal from the Union; notes that the Authority issued two opinions to insurers and national supervisory authorities on steps to take to avoid service interruptions and to minimise risk;

22. Underlines the responsibility of the financial system in meeting sustainability challenges and ensuring that the Union meets the obligations undertaken in the framework of the Paris Agreement under the United Nations Framework Convention on Climate Change; highlights the crucial role of the Authority in integrating environmental, social and governance related factors into the regulatory and supervisory framework and in mobilising and guiding private capital flows towards sustainable investments; therefore stresses the need for sufficient resources to monitor the implementation of that framework by financial institutions and national competent authorities;

23. Calls on the Authority to focus on disseminating the results of its research to the public, and to reach out to the public via social media and other media outlets;

24. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 ([4]) on the performance, financial management and control of the agencies.

([3]) Directive 2008/104/EC of the European Parliament and of the Council of 19 November 2008 on temporary agency work (OJ L 327, 5.12.2008, p. 9).

([4]) Texts adopted, P9_TA(2020)0121.

DECISION (EU) 2020/1849 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the ECSEL Joint Undertaking for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the ECSEL Joint Undertaking for the financial year 2018,

— having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2018, together with the Joint Undertakings' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2018 (05763/2019 – C9-0072/2019),

— 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 71 thereof,

— having regard to Council Regulation (EU) No 561/2014 of 6 May 2014 establishing the ECSEL Joint Undertaking ([5]), 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 ([6]),

— having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]),

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0045/2020),

([1]) OJ C 426, 18.12.2019, p. 1.
([2]) OJ C 426, 18.12.2019, p. 24.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 169, 7.6.2014, p. 152.
([6]) OJ L 38, 7.2.2014, p. 2.
([7]) OJ L 142, 29.5.2019, p. 16.

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 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1850 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the ECSEL Joint Undertaking for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the ECSEL Joint Undertaking for the financial year 2018,

— having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2018, together with the Joint Undertakings' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the joint undertaking in respect of the implementation of the budget for the financial year 2018 (05763/2019 – C9-0072/2019),

— 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 71 thereof,

— having regard to Council Regulation (EU) No 561/2014 of 6 May 2014 establishing the ECSEL Joint Undertaking ([5]), 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 ([6]),

— having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]),

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0045/2020),

([1]) OJ C 426, 18.12.2019, p. 1.
([2]) OJ C 426, 18.12.2019, p. 24.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 169, 7.6.2014, p. 152.
([6]) OJ L 38, 7.2.2014, p. 2.
([7]) OJ L 142, 29.5.2019, p. 16.

1. Approves the closure of the accounts of the ECSEL Joint Undertaking for the financial year 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1851 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 2018

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the ECSEL Joint Undertaking for the financial year 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0045/2020),

A. whereas the ECSEL Joint Undertaking on Electronic Components and Systems for European Leadership (the 'Joint Undertaking') was established on 7 June 2014 within the meaning of Article 187 of the Treaty on the Functioning of the European Union for the implementation of the Joint Technology Initiative on 'Electronic Components and Systems for European Leadership' (ECSEL), for a period up to 31 December 2024;

B. whereas the Joint Undertaking was established by Council Regulation (EU) No 561/2014 ([1]) in June 2014 to replace and succeed the ARTEMIS and the ENIAC Joint Undertakings;

C. whereas the members of the Joint Undertaking are the Union, the Member States and, on a voluntary basis, the associated countries (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;

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;

Budgetary and financial management

1. Notes that the report of the Court of Auditors (the 'Court') on the Joint Undertaking's annual accounts for the financial year 2018 (the 'Court's report'), finds the annual accounts to be presented fairly, in all material respects, with regard to the Joint Undertaking's financial position as at 31 December 2018 and the results of its operations, its cash flows and the changes in its net assets for the year then ended, in accordance with its financial rules and the accounting rules adopted by the Commission's accounting officer;

2. Notes that the Joint Undertaking's final budget for the financial year 2018 included commitment appropriations of EUR 194 100 000 and payment appropriation of EUR 310 554 000; notes that the utilisation rates for commitment and payment appropriations were 98 % and 65 % respectively;

3. Notes that the Court's report states that the transactions underlying the annual accounts of the Joint Undertaking for the financial year 2018 are, in all material respects, legal and regular;

4. Notes that at the end of 2018, the Union contributed EUR 637 600 000 from the Seventh Framework Programme fund for the co-financing of the joint activities, and a further EUR 17 900 000 for the co-financing of related administrative costs; notes that the cumulated commitment for the Seventh Framework Programme operational activities amounted to EUR 606 000 000, and that the related cumulated payments were EUR 529 000 000; notes that in 2018, the implementation rate for the available payment appropriations of EUR 98 000 000 for Seventh Framework Programme projects was a low 42 %, which was mainly due to the national funding authorities' delays in providing end of project certificates for ongoing Seventh Framework Programme activities;

5. Observes that the payments made by the Joint Undertaking for Seventh Framework Programme projects amounted to EUR 41 000 000, which represented 22 % of the total operational payments made in 2018; in addition, notes that the residual error rate at the end of the year was 3,36 %;

([1]) OJ L 169, 7.6.2014, p. 152.

6. Notes that for Seventh Framework Programme operational payments, the Joint Undertaking is still dependent on the EPS national funding authorities, resulting in an enhanced risk regarding timely final payments;

7. Notes with alarm that in 2018 Participating States, which are required to contribute at least EUR 1 170 000 000 to Horizon 2020 operational activities of the Joint Undertaking, made commitments amounting to EUR 564 000 000 and payments of EUR 178 000 000, representing 15 % of the total required contributions; notes that the low level of the Participating States' contributions is related to the fact that some Participating States only recognise and report their costs to the Joint Undertaking at the end of the Horizon 2020 projects that they support; notes that the implementation rate of the budget available for Horizon 2020 was 100 % for the commitment appropriations and 72 % for the payment appropriations, and that the rate of payment appropriation resulted in a lower amount due to the additional contribution of EUR 20 000 000 received in December 2018;

8. Notes that out of the EUR 1 657 500 000 of contributions to be made by industry members to the activities of the Joint Undertaking, at the end of 2018, the Joint Undertaking estimated that the members had made in-kind contributions of EUR 705 400 000, compared to the Union's cash contribution of EUR 512 000 000; notes furthermore that industry members' cash contributions were EUR 11 300 000 and that their in-kind contributions that were reported but not validated amounted to EUR 694 100 000;

Performance

9. Notes the use of key performance indicators (KPIs) for measuring operational and programme performance, and that the Joint Undertaking is working with the other Joint Undertakings' and its stakeholders to define common impact KPIs and methodologies to assess those KPIs;

10. Observes that the management cost ratio (administrative/operational budget) remains below the 5 %, thus pointing to rather lean and efficient organisational structure of the Joint Undertaking;

11. Welcomes the fact that the total achieved leverage in 2018 for the Joint Undertaking programme, calculated as the Horizon 2020 cost minus Union funding divided by the Union funding, is equal to 3, exceeding the target leverage effect over the whole 2014 to 2020 period; notes furthermore that the total achieved leverage is 3,3 if national cost is taken as a basis;

12. Notes that the Joint Undertaking has made efforts to consolidate and develop its activities to allow for smooth and efficient running of the Join Undertaking; observes that four calls for proposals were launched in 2018 resulting in the selection of 13 collaborative projects and two coordination and support actions;

13. Notes that the joint Undertaking launched two calls for proposals; although the number of proposals decreased for a fourth year in a row, the number of selected proposals is the same as in 2017;

14. Notes that effective communication is an essential component of successful Union-financed projects; considers it to be important to increase the visibility of the achievements of the Joint Undertaking, and the dissemination of information on their added value; calls on the Joint Undertaking to pursue a proactive communication policy disseminating the results of its research to the public, such as by means of social media or other media outlets, thus raising public awareness of the impact of Union support with particular regard to market uptake;

Staff

15. Notes that out of 31 authorised posts on the establishment plan 30 were filled in 2018: 14 by temporary agents and 16 by contract agents; notes also that, in 2018, the posts of two heads of administration, one chief financial officer and one programme officer were occupied;

16. Notes the information contained in the 2018 annual activity report of the Joint Undertaking regarding gender balance in ECSEL projects, indicating that the total number of women engaged in ECSEL projects running in 2018 and projects reported that year (running from 2014, 2015 and 2016) was 3 336 (or 18 %), compared to 14 820 men (or 82%); notes that not all staff members of recipient undertakings engaged in ECSEL projects carry out research activities and that only 16 % of research staff are female;

Procurement

17. Notes with grave concern that the Court found significant shortcomings in the management of the procurement procedures for administrative services; notes from the Joint Undertaking's replies that a budget, procurement, and contracts assistant has been nominated to address this issue;

Internal controls

18. 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; notes that the Court's report refers to the fact that for Horizon 2020 payments the Commission's common audit service is responsible for the *ex post* audits, and the residual error rates calculated by the Joint Undertaking was 1,15 % at the end of 2018;

19. Notes 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, the Joint Undertaking received 22 declarations out of 27 from the NFAs, and acknowledges that they provide a reasonable protection of the financial interest of its members;

20. Observes that the Commission carried out its final evaluation on the ARTEMIS and the ENIAC Joint Undertakings for the period 2008 to 2013, together with its interim evaluation on the Joint Venture operating under Horizon 2020 covering the period 2014 to 2016; notes that the Joint Undertaking prepared and adopted an action plan to address the recommendations of these evaluations and that some activities are already initiated; however, the majority of the activities remain to be implemented in 2019, while some of them were considered beyond the scope of the Joint Undertaking;

21. Notes that the final payment for the implementation of the service-level agreement concluded with one industry member for the provision of communication services and for the organisation of events, was made without the necessary supporting documents;

22. Asks the Court to assess the soundness and reliability of the methodology for calculating and valuing in-kind contributions and suggests that the assessment evaluate the design and the robustness of the guidance for the implementation of the in-kind contribution procedure in order to assist in the planning, reporting and certification process of in-kind contributions.

23. Notes with concern that the Joint Undertaking detected that cash contributions for administrative costs amounting to more than EUR 1 000 000 were not invoiced by the ENIAC to the industry member AENEAS before the Joint Undertaking was set up; in order to solve this problem, the Joint Undertaking received EUR 1 000 000 from its members as a 'prepaid cash contribution'; calls on the Joint Undertaking to issue the debit note without delay;

Internal audit

24. Notes that in 2018 the Commission's internal audit services (IAS) performed a risk assessment; notes that the IAS followed-up on its audit recommendations on Horizon 2020 grant process and performance in the Joint Undertaking; acknowledges the fact that the IAS has concluded that all recommendations have been adequately implemented;

Human resources management

25. Notes that on 31 December 2018, the Joint Undertaking employed 30 staff; notes that during 2018 the Joint Undertaking filled two positions, one for head of administration and finance and the other for programme officer, and advertised a post for a seconded national expert position;

26. Notes 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 6 August 2018; notes that a new set of five implementing rules of the Staff Regulations has been validated by the Governing Board in January 2018.

DECISION (EU) 2020/1852 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2018,

— having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2018, together with the Joint Undertakings' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2018 (05763/2020 – C9-0069/2020),

— 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 71 thereof,

— having regard to Council Regulation (EU) No 557/2014 of 6 May 2014 establishing the Innovative Medicines Initiative 2 Joint Undertaking ([5]), 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 ([6]),

— having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]),

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0046/2020),

([1]) OJ C 426, 18.12.2019, p. 1.
([2]) OJ C 426, 18.12.2019, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 169, 7.6.2014, p. 54.
([6]) OJ L 38, 7.2.2014, p. 2.
([7]) OJ L 142, 29.5.2019, p. 16.

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 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1853 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2018,

— having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2018, together with the Joint Undertakings' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2018 (05763/2020 – C9-0069/2020),

— 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 71 thereof,

— having regard to Council Regulation (EU) No 557/2014 of 6 May 2014 establishing the Innovative Medicines Initiative 2 Joint Undertaking ([5]), 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 ([6]),

— having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]),

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0046/2020),

([1]) OJ C 426, 18.12.2019, p. 1.
([2]) OJ C 426, 18.12.2019, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 169, 7.6.2014, p. 54.
([6]) OJ L 38, 7.2.2014, p. 2.
([7]) OJ L 142, 29.5.2019, p. 16.

1. Approves the closure of the accounts of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1854 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 2018

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 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0046/2020),

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 improve significantly the efficiency and effectiveness of the drug development process with the long-term aim of the pharmaceutical sector producing more effective and safer innovative medicines;

B. whereas, following the adoption of Council Regulation (EU) No 557/2014 ([1]) in May 2014, the Innovative Medicines Initiative 2 Joint Undertaking ('IMI2 Joint Undertaking') was established for the period up to 31 December 2024; whereas it replaces and follows the IMI Joint Undertaking in June 2014 with the aim of finalising research activities under the Seventh Framework Programme and launching a new project in the Horizon 2020 framework;

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 IMI Joint Undertaking and IMI2 Joint Undertaking;

D. whereas the maximum contribution from the Union to the IMI Joint Undertaking is EUR 1 000 000 000 for the period of 10 years, 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 IMI2 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 the report of the Court of Auditors (the 'Court') on the IMI2 Joint Undertaking's annual accounts for the financial year 2018 (the 'Court's report) finds the annual accounts to be presented fairly, in all material respects, with regard to the IMI2 Joint Undertaking's financial position on 31 December 2018 and the results of its operations, its cash flows, and the changes in its 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;

2. Notes the opinion of the Court on the legality and regularity of transactions underlying the annual accounts of the IMI2 Joint Undertaking for the year 2018, which concluded that those transactions are legal and regular in all material respects;

3. Notes that the final 2018 budget was EUR 275 600 000 in commitment appropriations (EUR 187 900 000 in 2017) and EUR 235 900 000 in payment appropriations (EUR 206 400 000 in 2017); including unused appropriations from previous years and assigned revenues, the total available commitment budget was EUR 485 596 000 (EUR 322 400 000 in 2017) and the available payment budget was EUR 235 963 021 (EUR 206 400 000 in 2017);

([1]) Council Regulation (EU) No 557/2014 of 6 May 2014 establishing the Innovative Medicines Initiative 2 Joint Undertaking (OJ L 169, 7.6.2014, p. 54).

4. Notes that out of the EUR 1 000 000 000 of contributions to be made by industry members to the activities of the IMI Joint Undertaking, by the end of 2018 the IMI2 Joint Undertaking had validated in-kind and cash contributions of EUR 655 200 000, more precisely EUR 633 300 000 in-kind and EUR 21 900 000 in cash contributions; points out that a further EUR 80 600 000 of in-kind contributions without validation had been reported by the members to the IMI2 Joint Undertaking; highlights the fact that consequently, at the end of 2018, the in-kind and cash contributions of the industry members amounted to EUR 735 800 000, compared to the Union's cash contributions to the Seventh Framework Programme activities of the IMI2 Joint Undertaking, which amounted to EUR 916 000 000;

5. Notes with satisfaction that in 2018 IMI Joint Undertaking utilisation rates for payment appropriations for the Seventh Framework Programme projects were 88 %, an improvement from the previous period when the utilisation rates stayed below 75 % for four consecutive years; further notes that the implementation rate for payment appropriations under Horizon 2020 was 86 % and that in 2018 the implementation of commitment and payment appropriations for administrative and operational expenditure was greater than in 2017;

6. Notes that out of the EUR 1 425 000 000 of in-kind and cash contributions to be made by industry members and associated partners to the activities of the IMI2 Joint Undertaking, in-kind contributions of EUR 130 500 000 had been validated by the executive director, and a further amount of EUR 83 900 000 had been reported by the end of 2018; notes in addition that the executive director had validated cash contributions by the industry members of EUR 13 500 000; notes, moreover, that, at the end of 2018, the total contributions of industry members to the Horizon 2020 activities of the IMI2 Joint Undertaking consequently amounted to EUR 227 700 000, compared to the Union's cash contribution of EUR 241 900 000;

7. Notes that, in 2018, three budget amendments were adopted by the IMI2 Joint Undertaking's governing board:

   (a) on 12 June 2018, to include the amounts carried over (EUR 209 698 405 in commitment appropriations and EUR 56 133 212 in payment appropriations) from the previous year;

   (b) on 13 July 2018, to include additional carryovers (EUR 25 669 in commitment appropriations and EUR 25 669 in payment appropriations) from the previous year, specifically corresponding to the IMI Joint Undertaking amounts recovered from recipients in 2017 and carried over to the 2018 budget; and

   (c) on 5 December 2018, to reduce operational payment appropriations by EUR 36 332 261 as a result of reducing the Union's contribution to operational costs (EUR 34 978 261) and postponing to 2019 the contribution of IMI2 Joint Undertaking partner (Bill and Melinda Gates Foundation) to the operational costs (EUR 1 354 000) carried over to the following year;

8. Notes that, at the end of 2018, the estimated unused payment appropriations for the operational and administrative expenditure approved by the board of directors of the IMI2 Joint Undertaking to be carried over to 2019 amounted to EUR 30 943 429; notes with concern the Court's observation that, while the situation has improved following the corrective measures taken by the IMI2 Joint Undertaking, there are still weaknesses regarding planning and monitoring of the need for new payment appropriations;

Performance

9. Notes that 2018 was the first year when the IMI2 Joint Undertaking reported on revised key performance indicators in its 2018 annual activity report ('AAR'); welcomes the fact that this step has proven to be an effective monitoring tool that has resulted in increasing the level of transparency regarding the IMI2 Joint Undertaking's achievements and thus attracted the interest of civil society members;

10. Notes that, according to the AAR, the analysis of the data collected up to 31 December 2018 shows that almost all the relevant priority areas in the IMI2 Joint Undertaking's strategic research agenda are addressed by the IMI2 Joint Undertaking's projects (11 out of 12);

11. Welcomes the fact that the IMI2 Joint Undertaking signed a total of 20 new grant agreements in 2018, bringing the total project portfolio to 119 (59 IMI Joint Undertaking + 60 IMI2 Joint Undertaking projects);

12. Observes that the management cost ratio (administrative/operational budget) remains below 5 %, thus pointing to the rather lean and efficient nature of the IMI2 Joint Undertaking's organisational structure;

13. Notes that in 2018 the IMI2 Joint Undertaking's leverage effect value was 0,99;

14. Notes that effective communication is an essential component of successful Union-financed projects; considers it to be important to increase the visibility of the achievements of the IMI2 Joint Undertaking, and to disseminate information on their added value; calls on the IMI2 Joint Undertaking to pursue a proactive communications policy by disseminating the results of its research to the public, such as by means of social media or other media outlets, thus raising public awareness of the impact of Union support, with particular regard to market uptake;

15. Welcomes the successful launch of EBOVAC3 in 2018 aimed at running clinical trials in children in Sierra Leone and Guinea; notes furthermore that the project is implementing a clinical study in health care providers in the Democratic Republic of Congo that is contributing to fight the disease; notes with satisfaction that the lessons learned through IMI2 Joint Undertaking's Ebola+ projects can be applied to other emerging infectious diseases;

16. Calls upon the IMI2 Joint Undertaking to consider revising the number of funded projects in the future; further notes that a smaller number of bigger and well-funded projects would greatly clarify the area of operation of the IMI2 Joint Undertaking, and make it easier for the general public to comprehend its benefits;

Staff and recruitment

17. Notes that, in December 2018, the total number of staff posts filled in the IMI2 Joint Undertaking was 48 (49 in 2017);

18. Notes that, at the end of 2018, the nationalities of 15 Member States were represented in the IMI2 Joint Undertaking, seven of them with one staff member; notes that 73 % of the 48 staff members were women and only 27 % men;

19. Notes with concern the Court's finding that, in 2018, the IMI2 Joint Undertaking's staff turnover rate was high at an average of 21 %, and particularly high at 60 % for contract agents, and the situation worsened due to eight people being on long-term sick leave of whom four were new cases in 2018, thus only half of the IMI2 Joint Undertaking's staff was fit for service in 2018, which increased the risk that the IMI2 Joint Undertaking's operational objectives would not be achieved as planned; notes that, to resolve the staffing difficulties, the IMI2 Joint Undertaking made use of interim staff, who represented 9,8% of its total staff in 2018 and has invested resources in retaining its talents through training and wellbeing activities on one side, and in reaching full staffing on the other; expresses concern about the number of members of staff on long-term sick leave and is concerned that some of those cases may relate to exhaustion and an unsatisfactory work-life balance; calls on the IMI2 Joint Undertaking to be proactive towards the staff concerned, to carefully evaluate the staff workload and to ensure a balanced distribution of tasks;

Internal audit

20. Notes that the Commission's internal audit service (IAS) final audit report on the 'Coordination with the Common Support Centre (CSC) and implementation of CSC tools and services in the IMI2 JU' issued in March 2018 concluded that IMI2 Joint Undertaking has implemented adequate governance, risk management and internal controls processes that effectively and efficiently support its coordination activities with the CSC and the implementation of the CSC tools and services;

21. Notes that the IAS audit did not result in any critical or very important issues being identified, and three 'important' recommendations were issued; notes that IMI2 Joint Undertaking prepared an action plan which translated the three recommendations into five actions, and four of those actions, which addressed two of the recommendations, were implemented by the end of 2018;

Internal control systems

22. Notes the Court's finding that the IMI2 Joint Undertaking has set up reliable *ex ante* control procedures, based on financial and operational desk reviews, in particular, for the Seventh Framework Programme interim and final payments; observes that the IMI2 Joint Undertaking performs *ex post* audits on beneficiaries' premises, whilst for Horizon 2020 project cost claims, the IAS is responsible for the *ex post* audits; notes that the residual error rates for the *ex post* audits reported by the IMI2 Joint Undertaking at the end of 2018 were 0,87 % for the Seventh Framework Programme and 0,67 % for Horizon 2020;

23. Notes that, in December 2017, the IMI2 Joint Undertaking's governing board adopted the IMI2 Joint Undertaking's internal control framework, which is aligned with the Commission's control framework; notes that, in 2018, the IMI2 Joint Undertaking's internal control action plan focused on the implementation of the new principles of the internal control framework and revision, and on the development of the structure of the internal control environment; notes that new operational guidance for the implementation and measurement of the effectiveness of the control system was adopted;

24. Notes that the Commission's Directorate-General for Budget (DG BUDG) carried out its annual evaluation of the local financial systems set up in the IMI2 Joint Undertaking, and reviewed the information on changes in the local systems and in the control environment, evaluated internal control deficiencies identified by audits and supervisory controls, and verified a sample of transactions for the operations; notes that DG BUDG concluded on 13 December 2018 that the IMI2 Joint Undertaking's internal control systems were working as intended; notes that the IMI2 Joint Undertaking completed the implementation of the action plan which was approved by the accounting officer on 5 February 2018, that the situation with regard to implementation of the action plan was assessed by DG BUDG, and that all five recommendations were closed by 28 January 2019;

25. Invites the Court to assess the soundness and reliability of the methodology for calculating and valuing in-kind contributions, and the assessment should evaluate the design and the robustness of the guidance for the implementation of the in-kind contribution procedure in order to assist in the planning, reporting and certification process for the in-kind contributions.

DECISION (EU) 2020/1855 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the Shift2Rail Joint Undertaking for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Shift2Rail Joint Undertaking for the financial year 2018,

— having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2018, together with the Joint Undertakings' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2018 (05763/2019 – C9-0071/2019),

— 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 71 thereof,

— having regard to Council Regulation (EU) No 642/2014 of 16 June 2014 establishing the Shift2Rail Joint Undertaking ([5]), 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 ([6]),

— Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]),

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Transport and Tourism,

— having regard to the report of the Committee on Budgetary Control (A9-0055/2020),

([1]) OJ C 426, 18.12.2019, p. 1.
([2]) OJ C 426, 18.12.2019, p. 57.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 177, 17.6.2014, p. 9.
([6]) OJ L 38, 7.2.2014, p. 2.
([7]) OJ L 142, 29.5.2019, p. 16.

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 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1856 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the Shift2Rail Joint Undertaking for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Shift2Rail Joint Undertaking for the financial year 2018,

— having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2018, 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2018 (05763/2019 – C9-0071/2019),

— 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 71 thereof,

— having regard to Council Regulation (EU) No 642/2014 of 16 June 2014 establishing the Shift2Rail Joint Undertaking ([5]), 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 ([6]),

— Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]),

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Transport and Tourism,

— having regard to the report of the Committee on Budgetary Control (A9-0055/2020).

([1]) OJ C 426, 18.12.2019, p. 1.
([2]) OJ C 426, 18.12.2019, p. 57.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 177, 17.6.2014, p. 9.
([6]) OJ L 38, 7.2.2014, p. 2.
([7]) OJ L 142, 29.5.2019, p. 16.

1. Approves the closure of the accounts of the Shift2Rail Joint Undertaking for the financial year 2018.

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1857 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 2018

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 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Transport and Tourism,

— having regard to the report of the Committee on Budgetary Control (A9-0055/2020),

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 ([1]);

B. whereas the founding members are the European 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 to achieve a Single European Railway Area; to enhance the attractiveness and competitiveness of the European railway system; to ensure a modal shift from road transport; and 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. Notes that the report of the Court of Auditors (the "Court") on the Joint Undertaking's annual accounts for the financial year 2018 (the "Court's report") finds the annual accounts to be presented fairly, in all material respects, with regard to the Joint Undertaking's financial position on 31 December 2018 and 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;

2. Acknowledges that the Court's report states that the transactions underlying the annual accounts of the Joint Undertaking for the financial year 2018 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;

4. Notes that effective communication is an essential component of successful Union-financed projects; considers it to be important to increase the visibility of the achievements of the Joint Undertaking and the disseminate information on their added value; calls on the Joint Undertaking to pursue a proactive communication policy by disseminating the results of its research to the public, such as by means of social media or other media outlets, thus raising public awareness of the impact of Union support, with particular regard to market uptake;

([1]) Council Regulation (EU) No 642/2014 of 16 June 2014 establishing the Shift2Rail Joint Undertaking (OJ L 177, 17.6.2014, p. 9).

5. Asks the Court to assess the soundness and reliability of the methodology for calculating and valuing in-kind contributions. The assessment shall evaluate the design and the robustness of the guidance for the implementation of the in-kind contribution procedure in order to assist in the planning, reporting and certification process of the in-kind contributions;

Budget and financial management

6. Notes that the final 2018 budget available for implementation included commitment appropriations of EUR 84 756 000 and payment appropriations of EUR 71 890 204; stresses that the utilisation rates for commitment and payment appropriations were 100 % and 82,3 % respectively which represent a low level, especially for payment appropriations; notes that lower than expected payment appropriations' implementation is due to a pending legal decision concerning the membership of the Joint Undertaking; notes the low (63.4 %) rate of implementation of payment appropriation in Title 2 (administrative expenditures, representing 3 % of the Joint Undertaking's budget) due to delays in invoicing by the suppliers under multi-annual framework contracts; notes, moreover, that most of the payments made by the Joint Undertaking in 2018 were interim payments for the Horizon 2020 projects selected under the 2015 and 2016 calls for proposals, as well as pre-financing payments for Horizon 2020 projects selected under the 2018 calls for proposals;

7. Observes that, out of EUR 411 200 000 (including EUR 158 900 000 as the maximum of the Union cash contribution, and the industry members' cash contribution to the Joint Undertakings' administrative costs of EUR 6 500 000) by the end of 2018, the Joint Undertaking had made commitments of EUR 84 756 000 and payments of EUR 59 155 000 for the implementation of its first wave of projects; this shows that the Joint Undertaking has currently signed interdependent multiannual grant agreements and procurement contracts for the implementation of 39 % of the Joint Undertaking's research and innovation programme, in line with the Joint Undertaking's multi-annual work programme;

8. Welcomes the fact that out of 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 2018, i.e. four months after the Joint Undertaking had launched its first Horizon 2020 projects, the industry members had reported in-kind contributions of EUR 63 700 000 for operational activities, of which EUR 21 700 000 had been certified; moreover, notes that out of EUR 120 000 000 of contributions to be made by the industry members to additional activities of the Joint Undertaking, the industry members had reported in cash contributions of EUR 6 500 000 for other activities outside of the Joint Undertaking's work plan;

9. Observes that by the end of 2018, the total contributions from industry members amounted to EUR 252 300 000, compared to the Union's cash contribution of EUR 158 900 000;

10. Notes that, in 2018, the Joint Undertaking signed 17 grant agreements resulting from the calls for proposals of 2018, and that the value of the research and innovation activities of those calls for proposals amounted to EUR 152 600 000, to be co-funded by the Joint Undertaking up to a maximum of EUR 77 300 000; notes that the other members agreed to limit their request for co-funding to 44,44 % of the total project costs, which is the lowest overall for Horizon 2020 Framework Programme; notes with regret that only 76 small and medium-sized enterprises (SMEs) participated to the 2018 call (120 in 2017) and 40 SMEs (50 in 2017) were retained for funding (21,6 % of all retained participants for funding);

Performance

11. Notes that the third set of key performance indicators will be developed on the basis of first Horizon 2020 results due to the nature of the projects; in addition, takes note that the Joint Undertaking continued the development of a key performance indicators model to measure the contribution of the research and innovation activities to its Regulation; notes that this work is still ongoing and the first results were presented to the governing board in December 2018;

12. Observes that the management cost ratio (administrative/operational budget) remains below the 5 %, thus pointing to rather lean and efficient organisational structure of the Joint Undertaking;

13. Takes note that the Joint Undertaking helped to create continuity and shared common vision for rail research within the railway community; notes that, in addition, the Joint Undertaking has helped to build trust between players that would otherwise not have the opportunity to share ideas and common interests outside a commercial situation; observes that the presence of rail operators in the Joint Undertaking should be strengthened over time;

14. Notes that the Joint Undertaking should contribute to addressing the challenges faced by the rail sector focusing on the needs of the rail system and of its users, including in Member States that do not have a railway system within their territory; observes that in order to do that, the Joint Undertaking is implementing the Shift2Rail Programme, and research and innovation activities in the railway sector in Europe, through the collaboration between stakeholders and Member States; notes that particular attention should be given to promoting concrete measures for the removal of remaining technical obstacles to enhancing interoperability and to actions supporting a more integrated, efficient and safe Union railway market, with the ultimate aim of realising the Single European Railway Area;

15. Notes that the Joint Undertaking launched the 2018 call for proposals for grants restricted to its members, as a lump sum funding scheme; however, the financial experts involved in the grant evaluation phase revealed some relevant deviations in the financial proposals; the Joint Undertaking used the grant preparation phase to analyse the beneficiaries' explanations for the deviations and to correct the lump sum if justified; calls on the Joint Undertaking to continue to strengthen the financial data in its beneficiary database and to disclose important financial experts' comments in the evaluation summary report; takes note of the Joint Undertaking's reply that all legal and financial aspects of the Commission Decision C(2017)7151 ([2]) have been strictly followed-up, and that the Authorising Officer has ensured that all the comments of the experts, technical and financial, have been taken in due consideration; moreover, taking into account the recommendation of the Court, the overall process will be further enhanced in the 2019 call for proposals;

16. Notes that, according to the 2018 annual activity report of the Joint Undertaking, the key performance indicators regarding gender balance for that year show a very low percentage of women - only 15 % - on the board, while they made up 34 % of the Joint Undertaking representatives and 40 % of the Scientific Committee;

Personal selection and recruitment

17. Notes that in 2018, the Joint Undertaking recruited two seconded national experts in accordance with the Staff Establishment Plan, and with the agreement of the budget authority, recruited a third one for a one-year secondment in order to replace one Programme Manager;

18. Notes that at the end of 2018, the Joint Undertaking's staff consisted of 22 members out of the 23 who were foreseen in the Staff Establishment Plan;

Internal Control

19. Notes that the Joint Undertaking has set up reliable *ex ante* control procedures based on financial and operational desk reviews and that the Common Audit Service of Directorate-General for Research and Innovation of the Commission (the "common audit service") is responsible for the *ex post* audit of Horizon 2020 project cost claims; notes, moreover, that the situation at the end of 2018 showed that the most important internal control standards were largely implemented with some actions remaining to be completed in 2019, in particular, the revision of the key performance indicator model;

20. Takes note that the residual error rate for the Horizon 2020 Programme was below the materiality threshold according to the Court, amounting to 0,97 %; takes into consideration that at the end of 2018, the Joint Undertaking could base its error rate calculation on four *ex post* audit reports, one related to the risk based audit and three related to the Joint Undertaking representative sample;

([2]) Commission Decision C(2017)7151 of 27 October 2017 on authorising the use of reimbursement on the basis of a lump sum for the eligible costs of actions under the Horizon 2020 Framework Programme for Research and Innovation and under the Research and Training Programme of the European Atomic Energy Community (2014- 2018).

21. Acknowledges the fact that the internal audit service performs the role of internal auditor of the Joint Undertaking and that, in this respect, it reports to the governing board and the executive director indirectly; notes that the first audit mission established a risk profile of the Joint Undertaking with the objective of establishing a triennial internal audit plan; observes that the internal audit service strategic internal audit plan 2017-2019 was presented in June 2017; moreover, in accordance with this audit plan, the internal audit service, in 2018, carried out a limited review of the implementation of internal control standards; observes with satisfaction that of the five recommendations to management to address the shortcomings identified that had not yet been fully implemented, only one still required implementing actions in 2019;

22. Notes with regret that, at the end of 2017, the Commission's common Horizon 2020 grant management and monitoring tools had not finished the specific developments needed for the processing of the Joint Undertaking's in-kind contributions; however, notes that in-kind contributions have been validated by the executive director in 2018;

23. Observes that the Commission's interim evaluation on the Joint Undertaking's operating activities under Horizon 2020 covering the period from 2014 to 2016 was carried out; notes that an action plan has been prepared and adopted by the governing board in June 2018; takes into consideration that not all recommendations raised in the interim evaluation will be addressed under the current financial framework programme; however, notes that some actions included in the action plan have already been initiated, while others are expected to be implemented by 2020;

Others issues

24. Insists on the importance of the cooperation between the Joint Undertaking and the Union Agency for Railways (ERA); notes the involvement of ERA in meetings of the Joint Undertaking's governing board and in the groups that drafted the multi-annual action plan; notes that the Joint Undertaking assessed the requests for research and innovation coming from ERA in order to avoid overlapping activities and to maximize the efficiency of use of the public funding;

25. Notes that, in 2018, one Associated Member became a wholly-owned subsidiary of a founding member, as a result the founding member's representation in the governing board increased; observes that the provisions of the Joint Undertaking's current legal framework do not sufficiently address corporate acquisitions among the Joint Undertaking's industry members and the implications they might have on the balanced representation of members in the governing board; takes note of the Joint Undertaking's reply that the legal framework established within the Joint Undertaking does not allow an increase in the influence of a founding member on the decision-making process and overall governance; notes that the finding of the Court will be considered in any possible amendment to the regulation;

26. Notes that the interim evaluation of the Joint Undertaking was completed in the timeframe set by its legal framework; notes with regret that it could not provide the best added value for the Joint Undertaking's decision-making process at this early stage of its activities; takes note of the Joint Undertaking's reply that the evaluation took place early in the life of the joint Undertaking but this was a requirement in compliance with the Joint Undertaking regulation and the overall Horizon 2020 programme;

27. Observes that the staff turnover rates for the last two years were entirely caused by turnover of contract agents; welcomes the steps taking by the Joint Undertaking to cope with this situation; notes that the Joint Undertaking made use of interim staff services, which represented about 17 % of its total staff; takes note on the Joint Undertaking's reply that the main reasons for this stem from the current staff establishment plan structure, which does not allow the Joint Undertaking to offer the same favourable contractual conditions as those offered by other bodies and institutions; notes that soft measures have been put in place to reduce high levels of turnover; calls on the Commission to follow up this point;

Transport and Tourism

28. Highlights that the objectives of the Joint Undertaking are to achieve a Single European Railway Area and to enhance the attractiveness and competitiveness of the Union railway system; points out that the rail mode of transport will be key in the future Union actions to promote a shift to low-emission mobility and tackling negative externalities; stresses that the Joint Undertaking needs to be given the necessary financial, material and human resources to reach these key objectives and to contribute to a real modal shift;

29. Notes that the Joint Undertaking is a public-private partnership established in 2014 under the Horizon 2020 Framework Programme; notes that the Shift2Rail Programme is jointly funded through contributions of the Union (through the operational budget of the Joint Undertaking) and in-kind contributions from the other members, i.e. the eight founding members (other than the EU) and the nineteen associated members;

30. Notes that during 2018, the Joint Undertaking has progressed towards achieving its targets, delivering the Shift2Rail Programme implementation ensuring an effective and efficient sound financial management; notes that 2018 saw the progress of the research and innovation activities launched in previous years that are now well on track and largely proceeding at a rapid pace; notes that new wave of research and innovation activities (Call 2018) started at the year end; notes that it is estimated that the total project cost of the activities performed in 2018 will amount to EUR 83 400 000;

31. Stresses the need to increase the attractiveness of rail for transport operators and passengers in order to achieve a lasting shift from road to rail, and notes that the next five years will be critical for the success of rail and that the Joint Undertaking plays a key role in making rail cheaper, more efficient and more attractive;

32. Stresses that points, or faulty points, alone account for 25 % to 30 % of all maintenance on the rail network and are responsible for a significant part of infrastructure costs; welcomes the Joint Undertaking's efforts to increase the reliability of the system and reduce costs;

33. Welcomes the Joint Undertaking's objectives of halving the life-cycle costs of the rail system, doubling capacity and improving reliability and punctuality by 50 %; calls for the Joint Undertaking to have at its full disposal the human and financial resources necessary to achieve these objectives;

34. Welcomes the Joint Undertaking's efforts to introduce Automatic Train Operation (ATO); warns that the road transport sector has made greater progress with automation;

35. Welcomes the Joint Undertaking's decision to propose to its governing board, as part of the annual working programme 2018, the adoption of the lump sum grant, which was subsequently implemented through the lump sum pilot scheme in the call for members part of the 2018 call;

36. Considers that, in order to ensure the legal clarity of the decision-making process and of the overall governance of the Joint Undertaking, it is of utmost importance to clarify the provisions of the legal framework of the Joint Undertaking regarding corporate acquisitions among its industry members and their consequences for the membership of the governing board; therefore invites the Council to address this issue possible by adopting amendments to Council Regulation (EU) No 642/2014;

37. Notes that in 2018 the Joint Undertaking launched 14 representative audits on its population and one risk based audit (in addition to the 15 representative audits and one risk based audit launched in 2017) bringing the direct coverage of the Joint Undertaking's audits to EUR 4 660 000; notes that the overall detected error rate for the three representative audits and the risk-based audit finalised by 31 December 2018 is 0,94 % on a simple average and 1,19 % on a weighted average; notes that all other error rates (representative and residual), although limited in respect their coverage, are also below the targeted threshold of 2 %;

38. Welcomes the continued implementation of the Joint Undertaking's anti-fraud strategy 2017 - 2020, which did not result in any cases of 'close monitoring due to an assessment of high risk of fraud' or in any files being sent to OLAF for investigation.

DECISION (EU) 2020/1858 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the European Environment Agency (EEA) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Environment Agency for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0037/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), 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 ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 34.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 126, 21.5.2009, p. 13.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

— having regard to the opinion of the Committee on the Environment, Public Health and Food Safety,

— having regard to the report of the Committee on Budgetary Control (A9-0064/2020),

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 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1859 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the European Environment Agency (EEA) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Environment Agency for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0037/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), 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 ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 34.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 126, 21.5.2009, p. 13.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

— having regard to the opinion of the Committee on the Environment, Public Health and Food Safety,

— having regard to the report of the Committee on Budgetary Control (A9-0064/2020),

1. Approves the closure of the accounts of the European Environment Agency for the financial year 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1860 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Environment Agency (EEA) for the financial year 2018

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 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on the Environment, Public Health and Food Safety,

— having regard to the report of the Committee on Budgetary Control (A9-0064/2020),

A. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Environmental Agency (the 'Agency') for the financial year 2018 was EUR 65 800 176,52, representing a decrease of 6,57 % compared to 2017; whereas the Agency's budget derives mainly from the Union budget (65,45 %) and the contributions under specific agreements, namely the Copernicus and European Human Biomonitoring Programmes (34,55 %) ([2]);

B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Agency for the financial year 2018 (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 the budget monitoring efforts during the financial year 2018 resulted in a budget implementation rate of 99,96 %, representing a slight decrease of 0,01 % compared to 2017; notes that the payment appropriations execution rate was 91,06 %, representing an increase of 2,03 % compared to the previous year;

Performance

2. Welcomes the fact that, according to the Agency, substantial progress was made in the sharing of resources on overlapping tasks among other agencies with similar activities; also notes that the Agency shared efforts with other science-based agencies, including the European Chemicals Agency and the European Food Safety Authority, on issues related to human health; welcomes the fact that there is a growing interest in the Agency's information and data; is of the opinion that dissemination of environmental information is of key importance in light of the new Commission's policies and the dangers of climate change;

3. Notes that the Agency achieved its 2018 objectives as referred to in the Agency's Annual Work Programme and provided European decision-makers and citizens with access to timely and relevant information: the Agency's website gained 500 000 users (+ 17 %) in 2018 to reach a total of 3,45 million users, registering 10,7 million page views (+ 15 %);

([1]) OJ C 416, 15.11.2018, p. 1.
([2]) OJ C 416, 15.11.2018, p. 3.

4. Encourages the Agency to pursue the digitalisation of its services;

5. Recalls that the Agency provides sound and independent information on the environment; commends the quality of the output of the Agency in 2018, such as its reports on air quality in Europe, on mercury in Europe's environment and on the circular economy; underlines the fact that it is still difficult to obtain clear and reliable information on some sectors of the Union's economy, which prevents the Agency from undertaking a fully comprehensive analysis of the state of the Union's environment;

6. Notes the key role of the Agency in delivering quality data on the state of our environment, which becomes increasingly important in light of the huge challenge that the Union faces in tackling the climate and biodiversity crisis, and its role in finding answers through the European Green Deal; welcomes the fact that the Agency's opinion is being heard through the institutions and recommends that the scientific committee of the Agency play a key role in advising the Commission;

7. Encourages the Agency to work together with the other relevant agencies of the Union in order to better assess environmental impacts of human activity;

8. Recalls that the Agency started, in 2018, its work on Energy Union Governance and streamlining of environmental reporting;

9. Regrets that some activities could not be fully delivered in 2018 due to a number of circumstances, including limited IT and staff resources; notes with concern that the management board stressed that the Agency's capacity to further respond adequately to policy developments will depend on an increase in allocated core resources or the further prioritisation and/or discontinuation of current core tasks;

10. Notes the conclusions of the evaluation of the Agency and the European Environment Information and Observation Network (Eionet) carried out by the Commission;

11. Stresses that the aims of the Agency are pan-European and for this reason it is necessary for it to cooperate closely with third countries located in Europe.

12. Notes that the outcome of the internal review of the functioning of the management board and bureau carried out in 2018 will be implemented in 2019; calls on the Agency to report to the discharge authority on the measures taken in this regard;

Staff policy

13. Notes that, on 31 December 2018, the establishment plan was 98,39 % executed, with 3 officials and 119 temporary agents appointed out of 124 posts authorised under the Union budget (compared with 127 authorised posts in 2017); notes that, in addition, 63 contract agents and 19 seconded national experts were working for the Agency in 2018;

14. Notes the uneven gender balance reported for 2018 with regard to senior managers (seven men and two women), but the good balance achieved within the management Board (15 men and 17 women);

15. Notes with concern from the Court's report that the Agency does not have an up-to-date policy covering sensitive posts; notes from the Agency's reply that the Agency has carried out an inventory of its sensitive posts since 2009, which is currently under review to reflect the changes resulting from the Agency's reorganisation in September 2018; calls on the Agency to adopt and implement that sensitive posts policy without delay;

16. Supports the suggestion of the Court to publish vacancy notices also on the website of the European Personnel Selection Office in order to increase publicity; understands the issue raised in the Agency's reply concerning the translation costs triggered by such publication; notes that the Agency publishes vacancy notices on the EU Agencies Network's website and on social media to increase publicity;

Procurement

17. Deplores the fact that, following the termination of a EUR 1,4 million contract due to a contractor's unsatisfactory performance, the Agency signed, a few months later, a new EUR 2 million contract 'in cascade' for the same type of service with the same contractor, without inserting in the technical specifications elements to neutralise the risk of similar problems arising again under the new contract; is of the opinion that such contracting behaviour raises serious concerns as to the Agency's sound financial management; calls on the Agency to award contracts only if satisfactory performance can be expected; and asks the Agency to report back to the Court and the discharge authority on the performance of the contractor;

18. Notes with concern from the Court's report that for the provision of Copernicus local land monitoring services, the Agency concluded a contract for services for an amount above the ceiling of the governing framework contract, but did not formalise it through a contract amendment; notes from the Agency's reply that it considers that the increase of the budget ceiling was made in accordance with the guidance from the Commission; nevertheless calls on the Agency to formalise contract modifications only in line with public procurement provisions;

Prevention and management of conflicts of interests and transparency

19. Acknowledges the Agency's existing measures and ongoing efforts to secure transparency, prevent and manage conflicts of interests, and provide whistleblower protection; raises concerns that the Agency has not put in place a system for declarations of conflict of interest for in house experts;

20. Stresses that the publication of CVs and declarations of interest of management board members should be obligatory;

Other comments

21. Notes the Agency's efforts to provide a cost-effective and environmentally friendly working place and to preferably reduce and offset its CO_2 emissions in the areas of premises and travel;

22. Calls upon the Agency to focus on disseminating the results of its research to the public, and to reach out to the public via social media and other media outlets;

23. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 ([3]) on the performance, financial management and control of the agencies.

([3]) Texts adopted, P9_TA(2020)0121.

DECISION (EU) 2020/1861 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the European Union Agency for Railways (ERA) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Railways for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU Agencies for the financial year 2018, together with the Agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0048/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Transport and Tourism,

— having regard to the report of the Committee on Budgetary Control (A9-0061/2020),

([1]) OJ C 417, 11.12.2019, p. 80.
([2]) OJ C 417, 11.12.2019, p. 80.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 138, 26.5.2016, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

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 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1862 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the European Union Agency for Railways (ERA) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Railways for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU Agencies for the financial year 2018, together with the Agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0048/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

([1]) OJ C 417, 11.12.2019, p. 80.
([2]) OJ C 417, 11.12.2019, p. 80.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 138, 26.5.2016, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

— having regard to the opinion of the Committee on Transport and Tourism,

— having regard to the report of the Committee on Budgetary Control (A9-0061/2020),

1. Approves the closure of the accounts of the European Union Agency for Railways for the financial year 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1863 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 Railways (ERA) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Union Agency for Railways for the financial year 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Transport and Tourism,

— having regard to the report of the Committee on Budgetary Control (A9-0061/2020),

A. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Union Agency for Railways (the 'Agency') for the financial year 2018 was EUR 28 793 243, representing a decrease of 6,31 % compared to 2017; whereas the budget of the Agency derives mainly from the Union budget ([2]);

B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Agency for the financial year 2018 (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 the budget monitoring efforts during the financial year 2018 resulted in a budget implementation rate of 99,98 %, representing a slight decrease of 0,02 % compared to 2017; notes that the payment appropriations execution rate was 88,96 %, representing an increase of 1,66 % compared to 2017;

2. Notes the Agency's role in ensuring the safety and interoperability of the European rail system and improving competitiveness of rail with other modes of transport, by reducing administrative and technical barriers, encouraging market entry and ensuring non-discrimination, spending public money more efficiently on public rail transport services and through better governance of the infrastructure; supports the Commission's vision of a European railway system that leads the world on safety performance;

3. Welcomes the Agency's role in the follow-up of the development, testing and implementation of the European Railway Traffic Management System (ERTMS), as well as in evaluating the specific ERTMS projects; notes, furthermore, that the 4th Railway Package includes a technical pillar that enhances the role of Agency by introducing new tasks to ensure a uniform implementation of the EU framework; 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;

4. Recalls that the ERTMS is crucial to achieving a Single European Railway Area; stresses, therefore, that an optimised coordination of ERTMS development and deployment that ensures a single, transparent, stable, affordable and interoperable ERTMS system throughout Europe is a key priority;

([1]) OJ C 108, 22.3.2018, p. 76.
([2]) OJ C 108, 22.3.2018, p. 77, subsidy from the Commission (EUR 28 135 398), third countries contribution (EUR 657 845, note this is smaller than previous year).

5. Notes that, following the Agency's enlarged mandate in its new Regulation, in 2019 the Agency will start to collect fees and charges for certification tasks, taking into account the specific needs of medium-sized enterprises (SMEs); notes that, according to Regulation (EU) 2016/796 of the European Parliament and of the Council [3], fees and charges represent assigned revenue for the Agency; notes that some amendments to the implementing rules for the Agency's Financial Regulation are necessary and notes from the Agency's reply that it has submitted a derogation request to the Commission to that aim; calls on the Agency to report to the discharge authority on the implementation of this new system;

6. Calls on the Agency to take into account the specific needs of SMEs during the certification process, in particular by reducing their administrative and financial burdens;

Performance

7. Notes that the Agency uses a set of Railway Indicators across its operational activities as Key Performance Indicators (KPIs) to assess the added value provided by its activities and other indicators to improve its budget management;

8. Encourages the Agency to implement the Court's recommendations;

9. Acknowledges that the Agency had a satisfactory level of achievement for its KPIs and its targets for outputs, achieving full completion of the initial activities after the entry into force of the Fourth Railway Package; notes that the Agency met its target of issuing reports, advice and opinions in a timely manner in 95 % of cases; points out that the Agency did not achieve the goal of 90 % achievement of all outputs using financial and human resource planning, with only 79,75 % categorised as fully achieved;

10. Welcomes the Agency's continued cooperation with the European Securities and Markets Authority in sharing accountancy services; further urges the Agency to explore possibilities of sharing resources for overlapping tasks among other agencies with similar activities; encourages the Agency to actively seek further and broader cooperation with all of the Union agencies; encourages the Agency to explore the possibility of staff sharing in certain non-expert, technical and administrative fields, with a special emphasis on the development of collaboration with the Paris-based Institute for Security Studies;

11. Encourages the Agency to pursue the digitalisation of its services;

12. Notes that the objective set by the European Parliament, the Council and the Commission of establishing a single European railway market has not been achieved; calls on the Agency to focus its efforts and publications on this area;

13. Notes that the aim of shifting traffic from road to rail can only be achieved if a competitive European railway area is established; calls on the Agency to draw up a set of measures designed to ensure that in future, rail transport can be incorporated into modern logistics chains;

14. Points out that the next five years will be crucial for the future of the rail sector and that the Agency must be provided with the funding and staff it needs in order to meet the coming challenges;

15. Notes that the indicative ceilings of 10 % used by the Court of Auditors to assess the budget execution at the level of the carry-overs for Title 1 (staff) and 20 % for Title 2 (administrative) have been reached; notes with regret that the indicative ceiling for Title 3 (30 % for operational expenditure) has not been reached;

16. Notes that the results of the annual benchmarking exercise regarding the staff are similar to those of 2017 with 18,4 % of the staff assigned to administrative tasks (18,18 % in 2017), 69,7 % assigned to operational tasks (70,16 %), and 11,90 % of the staff assigned to control and financial tasks (11,67 %);

[3] 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 (OJ L 138, 26.5.2016, p. 1).

17. Welcomes the Agency's continued efforts to prepare for its new tasks as defined by the Fourth Railway Package and to take up, in June 2019, its role as the EU authority responsible for issuing authorisations for placing railway vehicles on the market, single safety certificates for railway undertakings and ERTMS trackside approvals; welcomes in particular that all the legal texts and management board decisions were adopted on time and that the Agency published the Application guide for vehicle authorisation; welcomes the other steps taken by the Agency to prepare for its new tasks (active stakeholders interaction, learning cases and shadow running, pilot National Safety Authorities monitoring); welcomes the development of the One-Stop Shop;

Welcomes the fact that the Agency has made a start on the task of harmonising the more than 14 000 national rules governing rail transport;

(a) deplores the fact that, unlike in the aviation and road transport sectors, in the rail sector harmonisation is still a distant objective;

(b) calls on the Agency significantly to step up its efforts to establish a single European rail area;

18. Notes that the Agency plays a key role in removing bureaucratic obstacles in the area of cross-border rail transport;

19. Notes that, as regards both infrastructure and rolling stock, far too little progress has been made in introducing the equipment required for the ERTMS in Europe, and calls on the Agency to propose measures to speed up that process;

20. Regrets that 37 non-conformities were registered in 2018, including 18 with financial impacts (among which 4 superior to 15 000 euros); requests the Agency to continue its efforts to improve its management as well as procurement procedures;

21. Notes that the Agency proposed to review the Framework for Good Administrative behaviour; requests that the Agency reports on the evolution of this framework in its next annual report; welcomes the fact that the Agency continued the training on Ethics and Antifraud; welcomes the fact that no cases of suspicion of fraud have been transmitted to OLAF; notes that the case reported in 2017 is still under investigation;

22. Welcomes the successful passing of the ISO 9001 confirmation audit;

Staff policy

23. Notes that, on 31 December 2018, the establishment plan was 89,19 % executed, with 132 temporary agents appointed out of 148 temporary agents authorised under the Union budget (compared with 139 authorised posts in 2017); notes that in addition 31 contract agents and 2 seconded national experts worked for the Agency in 2018;

24. Notes with concern the unequal gender balance reported for 2018 for senior managers (5 men and 1 woman) and for the management board (40 men and 15 women);

25. Notes that the Agency has adopted a policy on protecting the dignity of persons and preventing harassment, confidential counsellors are promoted and staff is encouraged to address their issues to them; notes that one alleged harassment was reported, but none was investigated nor taken to court;

Procurement

26. Notes that, according to the Court's report, the Agency did not systematically check prices and uplifts charged with supplier's quotes and invoices issued to the framework contractor for the acquisition of software licences; acknowledges that the Agency applied the Commission framework contract and awaits the new framework contract where a reopening of competition is foreseen; calls on the Agency to adapt the *ex ante* controls on payments under framework contracts and to ensure there is a competitive procedure for all procurements;

27. Notes that, according to the Court's report, the Agency, through an amendment to a direct contract for the organisation of a conference, decided to contract and pay all related services separately, resulting in an artificial splitting of the contract, and thus rendering the contract and all related payments irregular; takes note of the Agency's reply that it intends to prepare terms of reference to sign a framework contract for the organisation of events;

Prevention and management of conflicts of interest and transparency

28. Notes that the Agency has published the declarations of conflicts of interest of the management board and members of staff and the CVs of its management board members and of part of its management staff on their website; welcomes the fact that since June 2019, all the Agency's senior management and member staff have to sign an annual declaration of conflicts of interest;

29. Notes that, according to the Agency, the Framework for Good Administrative behaviour in place encompasses strict measures on management of conflict of interests regarding individuals involved in the new tasks under the Fourth Railway Package; also notes that the framework has encountered practical difficulties and therefore is the subject of a revised proposal; notes that the case of suspicion of fraud reported in 2017 is still under investigation by the European Anti-Fraud Office; notes that no other case of suspicion of fraud has been reported since then; urges the Agency to report to the discharge authority on the outcome of this investigation;

30. Notes that the Agency adopted guidelines on whistleblowing, which were published on 21 November 2018;

Internal controls

31. Notes the fact that, following the Agency's re-organisation, the accounting officer is directly linked administratively to the executive director and is not in charge of the Finance and Procurement team anymore;

32. Notes that in 2018, an audit report on 'Programme, Project and Service Management in the Agency' was issued by the Commission's Internal Audit Service and that the Agency prepared an action plan to address any potential areas for improvement; calls on the Agency to report to the discharge authority on the measures taken in this regard;

Other comments

33. Notes that, by the end of the transitional period (16 June 2019), the Agency will transform itself from a body with a mere policy preparation and dissemination role into an authority working directly for the industry as regards authorisations for safety certifications and rolling stock; notes in this regard that the Agency's reorganisation has allowed the necessary changes to ensure the management of the new applications, drawing upon experts, and the development of both a training programme and a monitoring system;

34. Notes that on 15 April 2019, the Agency signed the headquarter agreement with the French authorities; acknowledges that the decision for the double seat is a Council decision that the Agency must apply;

35. Calls upon the Agency to focus on disseminating the results of its research to the public, and to reach out to public via the social media and other media outlets;

36. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 ([4]) on the performance, financial management and control of the agencies.

([4]) Texts adopted, P9_TA(2020)0121.

DECISION (EU) 2020/1864 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the European Maritime Safety Agency (EMSA) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0043/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), 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 ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the Treaty on the Functioning of the European Union and the Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 208, 5.8.2002, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Transport and Tourism,

— having regard to the report of the Committee on Budgetary Control (A9-0066/2020),

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 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1865 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the European Maritime Safety Agency (EMSA) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0043/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), 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 ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the Treaty on the Functioning of the European Union and the Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 208, 5.8.2002, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Transport and Tourism,

— having regard to the report of the Committee on Budgetary Control (A9-0066/2020),

1. Approves the closure of the accounts of the European Maritime Safety Agency for the financial year 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1866 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 (EMSA) for the financial year 2018

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 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Transport and Tourism,

— having regard to the report of the Committee on Budgetary Control (A9-0066/2020),

A. 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 2018 was EUR 106 777 232,65 representing an increase of 23,76 % compared to 2017; whereas the increase was mainly related to the enhanced mandate of the Agency; whereas the Agency's budget derives entirely from the Union budget ([2]);

B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Agency for the financial year 2018 (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 with satisfaction that the budget monitoring efforts during the financial year 2018 resulted in a budget implementation rate of 99,02 %, representing a slight increase of 0,98 % compared to 2017 and a payment appropriations execution rate of 92,84 %, representing a decrease of 3,41 %;

Performance

2. Notes that the Agency uses a number of specific key performance indicators (KPIs) to measure the implementation of its annual work programme and that the evaluation of the Agency represents the main instrument to assess the added value provided by its activities; acknowledges the Agency's performance management system which sets both multiannual objectives and quarterly KPIs in the periodic monitoring of the implementation of the annual work programmes; notes that the Agency uses only the budgetary execution rate as the main KPI to improve its budget management;

3. Notes that the Agency's KPI of continuity and quality of its external services have met overall their respective targets, and that its quality system for visits and inspections was expanded;

4. Encourages the Agency to implement the Court's recommendations;

5. Notes that the Agency cooperates closely with other Union agencies such as with the European Fisheries Control Agency and the European Border and Coast Guard Agency for what concerns the European coastguard function; further strongly encourages the Agency to seek further and broader cooperation with all of the Union agencies;

6. Notes that following the approval of the independent external evaluation on the implementation of the Agency's Founding Regulation in 2017, the Agency presented its Action Plan in March 2018; notes with satisfaction that actions, potential risks and mitigating measures were identified, as well as a timeframe for implementation and a realistic budgetary impact;

([1]) OJ C 120, 29.3.2019, p. 201.
([2]) OJ C 120, 29.3.2019, p. 202.

7. Encourages the Agency to pursue the digitalisation of its services;

8. Notes that the delay in the Remotely Piloted Aircraft Systems (RPAS) operations linked to European cooperation on coast guard functions due to technical challenges and continuing difficulties in obtaining from national authorities the permits to fly led to a budget amendment reducing the EU subsidy and to the return of EUR 6 000 000 in payment appropriations to the Commission; notes that this reduction proved insufficient due to further delays caused by technical problems and bad weather, leading to lower consumption of payment appropriations; supports the recommendation of the Administrative Board that the Agency should address the risk resulting from the 'Permits to Fly' issue in respect of full budget execution;

9. Welcomes the Agency's direct support to Members States' environmental enforcement efforts in implementing environmental legislation, as well as the EMSA RPAS services assisting in maritime surveillance operations such as maritime pollution and emissions monitoring; believes that, with further resources, the Agency can play an important role in supporting Member States in mitigating shipping-related environmental risks and in improving the sustainability of the maritime sector;

10. Appreciates that the Agency is only in its second full year of operations following the extension of the mandate at the end of 2016 and that some of the factors that led to budgetary modifications were not known at the time of the drafting of the 2018 budget; notes that the Agency had to carry out budgetary modifications to cater for salary increases due to the correction coefficient for Portugal;

11. Notes with satisfaction that the Agency is testing High Altitude Pseudo-Satellites (HAPS), and welcomes the fact that, in this way, the gap between satellites and drones is being filled;

12. Welcomes the Agency's efforts to make operational services, analyses, specialist knowledge and the best possible technical support available in the context of Commission and Member State projects and to users in the maritime transport sector;

13. Calls on the Agency to exploit to the full, and if necessary to adapt, the operational possibilities offered by drones, HAPS and satellites; emphasises the multi-functional nature of the systems, covering the spectrum from rescue at sea to early detection and monitoring of maritime pollution and the vital efforts to combat illegal activities, such as drug trafficking, people smuggling and unlicensed fishing;

14. Notes that the Administrative board of the Agency has adopted in November 2018 a new Internal Control Framework based on the 2017 Commission framework;

15. Notes that, at the beginning of 2018, the Agency expanded the scope of the Visits & Inspections Quality Management System (V&I QMS) to include the maritime security inspections and the horizontal analysis process; welcomes that the annual verification audit of the enlarged QMS was successfully performed by TUV Rheinland Portugal without any non-conformity;

16. Notes that no case of conflict of interest was reported in 2018; notes that, in accordance with the Risk Management Policy, the risk register was updated in 2018, and that this update did not result in any critical risks that could lead to a formal reservation to the Authorising Officer's annual declaration of assurance; notes further that none of the risks previously identified materialised in 2018;

17. Appreciates that the Agency has introduced appropriate control mechanisms on payments in the Agency contracts;

18. Notes that the results of the fifth benchmarking exercise regarding the staff are similar to those of 2017 with 20,20 % (20,42 % in 2017) of the jobs dedicated to administrative support of coordination, 71,65 % (72,08 %) to operational tasks and 8,15 % (7,50 %) to neutral tasks;

Staff policy

19. Notes that, on 31 December 2018, the establishment plan was 98,58 % filled, with 209 officials and temporary agents (TAs) appointed out of 212 officials and TAs authorised under the Union budget (212 authorised posts in 2017); notes that in addition 30 contract agents and 17 seconded national experts have been working for the Agency in 2018; encourages the Agency to perform a research on the topic of sharing staff among other Union agencies, with a special emphasis on possibilities of further connection of administrative staff with other Lisbon-based Agencies, namely the European Monitoring Centre for Drugs and Drug Addiction;

20. Notes with satisfaction that an equal gender balance was achieved for senior managers (2 men and 2 women); is concerned, however, that at the management board level there is unbalanced participation of men (44 members) and women (12 members);

21. Regrets the lack of information and details regarding the 'Action Plan for Gender Balance at EMSA';

Procurement

22. Notes from the Court's report that by the end of 2018 the Agency did not systematically check prices and uplifts charged with supplier's quotes and invoices issued to the framework contractor for the acquisition of software licences; notes from the Agency's reply that the implementation mechanism for this framework contract did not include a fixed price list but instead that the Commission decided to opt for a system of applying price uplifts and that the contractor has exercised its rights to terminate the contract with effect on 12 October 2019;

Prevention and management of conflicts of interests and transparency

23. Acknowledges that the Agency employs, and publishes, declarations of conflicts of interest for its management board members and senior management and that the Agency has issued guidelines on conflict of interest and has implemented Whistleblowing arrangements, which are an important tool to detect fraud, corruption and serious irregularities;

Internal controls

24. Takes note that the Commission's Internal Audit Service (IAS) issued an audit report on 'Visits and Inspections' in the Agency, concluding that the management and control systems designed for this subject are adequately designed and effectively and efficiently implemented; points out that the IAS issued four recommendations that the Agency accepted and committed to address;

25. Notes that, in 2018, the Agency implemented all action plans related to the IAS Audit on Human Resources Management at EMSA that took place in 2017;

Other comments

26. Notes the Agency's efforts to promoting a cost-effective and environment-friendly working place; points out, however, that the Agency does not have any additional measures in place to reduce or offset CO_2 emissions;

27. Calls upon the Agency to focus on disseminating the results of its research to the public, and to reach out to public via the social media and other media outlets;

28. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 [3] on the performance, financial management and control of the agencies.

[3] Texts adopted, P9_TA(2020)0121.

DECISION (EU) 2020/1867 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the European GNSS Agency for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European GNSS Agency for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 – C9-0051/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), 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 ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the Treaty on the Functioning of the European Union and the Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 34.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 276, 20.10.2010, p. 11.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0067/2020),

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 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1868 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the European GNSS Agency for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European GNSS Agency for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 – C9-0051/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), 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 ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the Treaty on the Functioning of the European Union and the Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0067/2020),

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 34.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 276, 20.10.2010, p. 11.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

1. Approves the closure of the accounts of the European GNSS Agency for the financial year 2018;
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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1869 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 2018

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 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0067/2020),

A. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European GNSS Agency (the 'Agency') for the financial year 2018 was EUR 32 230 582, representing an increase of 13,22 % compared to 2017; whereas the increase related to titles 2 and 3; whereas the Agency's budget derives mainly from the Union budget ([2]);

B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Agency for the financial year 2018 (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 with satisfaction that the budget monitoring efforts during the financial year 2018 resulted in a budget implementation rate of 100 %, representing the same rate as in 2017; notes furthermore that the execution rate of payment appropriations was 83,72 %, representing a decrease of 2,48 % compared to 2017;

2. Notes that in addition to its core budget, the Agency continued to manage a large amount of delegated budget in 2018 for the European Geostationary Navigation Overlay Service (EGNOS), the Galileo Delegation Agreement, the Delegation Agreement for Public Regulated Service and the Horizon 2020 delegation agreement; notes that a total of EUR 1 173 219 279 was committed under a delegated budget in 2018 and EUR 796 500 300,84 made in payments;,

Cancellation of carry-overs

3. Welcomes the fact that the cancellation of carry-overs from 2017 to 2018 represents 3,25 % of the total amount carried over after a decrease of 2,05 % in comparison to 2017;

Performance

4. Notes that the Agency uses certain Key Performance Indicators to measure the added value provided by its activities and to enhance its budget management;

5. Notes that the Agency's Galileo and EGNOS programmes are now fully in their operational phase and that specifically with regard to Galileo, besides the successful launch in 2018 of the last four satellites before batch 3, the Agency completed the contract award activities;

6. Welcomes the fact that the Agency has outsourced its accounting services to the Commission since 2015 and that it shares the provision of the services related to business continuity management and the internal audit capability with other Agencies;

([1]) OJ C 116, 28.3.2018, p. 21.
([2]) OJ C 116, 28.3.2018, p. 22.

7. Notes that, in light of last year's comments and observations by the discharge authority, the mid-term evaluation of the Galileo and EGNOS programmes and of the Agency's performance was completed by the Commission and was presented to Parliament and the Council in October 2017;

8. Encourages the Agency to pursue the digitalisation of its services;

Staff policy

9. Notes that on 31 December 2018 the establishment plan was executed to 90,63 %, with 116 temporary agents appointed out of 128 that were authorised under the Union budget (compared to 116 authorised posts in 2017); notes that, in addition, 51 contract agents and 3 seconded national experts worked for the Agency in 2018; notes that 10 additional posts were allocated to the Agency for its 2018 establishment plan in addition to the 2 posts already provided for;

10. Notes with concern the lack of gender balance for 2018 among the senior managers (10 men and 2 women) and on the management board (44 men and 7 women);

11. Welcomes the fact that the Agency adopted the suggestion of the Court and finally published the vacancy notices on the website of EPSO in order to increase publicity; notes from the Agency's reply that it intends to publish all vacancy notices on the inter-agency portal, which is considered to be equivalent to EPSO from the Agencies' perspective, and that additionally, the Agency publishes its vacancy notices in specialised publications of the space sector;

Procurement

12. Notes that, according to the Court's report, the Agency signed a framework contact on the exploitation of the Galileo satellite system for 2017 to 2027 on 15 December 2016, amounting to EUR 1 500 000 000; notes moreover that the contract was awarded following a public procurement procedure; points out that one of the tenderers involved has launched legal proceedings, challenging the outcome of the procedure; notes that the judgement of the Court of Justice of the European Union (the Court of Justice) will rule on the legality and regularity of the procurement procedure for the framework contract and all related specific contracts and future payments; points out that the written procedure was closed in the first quarter of 2019, that the oral hearing was expected to take place during the second or third quarter of 2019, and that the judgement of the Court of Justice was expected to be delivered in the last quarter of 2019, but that, on 3 December 2019 the Court of Justice discontinued the proceedings (Case T-99/17) ([3]); notes, from the Agency's legal analysis on the consequences of a potential annulment of the award decision, that the Agency would likely not be required to terminate the contract but would, rather, be required to meet the plaintiff's legal costs of approximately EUR 300 000 as well as possible damages, which are mentioned in the Agency's annual accounts; calls on the Agency to report to the discharge authority on the developments in this regard;

13. Notes that following an internal assessment, in light of comments and observations by the discharge authority related to the use of e-procurement procedures, it was concluded that the e-submission module at its current stage of development did not address the Agency's complex procurement needs, and that for the time being it has been decided that tenders will not be carried out electronically; calls on the Agency to report to the discharge authority on the developments in this regard;

Prevention and management of conflicts of interests and transparency

14. Notes that one former high-level official occupies an advisory role under the active senior initiative, without financial emoluments;

15. Notes, in light of comments and observations by the discharge authority related to the declarations of interest and the publication of the CVs of the Agency's senior management, that for the chairperson and the deputy chairperson of the Agency's administrative board only declarations of interests are published on the Agency's website; notes that the Agency intends to proceed with the publication on its website of the CVs of the administrative board members after due consideration of the applicable rules on the protection of personal data;

([3]) ECLI:EU:T:2019:847.

16. Regrets that the CVs of the administrative board members have still not been published on the Agency's website; calls on the Agency to report to the discharge authority on the actions taken in that regard;

17. Notes that the Agency adopted an internal whistleblowing policy in June 2018;

18. Notes that, according to the Court's report, the Commission's internal audit service performed an audit on 'IT Governance in GSA' in 2018 and that the Agency drew up an action plan to address some potential areas for improvement; calls on the Agency to report to the discharge authority on the developments in this regard;

Other comments

19. Notes, in light of comments and observations by the discharge authority related to the Agency's commitment to minimise any negative impact from the United Kingdom's withdrawal from the Union, that the Agency sent letters to all contractors and beneficiaries of contracts and grants affected, requiring mitigating measures to be implemented by the end of October 2019, in particular to ensure that prime contractors and subcontractors are not entities established in the United Kingdom and that the back-up site of the Galileo Security Monitoring Centre has been relocated from the United Kingdom to Spain; calls on the Agency to keep the discharge authority informed of the outcome of those measures;

20. Calls on the Agency to focus on disseminating the results of its research to the public, and to reach out to the public via social media and other media outlets;

21. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 [4] on the performance, financial management and control of the agencies.

[4] Texts adopted, P9_TA(2020)0121.

DECISION (EU) 2020/1870 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0036/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), 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 ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0073/2020),

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 376, 27.12.2006, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

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 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1871 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0036/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), 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 ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 376, 27.12.2006, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

— having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0073/2020),

1. Approves the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1872 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 (EMCDDA) for the financial year 2018

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 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0073/2020),

A. 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 2018 was EUR 16 174 200,21, representing an increase of 2,18 % compared to 2017; whereas the budget of the Centre derives mainly from the Union budget [2];

B. whereas the Court of Auditors (the 'Court'), in its report on the Centre's annual accounts for the financial year 2018 (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;

Budget and financial management

1. Welcomes the fact that the budget monitoring efforts during the financial year 2018 resulted in a budget implementation rate of 100 %, the same rate as in 2017; notes that the payment appropriations execution rate was 98,02 %, representing an increase of 3,31 % compared to the previous year;

Performance

2. Notes that the Centre measures the achievement of its 66 annual targets with 50 key performance indicators (KPIs), which are divided into eight strategic objectives, to assess the added value provided by its activities, and to improve its budget management; notes that, starting from 2019, the Centre put in place a new performance model based on ten KPIs, which will be used to measure the Centre's effectiveness in delivering the desired outputs and its efficiency in using the resources allocated to that end;

3. Notes that the Centre has reached 85 % of the applicable outputs and results planned in the 2018 work programme and that it successfully implemented the first year of its Strategy 2025;

4. Encourages the Centre to pursue the digitalisation of its services;

5. Notes with satisfaction that the Centre continues to share synergies with the European Maritime Safety Agency in corporate and support services, and in the management of common premises in Lisbon, and that those synergies also relate to ICT, telecommunications and internet-based infrastructure and services; notes that operational synergies have been put in place with other Union agencies in the areas of justice and home affairs and health; commends the agencies for this form of cohabitation and holds it to be an example worth following;

[1] OJ C 29, 23.1.2019, p. 1.
[2] OJ C 29, 23.1.2019, p. 2.

6. Highlights the important role of the Centre in providing policy-makers and practitioners with analyses and information concerning drugs and drug addiction as well as emerging trends, with a view to effectively countering illicit drug use and trafficking, and recalls that drug trafficking has been identified as one of the main sources of profit and a channel of recruitment for organised crime and terrorism; recalls the fact that the Centre's mandate was expanded in 2018, inter alia, to include new responsibilities and formal partnerships with other Union agencies, such as Europol;

7. Considers that the adoption of the Centre's 2019-2021 programming document, which is fully grounded in the EMCDDA Strategy 2025 ([3]), represents an important step in the strategic and operational planning framework of the Centre;

Staff policy

8. Notes that, on 31 December 2018, the establishment plan was 96,05 % executed, with 9 officials and 64 temporary agents appointed out of 10 officials and 66 temporary agents authorised under the Union budget (compared with 77 authorised posts in 2017); notes that, in addition, 29 contract agents and 1 seconded national expert worked for the Centre in 2018;

9. Notes that the Centre has reported a good gender balance within the management board for 2018, namely 15 male members and 14 female members;

10. Notes with satisfaction that the Centre has general provisions in place on building and sustaining a working culture, based on dignity and respect, to prevent and fight against harassment; observes that it makes confidential counselling available;

Procurement

11. Welcomes the fact that the Centre put in place a procurement plan in line with the Centre's management plan, which was successfully executed in close collaboration with all units;

12. Notes that, according to the Court's report, the Centre did not attract a reasonable number of tenderers in low-value procurement procedures and that in five of those procedures only one candidate submitted a tender, and two tenders were submitted in one procedure; notes that, according to the Centre's reply, it duly invited the number of tenderers required by the applicable financial rules to ensure the necessary level of competition; calls on the Centre to pursue its ongoing efforts to ensure that all public procurement procedures are compliant with the principle of fair competition and to facilitate participation in its procurement procedures for low-value contracts;

Prevention and management of conflicts of interest, and transparency

13. Acknowledges the Centre's existing measures and ongoing efforts to secure transparency, prevent and manage conflicts of interest, and provide whistleblower protection; notes with satisfaction that the CVs and declarations of interest of the director and the members of the scientific committee are published on its website;

14. Stresses that a recent study commissioned by Parliament's Committee on Petitions ([4]) found that, given the fact that the Centre uses experts and particularly that the scientific committee takes decisions by itself, there is a potential risk of conflicts of interest;

Internal controls

15. Notes that, following the Commission's Internal Audit Service (IAS) report on the analysis of the need to support data collection, validation and quality assurance processes, and the review of its data quality management framework and its alignment with the Centre's Strategy 2025, all of the necessary recommendations from the adopted action plan were implemented in 2018;

([3]) European Monitoring Centre for Drugs and Drug Addiction, 'EMCDDA Strategy 2025', Lisbon, March 2017; http://www.emcdda.europa.eu/publications/work-programmes-and-strategies/strategy-2025_en.

([4]) https://www.europarl.europa.eu/RegData/etudes/STUD/2020/621934/IPOL_STU(2020)621934_EN.pdf

16. Notes with concern that, according to the Centre, several recommendations included in the 2015 IAS audit on IT project management have been only partly implemented and that, at the end of 2018, two recommendations were still outstanding; notes, however, that those two recommendations were expected to be implemented by mid-2019; calls on the Centre to report to the discharge authority on the progress achieved by June 2020;

17. Notes that, according to the Court's report, pursuant to Directive 2008/104/EC of the European Parliament and of the Council ([5]) and Portuguese labour law, interim workers should work under the same working conditions as workers employed directly by the user undertaking; notes, however, that the relevant contracts did not explicitly require the temporary work agencies to respect those conditions and that there is no evidence that the Centre itself carried out any comparison between the working conditions of its own staff and those of interim staff, which undermines safe and predictable working conditions for the staff and causes a risk of litigation and risks for the Centre's reputation; notes that, according to the Centre's reply, the contract between the Centre and the temporary work agency refers to the obligation of the Centre to comply with all aspects of the applicable legislation and that, pursuant to that contract, the temporary work agency is the party exposed to the risks of litigation; highlights, however, that this type of situation still carries high reputational risks for the Centre; welcomes the fact that the Centre is reassessing its policy for the use of temporary workers to base that policy more on the law of the Member State in which the Centre is located, in line with its operating needs and the legal framework; calls on the Centre to analyse the working conditions of its interim staff and ensure that those conditions are in line with Union and national labour law; calls on the Centre to report to the discharge authority on the progress achieved by June 2020;

18. Notes that the Union signed an agreement with Norway in 2006 that defines the formula to calculate Norway's financial contribution to the Centre as well as the minimum contribution threshold which should be subject to an annual adjustment based on price trends and gross national income in the Union; notes with concern that, while the Union budget subsidy increased by 24 % between 2007 and 2018, Norway's contribution remained almost the same; notes that, according to the Centre's reply, there is no linear correlation between the increase of the Union subsidy and Norway's contribution and that the Centre does not have the required legal capacity to claim a different formula/method for the adjustment of the minimum contribution by Norway; calls on the Centre with the parties concerned to adjust the minimum contribution by Norway in accordance with the agreed terms;

19. Calls on the Centre to focus on disseminating the results of its research to the public, and to reach out to the public via the social media and other media outlets;

20. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 ([6]) on the performance, financial management and control of the agencies.

([5]) Directive 2008/104/EC of the European Parliament and of the Council of 19 November 2008 on temporary agency work (OJ L 327, 5.12.2008, p. 9).

([6]) Texts adopted, P9_TA(2020)0121.

DECISION (EU) 2020/1873 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the European Union Aviation Safety Agency (EASA) (before 11 September 2018: European Aviation Safety Agency) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Aviation Safety Agency for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0044/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), and in particular Article 60 thereof,

— having regard to Regulation (EU) 2018/1139 of the European Parliament and of the Council of 4 July 2018 on common rules in the field of civil aviation and establishing a European Union Aviation Safety Agency, and amending Regulations (EC) No 2111/2005, (EC) No 1008/2008, (EU) No 996/2010, (EU) No 376/2014 and Directives 2014/30/EU and 2014/53/EU of the European Parliament and of the Council, and repealing Regulations (EC) No 552/2004 and (EC) No 216/2008 of the European Parliament and of the Council and Council Regulation (EEC) No 3922/91 ([6]), and in particular Article 121 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 ([7]), and in particular Article 108 thereof,

([1]) OJ C 417, 11.12.2019, p. 48.
([2]) OJ C 417, 11.12.2019, p. 48.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 79, 19.3.2008, p. 1.
([6]) OJ L 212, 22.8.2018, p. 1.
([7]) OJ L 328, 7.12.2013, p. 42.

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council [8], and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Transport and Tourism,

— having regard to the report of the Committee on Budgetary Control (A9-0074/2020),

1. Grants the Executive Director of the European Union Aviation Safety Agency discharge in respect of the implementation of the Agency's budget for the financial year 2018;

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 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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

[8] OJ L 122, 10.5.2019, p. 1.

DECISION (EU) 2020/1874 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the European Union Aviation Safety Agency (EASA) (before 11 September 2018: European Aviation Safety Agency) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Aviation Safety Agency for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0044/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), and in particular Article 60 thereof,

— having regard to Regulation (EU) 2018/1139 of the European Parliament and of the Council of 4 July 2018 on common rules in the field of civil aviation and establishing a European Union Aviation Safety Agency, and amending Regulations (EC) No 2111/2005, (EC) No 1008/2008, (EU) No 996/2010, (EU) No 376/2014 and Directives 2014/30/EU and 2014/53/EU of the European Parliament and of the Council, and repealing Regulations (EC) No 552/2004 and (EC) No 216/2008 of the European Parliament and of the Council and Council Regulation (EEC) No 3922/91 ([6]), and in particular Article 121 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 ([7]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([8]), and in particular Article 105 thereof,

([1]) OJ C 417, 11.12.2019, p. 48.
([2]) OJ C 417, 11.12.2019, p. 48.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 79, 19.3.2008, p. 1.
([6]) OJ L 212, 22.8.2018, p. 1.
([7]) OJ L 328, 7.12.2013, p. 42.
([8]) OJ L 122, 10.5.2019, p. 1.

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Transport and Tourism,

— having regard to the report of the Committee on Budgetary Control (A9-0074/2020),

1. Approves the closure of the accounts of the European Union Aviation Safety Agency for the financial year 2018;

2. Instructs its President to forward this decision to the Executive Director of the European Union 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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1875 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Union Aviation Safety Agency (EASA) (before 11 September 2018: European Aviation Safety Agency) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Union Aviation Safety Agency for the financial year 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Transport and Tourism,

— having regard to the report of the Committee on Budgetary Control (A9-0074/2020),

A. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Union Aviation Safety Agency (the 'Agency') for the financial year 2018 was EUR 197 871 000, representing an increase of 3.27 % compared to 2017; whereas EUR 36 915 000 of the Agency's budget derives from the Union budget ([2]) and EUR 102 992 000 is revenue from fees and charges;

B. whereas the Court of Auditors (the 'Court'), in its report on the Agency's annual accounts for the financial year 2018 (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 with satisfaction that the budget monitoring efforts during the financial year 2018 resulted in a budget implementation rate of 98,31 %, representing a decrease of 1.02 % compared to 2017; notes furthermore that the payments appropriations execution rate was 90,26 %, showing a decrease of 3,49 % compared to 2017;

Performance

2. Notes that, following the 2017 audit of the Agency carried out by the International Civil Aviation Organization (ICAO), in June 2018 ICAO published the results confirming the very high implementation rate, which puts the Agency among the top three aviation regulators in the world;

3. Acknowledges that the Agency is strengthening the safety intelligence and safety performance functions and that, in particular, it is developing the Data4Safety programme that will provide a big data platform and an improved analysis capability at European level;

4. Encourages the Agency to pursue its digitalization policy;

5. Notes with satisfaction that the Agency shares resources on overlapping tasks with other Agencies, including notably the European Food Safety Agency, the European Training Foundation, the European Securities Market Authority, in the areas of surveys, e-learning, cloud and LinkedIn services and environment awareness training; strongly encourages the Agency to actively keep seeking further and broader cooperation with all of the Union agencies;

([1]) OJ C 279, 8.8.2018, p. 4.
([2]) OJ C 279, 8.8.2018, p. 5.

6. Notes that, in 2018, an external evaluation of the process that lead to the development of the Agency's Single Programming Document and of the ways in which the Agency's key stakeholders are consulted in the establishment of the Single Programming Document was carried out; notes that the Agency is preparing an action plan to address any potential areas for improvement;

7. Highlights the Agency's vital role in ensuring the highest possible level of aviation safety and environmental protection in a fast growing aviation market; stresses that 2018 was a landmark year for the Agency, with the entry into force of the Regulation (EU) 2018/1139 of the European Parliament and of the Council ([3]); recognises that the increased responsibilities and workload of the Agency were not accompanied by a proportionate increase in resources, which created significant challenges to fulfil its tasks and objectives in 2018, and lead to postponement or deprioritisation of certain activities; reiterates that the Agency should be provided with adequate financial resources and staff, which registered a reduction to 767 staff employed on 31 December 2018 (compared with 771 staff in 2017), in order to perform the important tasks entrusted to it;

8. Recalls the Agency's contribution to developing smart standards on noise and CO_2 emissions and its responsibility for the environmental certification of aeronautical products, parts and appliances; believes that with further resources the Agency can play a leading role in developing and implementing measures to improve the sustainability of aviation;

9. Welcomes the significant efforts made by the Agency to create a single European drone area;

10. Is concerned that aviation is an attractive target for cyber attacks and that software errors may have serious consequences; calls on the Agency, together with the European Centre for Cybersecurity in Aviation, to further increase the digital resilience of European aviation;

11. Is concerned that the forthcoming incorporation of remotely piloted aircraft systems will cause concern about safety among the public; calls on the Agency to take greater account of general safety concerns and the concerns of the authorities regarding prosecution of offenders;

12. Calls on the Agency to ensure that the Union acquires, as quickly as is feasible without jeopardising safety, rules on the commercial sale of drones that are uniform and easy to comply with; is concerned that the Agency does not have sufficient financial and human resources for this new remit;

13. Notes that the Agency ended the year with an overall deficit of EUR 2 000 000 (a surplus of EUR 700 000 related to subsidy activities and a deficit of EUR 2 700 000 related to fees and charges activities); notes that the fees and charges deficit is deducted from the accumulated surplus, reducing it from EUR 54 900 000 to EUR 52 200 000; observes that concerning activities related to fees and charges, the income rose by EUR 1 800 000 compared to 2017, however, staff costs increased by EUR 3 700 000, administrative costs by EUR 900 000 and operational costs by EUR 2 600 000; notes that for activities related to subsidy, an increase of subsidy by EUR 2 000 000 was enough to cover the rise in administrative costs by EUR 100 000 and operational expenditures by EUR 1 400 000;

14. Commends steps taken to increase the efficiency of the Agency, such as the launch of the lean efficiency agility programme and other efficiency initiatives, which resulted in a total reduction in workload equivalent to 16 employees working full-time and enabled the Agency to redeploy posts and to cope with the increased workload and the revised quality needs of legacy activities; also welcomes the increasing digitalisation, automation and simplification of financial processes, leading to 86 % of financial transactions being processed paperless;

15. Is pleased that the Agency has implemented the recommendation of the Court to ensure the independence of the accounting officer, who now functionally reports to the Agency's management board and administratively the Agency's executive director;

([3]) Regulation (EU) 2018/1139 of the European Parliament and of the Council of 4 July 2018 on common rules in the field of civil aviation and establishing a European Union Aviation Safety Agency, and amending Regulations (EC) No 2111/2005, (EC) No 1008/2008, (EU) No 996/2010, (EU) No 376/2014 and Directives 2014/30/EU and 2014/53/EU of the European Parliament and of the Council, and repealing Regulations (EC) No 552/2004 and (EC) No 216/2008 of the European Parliament and of the Council and Council Regulation (EEC) No 3922/91 (OJ L 212, 22.8.2018, p. 1).

16. Welcomes the adoption of the guidelines on whistleblowing by the management board of the Agency and calls on the Agency to ensure their implementation; notes that the internal audit services performed a review of ethics in 2018, covering areas of the code of conduct, ethics and fraud, with draft audit report expected in the beginning of 2019; reiterates, in this context, the need to have in place safeguards against conflicts of interest;

Staff policy

17. Notes that, on 31 December 2018, the establishment plan was 95,74 % executed, with 651 temporary agents appointed out of 680 temporary agents authorised under the Union budget (compared with 678 authorised posts in 2017); notes that in addition 83 contract agents and 19 seconded national experts worked for the Agency in 2018;

18. Notes with concern that an uneven gender balance is reported for 2018 with regard to the senior managers (4 men and 1 woman) and the management board members (26 men and 3 women);

19. notes that the Agency joined the Commissions initative 'Women in Transport' aiming to strengthen women's employment opportunities at all levels; welcomes that the Agency has established a gender balance task force to make recommendations on redressing the considerable existing imbalance;

20. Encourages the Agency to develop a long term human resources policy framework which addresses the work-life balance of its staff, the lifelong guidance and career development, the gender balance, the teleworking, the non discrimination, the geographical balance and the recruitment and integration of disabled people;

Procurement

21. Notes that, according to the Court's report, the Agency committed the funds for an agreement with the Commission on archiving services about eight months after the renewal of the agreement; notes that, according to the Financial Regulation, the commitment of funds should be recorded before entering a legal obligation; takes note of the Agency's reply that the commitment was signed before the reception of the invoice but after the beginning of the service and this *a posteriori* was therefore covered by an exception; calls on the Agency to enter budgetary commitments before legal commitments;

22. Notes with concern that, according to the Court's report, for the procurement of data analytics services for a volume of up to EUR 5 000 000, the Agency chose to use a framework contract with a single operator resulting from an open procedure published in the *Official Journal of the European Union*; notes, however, that the terms used in the framework contract were not specific enough to allow a fair competition, because the requirements were not yet known at the time of the procurements procedure; recalls that, according to the Financial Regulation, in such circumstances, the contracting authority has to award a framework contract to multiple operators and a competitive procedure between the selected contractors has to be used for the specific purchases; takes notes on the Agency's reply that it chose a single framework contract rather than a multiple framework contract which would have resulted in a change of contractor during the lifetime of the framework contract and would have had severe consequences for its coherence and timely completion; calls on the Agency to design framework contracts which allow fair competition and ensure value for money;

23. Observes from the Court's report that in another procurement procedure for the core business of the Agency, namely outsourcing of certification tasks, the Agency awarded the contracts solely on the basis of the quality of the services without evaluating the price; notes, furthermore, that the Agency signed a contract with one operator before having received proof that the contractor was not in an exclusion situation; notes that, according to the Agency's reply, this Agency-specific activity is not reflected in the Financial Regulation; notes, furthermore, that there was no risk that the Agency will obtain services from an ineligible provider, since evidence regarding exclusion criteria was submitted prior to any accreditation of tasks; calls on the Agency to ensure that contracts are signed only after having verified the exclusion criteria;

24. Notes that, in light of comments and observations from the discharge authority related the use of some of the tools launched by the Commission with the aim of introducing a single solution for the electronic exchange of information with third parties participating in public procurement procedures (e-procurement), the Agency gave all suppliers the possibility of submitting invoices electronically from January 2018; welcomes, moreover, that by the end of 2018 more than 80 % of invoices were being received electronically; however, notes that the processing of electronically received invoices and the encoding of the invoice data is done manually since this is considered to be the most reasonable solution;

Prevention and management of conflict of interest and transparency

25. Notes, in light of comments and observations from the discharge authority related to the Agency's review of its 'Policy on impartiality and independence: prevention and mitigation of Conflict of Interest' and the extension of the completion, review and update of declarations of interest to all staff members, that the Agency, at the end of May 2019, received the final audit report on ethics, fraud prevention and conflict of interest from the internal audit service with an overall positive conclusion on the management and control systems; notes, moreover, that the Agency has established an action plan with regard to the recommendations of the internal audit service and, that the Agency plans to perform by the end of March 2020 a review of the existing code of conduct framework for the Agency's staff and board of appeal members, as well as a review of the public declaration of interest process for the management board members;

26. Notes that 62 % of the Agency's income consist of fees; takes note of the Agency's view that the fact that applicants pay fees does not necessarily imply a conflict of interest;

Internal controls

27. Notes that in 2018, the internal audit service reviewed and confirmed the implementation of all the actions that were pending in the areas of business continuity, information security management and the European plan for aviation safety;

28. Observes that, in 2018, the Commission's internal audit service issued an audit report on 'Strategic Risk Assessment including IT in EASA'; furthermore, notes that the Agency prepared an action plan to address some potential areas for improvement;

29. Notes that in 2018 the internal audit capability performed four audit assurance engagements to assess whether the relevant regulations were complied with, the process objectives were being met, and the key risks were properly mitigated; notes that this level of assurance was provided in each of the reviews and that recommendations were given to further enhance either the control environment or the overall efficiency of the processes; acknowledges, furthermore, that in the four follow-up audits carried out in 2018, the residual risks were considerably reduced, resulting in them falling to an acceptable level, and all open actions implemented with the final action were scheduled to be closed by the third-quarter of 2019;

30. Calls upon the Agency to focus on disseminating the results of its research to the general public, and to reach out to public through the social media and other media outlets;

31. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 ([4]) on the performance, financial management and control of the agencies.

([4]) Texts adopted, P9_TA(2020) 0121.

DECISION (EU) 2020/1876 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the European Asylum Support Office (EASO) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Asylum Support Office for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Office in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0063/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), 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 ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the Treaty on the Functioning of the European Union and the Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 132, 29.5.2010, p. 11.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0077/2020),

1. Grants the Executive Director of the European Asylum Support Office discharge in respect of the implementation of the Office's budget for the financial year 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1877 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the European Asylum Support Office (EASO) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Asylum Support Office for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Office in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0063/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), 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 ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the Treaty on the Functioning of the European Union and the Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 132, 29.5.2010, p. 11.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0077/2020),

1. Approves the closure of the accounts of the European Asylum Support Office for the financial year 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1878 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 (EASO) for the financial year 2018

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 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0077/2020),

A. 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 2018 was EUR 97 665 322, representing an increase of 12,52 % compared to 2017; whereas the increase was related to reinforcing operational activities; whereas the budget of the Office derives mainly from the Union budget [2];

B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the European Asylum Support Office for the financial year 2018 (the 'Court's report'), states that it has obtained reasonable assurances that the Office's annual accounts are reliable and that it has obtained sufficient audit evidence on the legality and regularity of revenue underlying the accounts; whereas, however, the Court issued a basis for a qualified opinion in relation to the Court's findings reported for the financial years 2016 and 2017 on the legality and regularity of the payments; whereas, except for the effects of the financial years 2016 and 2017, the Court is of the opinion that payments underlying the annual accounts for the year ended 31 December 2018 are legal and regular in all material aspects;

Follow-up to the 2017 discharge report

1. Notes the decision of the Office's management board of 6 June 2018 to release the previous executive director from his duties with immediate effect; notes the designation of an ad interim executive director on 6 June 2018 and the appointment of a new executive director on 16 June 2019; welcomes the follow-up report by the Office on the observations of Parliament for the financial year 2017, in particular the corrective measures taken by the Office's management board, the ad interim executive director and the new executive director to improve the governance structure and efficiency of the Office, restore transparency and build trust; supports and appreciates the measures outlined by the 2019 EASO Governance Action Plan; notes the positive message and intention for future close cooperation expressed by the new executive director in the public hearing of 4 September 2019 and the Agencies' hearing in Parliament's Committee on Budgetary Control of 4 December 2019;

The outcome of the investigation of the European Anti-Fraud Office (OLAF)

2. Deplores the findings of OLAF as regards irregularities surrounding the breach of procurement procedures, misappropriation of Union funds, mismanagement, abuse of position in human resources issues, breaches of data protection rules, harassment and inappropriate behaviour towards staff in 2017; reiterates its call on the Office to report to the discharge authority on the follow-up of the measures proposed by OLAF; understands the Office's request to report in more detail in the appropriate setting due to confidentiality and data protection issues;

3. Notes the decision of the Office's management board of 6 June 2018 to release the executive director from his duties with immediate effect; emphasises, however, that the budget for the financial year 2017 was implemented under the supervision of the Office's previous management; highlights that the report concerns the discharge procedure for the financial year 2017; recognises the commitment of the new executive director to delivering significant reforms ensuring solid governance;

[1] OJ C 306, 30.8.2018, p. 4.
[2] OJ C 306, 30.8.2018, p. 6.

Basis for an adverse opinion on the legality and regularity of the payments underlying the accounts for the financial year 2017

4. Notes, in light of comments and observations from the discharge authority related to the Office's high dependency on sufficient resources, mainly on experts being made available by Member States, that shortages of experts are reported to the Member States and Commission at different levels; notes, furthermore, that, in order to compensate for the shortages faced in Member States' nominations and deployments, the Office has increased the deployment of locally recruited interim staff and that, in 2018, only 26 % of the deployments of the operational needs were covered by Member State experts; points out the fact that the Office would not be in position to provide Member States with critical support to their asylum systems without the use of temporary agents; acknowledges the Office's proposal suggesting an Asylum Reserve Pool of 500 Member State experts; calls on the Member States and the Commission to urgently assess and address this proposal;

Budget and financial management

5. Regrets that limited annual budgets and the partial absence of contingency funds in the Office's budget to cover the financing of unforeseen urgent operational needs create budgetary uncertainties and hamper emergency planning; notes that the Office is in constant dialogue with the Commission and budgetary authorities regarding its operational planning and resource allocation; acknowledges that the Office makes partial use of contributions from associate countries as a contingency for operational expenditure, in particular in order to deal with unplanned requests for support from Member States; calls on the Office to continue to address budgetary constraints in close consultation with the Commission and the budgetary authorities;

6. Highlights the fact that proposed budgetary cuts may hamper the Office's ability to continue to properly fulfil its functions in providing the necessary support to Member States, as entrusted to it through its mandate; recalls the fact that strengthening the mandate of the Office and the increase in the workload should be accompanied by adequate budgetary allocations;

7. Welcomes the renewed cooperation strategy of the joint EASO-Frontex management board; notes, moreover, with appreciation that the Office plays an active role in the Network of Agencies in streamlining common actions such as the call for the recruitment of confidential counsellors, participation in joint procurement procedures for framework contracts and staff mobility programmes; strongly encourages the Office to actively seek further and broader cooperation with all of the Union agencies; points to the recommendation in the Court's Special Report on Migration Management to ensure complementarity and better coordination between the Asylum, Migration and Integration Fund and the Office; urges the Office to work on the concept of resources sharing overlapping tasks among other agencies with similar activities;

Performance

8. Notes that, on 31 December 2018, the establishment plan was only 68,22 % executed, with 146 temporary agents appointed out of 214 temporary agents authorised under the Union budget (compared with 155 authorised posts in 2017); notes that, in addition, 61 contract agents and 3 seconded national experts worked for the Office in 2018; notes with satisfaction that the recruitment plan of the Office provides for 500 staff by 2020;

9. Notes the lack of managers in the administration department, as four out of five management posts were either vacant or saw the persons occupying them suspended from their duties, but acknowledges the response given by the Office that the vacancy notice for the head of the Human resources and security Unit will be published in the first quarter of 2020; notes as well that, due to the fact that the Office was affected by reorganisation, the recruitment of the head of the Finance and procurement Unit is ongoing and the head of the ICT Unit was filled in 2019; calls on the Office to make additional efforts to fill the vacant posts in collaboration with the Commission and Member States and to keep the discharge authority informed as to the corrective measures taken to mitigate that risk;

10. Regrets to note that, according to the Court's report, as from the end of 2017, the human resources situation at the Office has deteriorated exponentially; notes that, by the end of 2018, the Office had 216 staff members, 89 offer letters were sent out and 60 contracts were signed; observes, however, that there were still 78 vacancies to be filled by the end of 2018; express grave concern that this situation entails a significant risk to the continuation of the Office's operations at the current scale; notes the commitment expressed by the executive leadership to the transparent and efficient fulfilment of the Office's recruitment plan;

11. Notes with concern that in 2018 senior management comprised only men (nine members), but that the negative gender balance was changed by the appointment in 2019 of a woman as executive director; notes with satisfaction that a good gender balance was achieved with regard to the management board (16 men and 15 women);

12. Notes the presentation by the executive director to the management board on 26 November 2019 of a new organigram; considers that a reorganisation of staff should contribute to strengthened internal control, quality assurance and risk management and to compliance with actions required by the Court and the Internal Audit Service of the Commission;

Staff policy

13. Notes with concern that, on 31 December 2018, the establishment plan was only 68,22 % executed, with 146 temporary agents appointed out of 214 temporary agents authorised under the Union budget (155 authorised posts in 2017); notes that, in addition, 61 contract agents and 3 seconded national experts worked for the Office in 2018;

14. Notes with satisfaction that, as regards housing arrangements concerning the accommodation of asylum support teams and other Office forces in the Member States (e.g. as regards privileges and immunities for the Office's own staff, Member States' experts and contracted experts), the Office signed a hosting arrangement with Cyprus in July 2019, was to sign a hosting agreement with Greece in January 2020 and is in the process of concluding a new agreement with Italy to fully respect Regulation (EU) No 439/2010 of the European Parliament and of the Council ([3]) and in line with other hosting arrangements of the Office; calls on the Office, together with the Commission, to continue seeking effective arrangements with Member States concerning the accommodation of asylum support teams and other Office forces;

15. Notes the Office's replies to the observations of the Court and its efforts to address them under the new executive director by, inter alia, prioritising the conclusion of hosting arrangements with Italy, Greece and Cyprus concerning the accommodation of asylum support teams and other Office forces in the Member States, increasing the transparency of recruitment procedures and reinforcing its legal service in the course of 2019;

16. Notes that the Court has identified a horizontal trend across agencies in the use of external staff hired in IT consultancy roles; calls for the dependency on external recruitment in such an important and sensitive area to be reduced as much as possible in order to limit any potential risks;

17. Notes that, according to the Court's report, in 2018 the Office launched an open public procurement procedure to establish framework contracts for the provision of the services of temporary workers in Italy; notes that the Office discontinued the procedure because only one tender was received and the Office considered the offer unacceptable because the financial offer exceeded the estimated maximum budget; observes that the Court found that the tender specifications contained a significant mistake amounting to EUR 25 000 000; notes, however, that the Office has accepted these findings and has adopted and implemented corrective actions that include: terminating the framework contract for the services of temporary agency workers in Italy; launching a new procurement procedure for the services of temporary agency workers in Italy; launching an additional call for Member State experts and, where possible, using alternative arrangements for the deployment of experts to cover the period until the entry into force of a new framework contract; temporarily significantly scaling down the number of the Office's temporary agency workers deployed in Italy and, together with Italian authorities, maintaining the level of business continuity for essential support measures; notes also that the new procurement procedure was concluded and the new framework contract was awarded in December 2019 so that business continuity is assured throughout the procedure; calls on the Office to apply the Union's public procurement rules in a rigorous manner;

([3]) 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).

18. Notes that the Office uses service contracts with IT companies which were formulated in a way that could imply the assignment of temporary agency workers instead of clearly defined IT services or products; recalls that the provision of temporary agency workers to perform precise tasks for a specific duration is subject to Directive 2008/104/EC of the European Parliament and of the Council ([4]) and to specific rules adopted by the Member States; notes that the use of IT service contracts for the provision of labour is not compliant with the Union's Staff Regulations or Union social and employment rules; notes with satisfaction that the Office revised its template for time and means contracts in order to include in each contract a list of deliverables that are to be performed under the contract; calls on the Office to continue to be diligent and to make sure that the way in which contracts are formulated prevents any confusion between the procurement of IT services and of interim workers;

Procurement

19. Acknowledges from the Office that in 2018 it began to implement the Commission decision regarding whistleblowing and developed a practical guide for the management and prevention of conflicts of interests, with an adoption calendar by the management board by the third quarter of 2019 as well as rules for the protection of whistleblowers; notes with appreciation that the Office has organised a series of staff-dedicated training sessions on ethics, with a specific emphasis on the prevention of conflicts of interest and with a special tailor-made module dedicated to managers; notes with satisfaction that relevant rules regarding conflicts of interest have also been transposed into the relevant standard operating procedures and policies; calls on the Office to continue to pay particular attention to the prevention of conflicts of interest and the proper implementation of rules and procedures regarding whistleblowing;

20. Notes with concern that, although the Office publishes the declarations of interest and CVs of its management board members on its website, it still does not publish the declarations of interests of senior management and calls on the Office to immediately take action in that regard;

Prevention and management of conflicts of interest and transparency

21. Is aware that, at the end of 2018, the Office did not have an internal audit capability and that no comprehensive Internal audit Service audit reports have been issued since January 2018; notes furthermore that the creation of *ex post* controls to verify the legality and regularity of transactions was in its infancy; welcomes the Office's reply that it has agreed and documented corrective measures on the internal control systems, including the creation of audit capability by the fourth quarter of 2019 and an *ex post* internal control capability by the third quarter of 2019; notes with satisfaction that the Office is building its *ex post* controls capability with the first *ex post* control officer recruited in the fourth quarter of 2019 and with additional officers to be recruited during the first half of 2020; acknowledges that the Office is in the process of building an internal audit capability and is currently in talks with another Union agency that has extensive experience in the area in order to identify the best model for the Office; calls on the Office to report back to the discharge authority on the measures taken in that respect;

Internal controls

22. Welcomes the fact that the Office, according to the Court's annual report on Union agencies for the financial year 2018, has taken concrete and positive steps aimed at improving organisational governance; notes that 48 out of the 61 measures in the action plan were completed, while 13 had an ongoing status at the time of the Court's audit;

23. Welcomes the adoption in September 2019 of the Office's new sensitive post policy providing the guidelines and criteria for the management team to implement risk assessments, identify and document the sensitive functions in the Office together with the agreed mitigating controls and, additionally, to assess the sensitive function and document mitigating controls by the first quarter of 2020;

24. Recalls the fact that, at the end of 2017, there was no internal legal service at the Office and that a multitude of law firms had been engaged under the control of the previous executive director; observes, however, that in 2018 the Office created a list of all contracts used for legal advice, and that in 2019, a new senior legal advisor started her duties at the Office and the new framework contract for legal advice to replace the previous contracts was signed, with several other legal advisors to be recruited in 2020; notes, however, that there was still no systematic internal review of legal documents in place while multiple inconsistencies were noted in the legal aspects of public procurement procedures in 2018; calls on the Office to ensure a strong legal service and effective management of legal procedures; notes with satisfaction the objective of the Office to build the governance and internal control framework with the creation of, inter alia, a legal and data protection sector and an internal control and risk

([4]) Directive 2008/104/EC of the European Parliament and of the Council of 19 November 2008 on temporary agency work (OJ L 327, 5.12.2008, p. 9).

management sector to ensure in future a systematic review of legal documents, including for procurement; welcomes also the initiative of the Office to establish an internal audit capacity within the Office whilst arranging a joint audit capacity with the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice;

25. Regrets that there is still no policy regarding sensitive posts at the Office, which is not in line with the Office's internal control standards whereby sensitive functions are to be clearly defined, recorded and kept up to date; notes the Office's reply that a sensitive posts policy was being finalised and was expected to be approved by the third quarter of 2019 and to be implemented by the fourth quarter of 2019; calls on the Office to report to the discharge authority on developments on this matter;

26. Appreciates the progress made on the implementation of internal control systems, including controls on procurement and expenditure operations; supports the decision to reduce and rapidly end outsourcing legal counselling and the establishment of an internal legal service; supports the Court's observations on the need for introduction of further corrective actions;

27. Notes, following comments and observations from the discharge authority related to the fact that the Office is one of the few multi-location Union agencies and that the Office entered into lease contracts in several locations without having carried out an adequate local market analysis, that, as regards the office in Rome, a new tender will be shortly launched, preceded by a proper market analysis for renting an office in order to regularise the current situation; observes, moreover, in the case of the office in Athens, that the current rental contract ended in January 2020 and that a new procurement procedure is currently being prepared which includes a proper market analysis; notes, in addition, that the processing facility in Pagani (Lesvos) moved the operational working places located within the hotspots outside the centres; notes that, concerning Cyprus' office, in mid-2018 a new contract was signed with the owner of the building following a tender aimed at regularising the initial agreement and including the possibility to expand if further needs arise; welcomes the new procurement standard operating procedures adopted on 15 February 2019 providing guidance on sensitive aspects of the procurement and contract management procedure, including detailed provisions on market surveys; notes the effort of the Office to align its procurement procedures with the 'Methodology to be followed by the services of the Commission for prospecting and negotiating for buildings' and publish market prospect notices for all envisaged building contracts in order to increase transparency and competition;

28. Notes with concern that the lack of clear responsibilities and roles concerning the management of rented premises and related services and works may hamper an efficient mitigation of premises-related risks; calls on the Office to establish an effective policy for the management of rented premises and related services;

Other Comments

29. Welcomes the fact that, in light of comments from the discharge authority related to the appointment of the new ad interim executive director, who took office on 6 June 2018, transparency has been given utmost priority since this change in management as the founding principle of the governance action plan under the leadership of its new executive director, who is committed to continuing this approach in future;

30. Calls on the Office to focus on disseminating the results of its research to the public and to reach out to public via social media and other media outlets;

31. Notes that, in lights of comments and observations from the discharge authority related to the fact that the Office expanded its office space in Malta to an additional block of the building in which its premises are situated, the Office finalised a lease agreement in October 2018, the costs of which are fully covered by the Office's budget, with a view to occupying the full complex;

32. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 ([5]) on the performance, financial management and control of the agencies.

([5]) Texts adopted, P9_TA(2020)0121.

DECISION (EU) 2020/1879 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2018, Section I — European Parliament

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2018 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2018 (COM(2019)0316 – C9-0051/2019) ([2]),

— having regard to the report on budgetary and financial management for the financial year 2018, Section I – European Parliament ([3]),

— having regard to the Internal Auditor's annual report for the financial year 2018,

— having regard to the Court of Auditors' annual report on the implementation of the budget for the financial year 2018, 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 2018, 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([7]), and in particular Articles 260, 261 and 262 thereof,

— having regard to the Bureau decision of 10 December 2018 on the internal rules on the implementation of the European Parliament's budget, and in particular Article 34 thereof,

— having regard to Rule 100 and Rule 104(3) of, and Annex V to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0021/2020),

([1]) OJ L 57, 28.2.2018.
([2]) OJ C 327, 30.9.2019, p. 1.
([3]) OJ C 340, 8.10.2019, p. 1.
([4]) OJ C 340, 8.10.2019, p. 1.
([5]) OJ C 340, 8.10.2019, p. 9.
([6]) OJ L 298, 26.10.2012, p. 1.
([7]) OJ L 193, 30.7.2018, p. 1.

A. whereas the President adopted Parliament's accounts for the financial year 2018 on 27 June 2019;

B. whereas the Secretary-General, as principal authorising officer by delegation, certified, on 25 June 2019, 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 control procedures established give the necessary guarantees concerning the legality and regularity of the underlying transactions;

C. whereas the audit of the Court of Auditors stated that, in its specific assessment of administrative and other expenditure in 2018, it did not identify any serious weaknesses in the examined annual activity reports of the institutions and bodies required by Regulation (EU, Euratom) 2018/1046;

D. whereas Article 262(1) of Regulation (EU, Euratom) 2018/1046 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 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1880 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 2018, 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 2018, Section I – European Parliament,

— having regard to Rule 100 and Rule 104(3) of, and Annex V to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0021/2020),

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

B. whereas, in accordance with the usual procedure, 126 questions were sent to Parliament's administration and written replies were received and discussed publicly by Parliament's 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 always scope for improvement in terms of quality, efficiency and effectiveness in the management of public finances, scrutiny is necessary to ensure that the political leadership and Parliament's administration are held accountable to Union citizens.

Parliament's budgetary and financial management

1. Notes that Parliament's final appropriations for 2018 totalled EUR 1 950 687 373 or 18,9 % of heading V of the Multiannual Financial Framework ([1]) set aside for the 2018 administrative expenditure of the Union institutions as a whole, representing a 2,2 % increase over the 2017 budget (EUR 1 909 590 000);

2. Notes that total revenue entered in the accounts as at 31 December 2018 was EUR 193 998 910 (compared to EUR 206 991 865 in 2017), including EUR 30 783 590 in assigned revenue (compared to EUR 50 052 674 in 2017);

3. Emphasises that four chapters accounted for 67,6 % 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 Parliament's expenditure;

4. Notes the figures on the basis of which Parliament's accounts for the financial year 2018 were closed, namely:

(a) **Available appropriations (EUR)**	
appropriations for 2018:	1 950 687 373
non-automatic carry-overs from financial year 2017:	2 564 000
automatic carry-overs from financial year 2017:	289 785 291
appropriations corresponding to assigned revenue for 2018:	30 783 590
carry-overs corresponding to assigned revenue from 2017:	47 369 977
Total:	2 318 626 231

([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).

(b) **Utilisation of appropriations in the financial year 2018 (EUR)**	
commitments:	2 283 150 877
payments made:	1 933 089 380
appropriations carried forward automatically including those arising from assigned revenue:	348 106 015
appropriations carried forward non-automatically:	—
appropriations cancelled:	39 994 836
(c) **Budgetary receipts (EUR)**	
received in 2018:	193 998 910
(d) **Total balance sheet at 31 December 2018 (EUR)**	1 671 682 153

5. Points out that 99,2 % of the appropriations entered in Parliament's budget, amounting to EUR 1 934 477 627, 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 1 636 858 018, resulting in a payment appropriations execution rate of 84,6 %;

6. Underlines the fact that the cancelled appropriations for the year 2018, amounting to EUR 16 209 746, were mainly related to remuneration and other entitlements, as well as to the expenditure related to buildings;

7. Notes that eleven transfers were approved, in accordance with Articles 31 and 49 of the Financial Regulation, in the financial year 2018, amounting to EUR 53 533 500 or 2,7 % of final appropriations; observes that the majority of funds transferred were related to Parliament's buildings policy and, in particular, were to help fund the annual payments for the Konrad Adenauer building project;

The Court of Auditor's opinions on the reliability of the 2018 accounts and on the legality and regularity of the transactions underlying those accounts

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

9. Notes that the overall audit evidence indicates that spending on 'administration' is not affected by a material level of error; also notes that, on the basis of the 13 quantified errors, the estimated level of error present in heading 5 of the Multiannual Financial Framework on administration is below the materiality threshold;

10. Takes note of the specific finding, concerning Parliament, contained in the Court's report on Parliament's annual accounts for the financial year 2018 (the 'Court's report'); notes that, owing to terrorist attacks in recent years, the institutions, including Parliament, have found it necessary to reinforce the protection of people and premises as a matter of urgency; observes with concern that the Court found weaknesses in the procedures organised by Parliament and the Commission; notes that, in order to procure specific security-related building works, Parliament had recourse to framework contracts that were already in place and that the design of these framework contracts allowed Parliament to order essential security works not included in the original price schedule on the basis of a single quotation from the contractor; notes that Parliament has used this method in two out of the four procedures examined by the Court;

11. Notes with concern the response given by Parliament in the contradictory procedure with the Court, in which it recognises that, given the specific context (time pressure and market-specific structure), competition may have been suboptimal; notes with satisfaction that the new framework contracts awarded in this sector, with five contractors, are based on a reopening of competition in order to ensure adequate price competition;

The internal auditor's annual report

12. Notes that, at the meeting of the committee responsible with the internal auditor held on 18 November 2019, the internal auditor presented his annual report and described the assurance audits and consulting assignments he had performed and reported on, which covered the following subjects in 2018:

— building maintenance, refurbishment and operation (Directorate-General for Infrastructure and Logistics) (DG INLO);

— preliminary review of the institution's information and communication technologies (ICT) Security;

— individual entitlements under Staff Regulations of Officials and Conditions of Employment of Other Servants;

— staff shop in Luxembourg (DG INLO);

— follow-up of open actions from internal audit reports – Phase 1 and 2 of 2018;

— establishment of a function of internal quality assurance in Directorate-General for Security and Safety (DG SAFE);

— independent advice on project 'From Desktop to Hybrid' Directorate-General for Innovation and Technological Support (DG ITEC);

— aspects of Directorate-General for External Policies of the Union's (DG EXPO) reporting sheets system;

— follow-up to the IT outage and reinforcing IT Continuity;

— procurement and contract implementation in the catering sector (DG INLO) report not yet issued, preliminary findings under discussion with management.

13. Welcomes and supports the actions that the internal auditor agreed with the directorates-general responsible as a result of the assurance assignments and the recommendations that he issued following the consulting assignments:

Agreed actions:

— with regard to the audit on building maintenance, refurbishment and operation (DG INLO), enhancing the strategic framework for maintenance and further improving Parliament's building maintenance activities through the adoption of a comprehensive policy and a structured coherent multi-annual plan; increasing confidence that Parliament's building processes and operations are efficient and cost-effective; supporting decision-making on maintenance activities by reliable information and analysis;

— with regard to the information systems audit, preliminary review of the institution's ICT Security, strengthening information systems security governance (comprising policies, standards and guidelines), notably through the adoption of an institutional information security policy: improving the identification, protection and monitoring of IT assets (hardware, related software and network); better detecting of and responding to cybersecurity incidents, and enhancing recovery capabilities;

— with regard to the audit of individual entitlements of members of staff, strengthening the overall control environment in this area and addressing specific issues relating to family allowances;

— concerning the audit of the staff shop in Luxembourg, implementing the measures required to improve the control environment and control activities and the adequacy of internal governance; ensuring compliance of the shop's operations, including its imprest account, with the Financial Regulation, accounting principles and tax legislation;

Recommendations:

— with regard to DG EXPO's reporting sheets system, implementing the six recommendations to strengthen its reporting system and better frame the cooperation between delegations, committees and other interested parties;

— concerning the establishment of a function of internal quality assurance in DG SAFE, implementing the six recommendations for that purpose, including notably setting up a quality policy;

— in relation to the pilot project 'From Desktop to Hybrid', strengthening the project business case; using the hybrid to replace multiple existing devices; improving financial management of proof-of-concept and pilot projects before rolling out new tools;

— concerning the follow-up to the IT outage and reinforcing IT Continuity, ensuring complementary protection of ICT infrastructure; testing the disaster recovery plan; listing critical information systems and their dependencies and improving planning for housing Parliament ICT infrastructure outside its premises;

14. Notes that the 2018 follow-up process resulted in the closure of 28 of the 76 open actions, as well as the risk profile of the overdue actions, continued to be progressively reduced in 2018; notes, in particular, that the number of open actions addressing significant risks decreased from 22 to 7 and there were no open actions in the highest risk category ('critical'); notes that in addition to these validated actions, there was a total of 117 open actions, including those not yet due for implementation, of which 47 address significant risk; expects that these will be implemented in accordance with the agreed deadlines;

15. Particularly welcomes the possibility for the internal auditor to be called by directorates-general for consultation assignments, and recommends that all directorates-general make use of this possibility, if the need arises;

16. Notes that two audits, one on visitors' groups and the other on the parliamentary assistance allowance, are part of the 2019 activity and will be reported in early 2020; asks the internal auditor to inform Parliament's Committee on Budgetary Control on both outcomes as soon as they are available;

17. Deeply regrets that the internal auditor's report is not public; insists that this report be made public each year, and that it be sent to Members at the same time that it is sent to the Parliament's President and Secretary-General; deplores that, for the 2018 report, the decision was taken in January 2020 that Members may only view this report upon request, applying the secure reading room procedure; strongly believes that by limiting access to this document, which concerns the use of public funds, it gives the regrettable impression that there is something to hide;

Follow-up to the 2017 discharge resolution

18. Takes note of the written answers to the 2017 discharge resolution provided to Parliament's Committee on Budgetary Control on 17 September 2019, and of the Secretary-General's presentation addressing the various questions and requests of Parliament's 2017 discharge resolution and the exchange of views with Members that followed;

19. Deplores the fact that no action has been taken in response to some of the recommendations in Parliament's resolution on discharge for 2017, and that the discharge follow-up document does not provide any justification for this; 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;

Parliament's 2018 discharge

20. Notes the exchange of views between the vice-president responsible for the budget, the Secretary-General and Parliament's Committee on Budgetary Control Members in the presence of the internal auditor, on 18 November 2019, in the context of the 2018 Parliament discharge;

21. Reiterates its call on the Bureau to follow-up all discharge decisions, as follows from Rule 25 of and Annex V to the Rules of Procedure and Articles 6 and 166 of the Financial Regulation; 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 to respond to the recommendations contained in Parliament's discharge resolutions and to include the results in the annual monitoring document; asks the Secretary-General to report in good time to the Parliament's Committee on Budgets and Committee on Budgetary Control on all projects with a significant budgetary impact that have been submitted to the Bureau; reiterates the need for the Bureau to substantially improve, in a proactive manner, the transparency of its decision-making procedure;

22. Deplores that, in 2018, the internal investigation identified four cases in the area of the parliamentary assistance allowance that enabled the recovery of EUR 146 814 (47 cases identified in 2017 and EUR 903 741,00 recovered) and that, for Members' travel and subsistence allowances, EUR 173 546 was recovered coming from six investigations (EUR 68 589,05 in 2017);

23. Points out that legislative activity substantially increased in 2018, as Parliament was approaching the end of its 2014-2019 legislative term;

24. Notes that two temporary committees, Special Committee on Terrorism (TERR) and Special Committee on the Union's authorisation procedure for pesticides (PEST), successfully concluded their work during the year and a third one, Special Committee on Financial Crimes, Tax Evasion and Tax Avoidance (TAX3), was established;

25. Highlights that, in view of the 2019 European elections, the communication campaign was successfully launched; points out the increased participation of citizens in the 2019 European elections, although the turnout remained too low in certain countries; considers that this type of campaign should be ongoing, with a particular focus on those countries;

26. Approves of the measures of the institution to enhance security, notably in matters of physical and building security but also cybersecurity and communication security;

27. Regrets that, despite the fact that Parliament's Committee on Budgets rejected the budget requested in order to create an observatory on artificial intelligence, this initiative still seems to be ongoing in the form of a working group; is strongly concerned by the apparent circumvention of a democratic decision taken by Members, which sets a very unfortunate precedent; recommends that the activity of this working group be immediately interrupted until the budgetary authority has decided to provide it with a budget;

28. Is aware of the importance of the building policy, in particular the Martens Building project and the reconstruction of the Montoyer 63 building in Brussels, which were completed in 2018 and the Konrad Adenauer project in Luxembourg, which is scheduled to be completed by end of June 2023; understands that, in 2018, Parliament's Committee on Budgets authorised a mopping-up transfer, amounting to EUR 29 million, for the pre-financing of the project, which resulted in estimated saved interest of EUR 4,7 million; is concerned at the delay in constructing the Konrad Adenauer building in Luxembourg, delivery of which was planned for 2018 but is now not expected before 2023;

29. Supports the use of the Eco-Management and Audit Scheme (EMAS), which is a management instrument of the European Union for private and public organisations to evaluate and improve their environmental performance in accordance with Regulation (EC) No 1221/2009 ([2]); supports measures taken to reduce Parliament's carbon footprint;

30. Invites the administration to draw attention to the code of conduct for Members, which sets out that Members shall act solely in the public interest and conduct their work with disinterest, integrity, openness, diligence, honesty, accountability and respect for the Parliament's reputation; highlights that the code of conduct defines conflicts of interest and how Members should address them and it includes rules governing the professional activities of former Members;

31. Notes with concern that there were at least 24 breaches of the Code of Conduct between 2012 and 2018 which were not sanctioned; stresses that if breaches are not adequately sanctioned, Members are less likely to comply with the Code of Conduct; calls on the President to carefully assess any alleged breaches of the Code of Conduct and, if applicable, impose an adequate sanction on the respective Members;

32. Takes note of the Rules Governing Transport Arrangements for Members in the European Parliament's Places of Work ('the Rules'); considers the provisions setting out conditions for the use of official cars on a permanent basis by the President, Secretary-General, Deputy Secretary-General and each political group chair in the Rules to be too vague; calls on the Bureau to revise the Rules with a view to introducing stricter conditions on the use of such cars;

([2]) Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS), repealing Regulation (EC) No 761/2001 and Commission Decisions 2001/681/EC and 2006/193/EC (OJ L 342, 22.12.2009, p. 1).

33. Is of the opinion that the protection of whistleblowers is an integral element of democracy and it is crucial in preventing and deterring unlawful activities and wrongdoings; recalls that, among others, accredited parliamentary assistants (APAs) are in a vulnerable position due to their contract of employment; notes with concern the Secretary-General's acknowledgement that 'whistleblowing rules are applicable to accredited parliamentary assistants but that the Parliament cannot provide employment protection'; as they are dependent on their individual Member; calls on the Secretary-General to take that factor into account when APAs act as whistleblowers, and to look to extend the contract protection options granted by Parliament for APAs who are victims of harassment to APAs who act as whistleblowers;

34. Underlines the fact that current rules on the termination of contracts for APAs do not provide for the possibility of a termination by 'mutual consent', which would be a way to recognise the special relation between Members and assistants, where both parties can acknowledge that mutual trust no longer exists, and benefit from a common solution without undermining the social rights of APAs; asks the Secretary-General to find a solution for the fact that APA's salaries can only be paid to Belgian bank accounts, which runs counter to the idea of a single monetary and payments union;

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

36. Reiterates its call on the Conference of Presidents and the Bureau to reconsider the possibility for APAs, under certain conditions to be determined, to accompany Members on 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 those missions;

37. Calls on Parliament to fully adapt its own internal rules in the Staff Regulations to the recently adopted Directive (EU) 2019/1937 ([3]) on the protection of persons who report breaches of Union law, including by setting up secure channels for reporting; further requests that Parliament guarantees the same level of protection to whistle-blowers as it does to victims of harassment; requests that the Secretary-General institute mandatory training for line managers to raise awareness among parliamentary staff on their whistleblower protections and their duty under the Staff Regulations to report illegal activities or maladministration;

38. Notes that the United Kingdom's decision to withdraw from the European Union had a considerable impact in the different services of Parliament, particularly on committees, research units and horizontal services;

39. Welcomes the decision of the Bureau on 2 May 2018 regarding staff with United Kingdom nationality, namely that no official will be dismissed on the grounds of their United Kingdom nationality; understands that the case-by-case assessments that had been conducted by the date initially foreseen for the withdrawal of the United Kingdom from the European Union with regard to the contractual and temporary staff of United Kingdom nationality, resulted in no contracts being terminated; acknowledges that political groups conduct their own case-by-case assessments for their staff;

40. Takes note of the successful implementation of the 5 % staff reduction target, that in 2018 required Parliament to eliminate 60 posts from its administration establishment plan; considers that it is important to ensure the high level of performance of Parliament, both in the short and long term, while also ensuring responsible budgetary management and making savings where appropriate; believes that further savings could be envisaged; strongly believes that it is essential to implement a communication strategy aimed at the Council, the Member States and the European citizens to respond to unfair, widespread criticism of the European Union civil service, which has been going on for years;

([3]) Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law (OJ L 305, 26.11.2019, p. 17).

41. Is worried about the number of members of staff on long-term sick leave and the steep rise in the number of cases of burnout, and is concerned that some of those cases may relate to exhaustion and disturbed work-life balance; is particularly concerned about understaffing and, at the same time, considers that it is hard to justify the expansion in senior management positions, which is leading to an imbalanced, top-heavy management structure; calls on the administration to adopt a proactive approach towards the staff concerned, to carefully evaluate the staff workload and to ensure a balanced distribution of tasks; asks for a report on measures taken in response to long-term sick leave and burnout by 30 June 2020;

42. Within a context of increased expectations of what staff are able to do, insists on the importance of a regular and constructive dialogue with the staff committee, trade unions and in the case of political groups with their staff representatives; counts on continuing the constructive dialogue with those bodies, particularly on matters related to staff policy, as well as to working conditions such as mobility, working environment and flexitime;

43. Considers that it is essential, to this end, for staff representatives to be heard when the Bureau discusses general matters affecting staff policy: asks the Secretary-General to take the appropriate measures to implement this crucial necessity;

44. Points out that in order to maintain an excellent and independent, loyal and motivated European Union civil service, the Staff Regulations need to be fully respected and applied in letter and spirit; calls, in this context, to also put an end to the practice of 'parachuting' people into positions, which runs the risk of damaging procedures and thus the credibility of the institution, in particular, and of the Union, in general;

45. Recalls the findings and recommendations of the European Ombudsman in joint cases 488/2018/KR and 514/2018/K, as well as Parliament's resolution of 18 April 2018, notably that officials from staff representative bodies sit on Parliament's senior management selection panels, and invites the Secretary-General to further improve the procedures of appointment of high ranking official towards more transparency and equality; calls, furthermore, for consistency to be ensured when it comes to external publications of senior management posts and diligence in the publication of these posts as and when they fall vacant; calls on Parliament's administration to report annually on the appointment of high ranking officials;

46. Profoundly regrets the lack of career prospects for contract staff; invites the Secretary-General to assess the risks relating to employing growing numbers of contract staff, including the danger of creating a two-tier staffing structure within Parliament; insists that core permanent positions and tasks should be performed by permanent staff;

47. Is convinced that the attractiveness of Parliament as a workplace is a key component of its success; draws attention to the difficulties encountered in recruiting some nationalities; calls on the Secretary-General to insist on the need for real geographical balance in terms of proportional representations of all Member States at all levels, including top management levels; recognises the very positive steps taken in order to achieve gender balance; calls for urgent action to achieve better gender balance at all levels, including directors-general level;

48. Regrets the continuing under-representation of countries which joined the Union after 2004, especially in more senior posts, the problem being that, whilst citizens from the new Member States are indeed taken on, more from the old Member States are being promoted, which results in an ever-widening gulf between the old and the new Member States; calls for this situation to be rectified;

49. Points out that in internal competitions between 2014 and 2019, 30 people were appointed to the highest AD9 pay grade, of whom 16 were from two large old Member States, so that there was a striking number of appointments of staff from these two countries over the whole legislative cycle, and asks the Secretary-General to explain the reason for this disproportionate result;

50. Regrets the difficulty of recruiting staff at lower grades in Luxembourg, especially in the assistant-secretaries category; stresses that the introduction of a correction coefficient that takes account of the higher living costs in this place of work together with recruitment at higher grades is necessary to solve this structural problem; calls for European Personnel Selection Office (EPSO)-based recruitments to be reformed so that it is better able to meet the institutions' needs, including through shorter recruitment procedures;

51. Recalls that Rule 11 of the Rules of Procedure has introduced an obligation for rapporteurs, shadow rapporteurs and committee chairs to publish information on meetings held with interest representatives in the context of their reports; notes with satisfaction that, since the start of the new legislature, the necessary infrastructure is available on Parliament's website to allow Members to publish scheduled meetings with interested representatives; invites the secretariat to disseminate detailed information and organise trainings in order to make it easier for Member's offices to abide fully to this obligation; regrets that the current infrastructure does not include a process for Members and APAs to provide suggestions and their feedback for improvement based on user experience; calls on the Parliamentary services to develop a feedback questionnaire on a yearly basis and for the results to be included in a report on the use of the tool; welcomes the fact that the Secretary-General has instructed Parliament's services to connect the tool to the Transparency Register and Legislative Observatory and encourages any effort that would further improve this tool, including by providing access for processing of the data provided by Members in the Parliament website infrastructure concerning meetings with interest representatives in a machine readable format, providing an option to link the meeting to membership in a delegation, to indicate that the meeting took place at staff-level, to link the entries on Parliament's website to the Member's own website and to make this infrastructure available in all official languages of the Union; further calls on Parliament to improve its communication towards Members about the obligation for rapporteurs, shadow rapporteurs and committee chairs to publish such meetings;

52. Welcomes this positive step towards increased transparency and the possibility for all Members who wish to do so, to be able to publish this information via the infrastructure of Parliament's website, even if the Member is not a rapporteur, shadow rapporteur or committee chair; considers that this increased transparency helps European citizens to better understand the work of their Members; regrets therefore that this meeting declaration infrastructure only exists in English and not in all the official languages of the Union;

53. In addition to the joint Parliament and Commission report on the activities of the Transparency Register, requests Parliament to draft an annual detailed report on the interest representatives and other organisation that were given access to Parliament's premises.

54. Recognises the fact that the production of public data in an open, machine-readable format, easily accessible and reusable, offers great opportunities both in terms of public transparency and innovation; welcomes the current initiatives to create and convert those of its data that are of interest to the public into that format; underlines the need to have a more user-friendly, systematic and coordinated approach for such initiatives, under a well-defined Parliament open data policy;

55. Recognises the added value that free and open source software can bring to Parliament; underlines in particular their role in increasing transparency and avoiding vendor lock-in effects; recognises also their potential for improving security since they make it possible to identify and fix the weaknesses; strongly recommends any software developed for the institution to be made publicly available under free and open-source software licence;

56. Notes that the results of roll-call votes in plenary should be available in an open, machine-readable format and easily visible on Parliament's website; calls on Parliament therefore to publish the machine-readable version of the roll-call vote results next to the non-machine-readable versions, on the plenary minutes' webpage;

57. Notes that the revised rules governing the payment of financial contributions for sponsored visitors groups entered into force on 1 January 2017; calls on the Secretary-General to release the assessment of these rules without delay; is of the opinion the current system disregards the fluctuating accommodation and transport costs and fails to keep pace with inflation, and strongly calls for a review of the system for calculating the financial contribution for the groups of visitors as soon as possible in order, inter alia, to avoid Members being able to derive any material benefit from the system; calls on the Bureau to generalise the system of reimbursement based on submission of bills for visitors groups; reiterates its call to remove the possibility of appointing an APA as the head of a group;

Environmentally friendly Parliament and carbon neutrality by 2030

58. Welcomes Parliament's positive contribution to sustainable development through its political role and its role in legislative procedures; underlines the need for Parliament to lead by example and contribute to sustainable development through the way it operates;

59. Commends Parliament's commitment to green public procurement; notes that Parliament's objective is to increase the value-weighted percentage of contracts among certain priority products classified as 'Green', 'Very Green' or 'Green by Nature'; notes that 44,9 % of contracts by value in priority product categories were classified as 'Green' or 'Very Green', or 'Green by Nature' in 2018; points out that, when all contracts classified as 'Green by Nature', regardless of the product category, are included in the figure, the greenness of Parliament's contracts increases to 55,8 % for 2018, which is close to the intermediate target of 60 %; underlines the need to develop further green public procurement by setting ambitious targets for greening contracts in the medium term;

60. Welcomes the adoption of the Environmental Management Review and Environmental Statement 2018, the implementation of the Action Plan 2018 and its regular monitoring;

61. Supports Parliament's objective to reduce its carbon emissions as much as possible; reiterates its concern that a geographic dispersion of the parliament results in 78 % of all missions by Parliament staff and that the environmental impact is between 11 000 and 19 000 tonnes of CO_2 emissions;

62. Is of the opinion that after the declaration of Climate Emergency, Parliament shall lead by example and commit itself to achieving a zero-carbon footprint by 2030; requests that Parliament develop a strategy to become carbon-neutral by 2030 and to present its strategy to the discharge authority; instructs it's Bureau's EMAS working group to amend the key performance indicators and the current CO_2 reduction plan for reaching carbon neutrality by 2030; asks further for reporting and accounting of Parliament's CO_2 offsetting as a matter of urgency;

63. Emphasises that approximately 67 % of Parliament's carbon footprint originates from the transport of persons; recalls that, by its decision of 15 May 2017, the Bureau approved the proposal to provide an efficient and high-quality way for Members while minimising the environmental impact through a gradual transition towards electric vehicles for Parliament's fleet of cars and the promotion of all types of green transport which operate with zero-emissions in the urban environment and to have a fully-electric fleet from 2024; welcomes the various measures and instruments introduced in this respect by DG INLO; expects the Bureau to work out a travel reimbursement system which includes the cost of the CO_2 offsetting in the price of the travel and to incentivise the use of eco-friendly transport;

64. Supports Parliament's objective, which is to offset its unavoidable emissions; suggests joint offsetting of unavoidable emissions with other Union institutions and bodies;

65. Stresses that Parliament has to honour its commitments regarding the fight against climate change, and must consequently take appropriate steps in all its buildings to make bicycle parks, where bicycles are protected against theft, vandalism and the elements, available to all staff, and at the very least should offer the same arrangements currently available in staff car parks; notes that a system whereby vignettes are used as a means of identification could also be very worthwhile in this regard;

66. Welcomes Parliament's efforts to increase the number of paperless meetings; calls for more training sessions to be offered to all Members, members of staff and APAs about the paperless tools which have been created to enable less documents to be printed and for further communication campaigns;

67. Asks Parliament to improve its communication to Members informing them of the possibility to use the direct train between Parliament and Brussels airport which takes 20 minutes door to door, and which Members may use free of charge, and to use its influence to advocate for those trains to run at regular and smaller intervals to make this possibility as attractive as possible;

68. Commends staff for making full use of the charter trains to Strasbourg; encourages senior managers not to use their service cars for their missions to Strasbourg;

69. Supports the offsetting of 100 % of Parliament's CO_2 emissions, including emissions from flights by Members between their country of origin and Brussels and Strasbourg, on an annual basis through carbon credits; recalls that the offsetting contract covering Parliament's emissions from 2017 was signed on 19 July 2018 for a total amount of EUR 184 095,80;

70. Is concerned about the volatility of prices for CO_2 offsetting on the emission certificate market, which makes it is impossible to estimate the exact amount necessary to offset the total amount of carbon emissions; draws attention to the fact that the financial means available in budget line 2390 (currently EUR 249 000) may not be sufficient to offset the total amount of carbon emissions in the coming years;

71. Welcomes the Quaestor and Bureau decisions, in April and June 2018 respectively, to reduce plastic waste and waste management activities; calls upon Parliament to swiftly undertake further ambitious action, towards a plastic-free Parliament;

72. Welcomes the positive outcome of the external audit carried out in May/June 2018 confirming the good condition and maturity of Parliament's environmental management system;

Geographic dispersion of Parliament – single seat

73. Stresses that the Union has chosen to be present through its institutions and agencies in several Member States, which guarantees a strong link with citizens and ensures the visibility of Union added value ('European visibility'), taking into consideration responsible public funds management;

74. Notes that the costs linked to Parliament's 12 journeys for Members per year to Strasbourg amount to EUR 21 266 689; notes that the annual travel costs amount to EUR 3 631 082 for Parliament staff and EUR 2 097 250 for APAs;

75. Notes that the cost of the Thalys charter train was EUR 3 741 900 in 2018 (compared to EUR 3 668 532 in 2017);

76. Stresses that moving Parliament's official vehicles to Strasbourg and back empty apart from their respective drivers further adds to the financial and environmental impact of the 12 annual missions to Strasbourg; welcomes the fact that opportunity exists for APAs to join for the trip to Strasbourg and back, but regrets that this option is not used to its full capacity; calls on Parliament to allow for all the Parliament and Political groups staff to also use this option for their trip to Strasbourg and to improve its communication concerning this possibility;

77. Notes that the additional expenditure involved in not having a single seat goes against the principle of sound financial management and against the principle of budgetary discipline; recalls that a vast majority of Parliament expressed in various resolutions support for a single seat to ensure efficient spending of Union taxpayers money; notes that the Court estimated that moving from Strasbourg to Brussels could generate annual savings of EUR 114 million plus a one-off saving of EUR 616 million if the Strasbourg buildings are successfully divested, or a one-off cost of EUR 40 million if they are not; notes that a single seat can only be achieved by a unanimous Treaty change; urges the Council to take note of Parliament's position and take its responsibility and act accordingly; stresses that it would be a more efficient use if Parliament's official vehicles to Strasbourg transported Members, (APAs and members of staff with mission orders; considers that Parliament's official vehicles should at the very least be filled before organising charter buses when the charter trains between Brussels and Strasbourg are full;

78. Underlines the fact that the Union, as one of the signatories of the Paris Agreement under the United Nations Framework Convention of Climate Change, vowed to keep the increase in global average temperature to well below 2 °C above pre-industrial levels, and notes with concern that the 12 journeys per year to Strasbourg unnecessarily increase the carbon emissions produced by Parliament;

Directorate-General for Communication (DG COMM)

79. Recalls that in 2018, Directorate-General for Communication (DG COMM) had 805 members of staff; calls upon DG COMM to make use of a greater percentage of Parliament's overall budget in the years to come than the 6,1 % that it used in 2018;

80. Welcomes the full implementation of the budget in 2018 as testimony to the fact that efforts have been made to fully use all resources available to DG COMM in order to reach a maximum number of citizens, which was of particular importance in this pre-election year; notes with satisfaction that in 2018, it actively contributed to the development and setting-up of the European elections campaign strategy;

81. Notes that DG COMM's lead indicator, since 2017, is the number of hours of attention that Parliament receives across all communication channels; notes with satisfaction that, beyond a focus on attention levels, DG COMM is developing a methodology for measuring the economy, efficiency and effectiveness of its activities across all communication channels; approves of the focus placed on Parliament's visibility;

82. Calls on DG COMM to inform the discharge authority in future discharge cycles of the targets set in the respective year so that it can assess the effectiveness of the directorate-general's activities;

83. Calls on DG COMM to continue its efforts to improve Parliament's public website, in particular with regard to the optimalisation of search engines, and to increase its visibility; urges DG COMM to create an easy-to-browse website, easily accessible from all devices (i.e. smartphones, tablets and desktop computers), with a particular emphasis on a simplified mobile version of the website;

84. Notes that, in the field of media, numerous projects were implemented in 2018 and Parliament's web presence was further consolidated with the deployment of Webstreaming 3.0, which improves Parliament's streaming capacity;

85. Acknowledges, in addition, a significant improvement in Parliament's use of social media, and further encourages the use of free open-sources self-hosted social network platforms having special regard to the protection of user's data; further acknowledges efforts related to raising awareness of Union actions, and further urges Parliament to intensify its activity on social media in order disseminate the results of Parliament's work among the Union citizens; notes also that significant efforts were invested in a comprehensive visitors' strategy and, with a particular focus on youth, in the implementation of the Ambassador School Programme;

86. Notes that, in 2018, 285 press seminars were organised in the Member States with more than 3 629 journalists attending; welcomes the fact that, additionally, 1905 journalists were invited to take part in plenary sessions, and 1 191 journalists were invited to take part in centrally organised press seminars; commends DG COMM for using all possible media channels for the dissemination of Parliament's work and achievements; invites the directorate-general to pay adequate attention to the importance of social media and to its significant and ever-growing potential for reaching citizens;

87. Supports the activities of the Parlamentarium that welcomed its 2 millionth visitor on 11 July 2018, and the success of the pilot projects of the Europa experience in Berlin, Ljubljana, Strasbourg and Helsinki; expresses its gratitude to the Visits and Seminars unit that welcomed a record number of visitors in 2018;

88. Recalls that 2018 marked the first full year of operation for the House of European History; notes that the House of European History welcomed 164 158 visitors; welcomes the co-financing agreement with the Commission, ensuring a yearly contribution to the running costs; remains deeply concerned by reports on working conditions in the European House of History under the previous contractor and urgently requests the Secretary-General to inform Parliament's Committee on Budgetary Control on the situation of European House of History employees under the new contractor; also asks the Secretary-General to publish figures on the total costs of the contractor and the amount spent on the wages of the European House of History employees;

European Parliament Liaison Offices

89. Recalls that there was a reform of the European Parliament Liaison Offices (EPLO) in the Member States, where the revised mission statement aims at engaging with citizens and media through reinforced press teams and stake-holders and multipliers in order to reach out to citizens;

90. Takes note of different items of expenditure for 2018, broken down as follows:

Item of expenditure	2018 expenditure
Staff cost	EUR 22 814 372
Buildings cost	EUR 11 170 082
Security cost	EUR 1 843 339
Communication cost	EUR 11 639 088
Total	EUR 45 886 152

91. Insists on the importance of effective communication in Member States while ensuring cost-effectiveness; invites all decision-making parties involved to strive for added value, particularly with regard to running costs;

92. Appeals to Parliament and to the Member States to intensify cooperation with their respective EPLOs; demands that the EPLOs increase their visibility through events and intensive activity on social medias in order to out to citizens; calls on EPLOs to step up their cooperation and communication with individual European institutions with an aim to streamline the operation of EPLOs;

93. Notes that the EPLO office based in Athens has spent EUR 38 400 in 2018 for the rental of parking spaces; considers that these costs are disproportionally high considering that only six employees currently work in this office; calls on Parliament to investigate reasons for these costs and if necessary, take appropriate measures to remedy the situation;

94. Notes that, on 30 January 2019, the Bureau decided to maintain Parliament's office in London and that the Edinburgh antenna will remain in place at least until end of 2020; notes that a decision on Parliament's presence in Edinburgh beyond 2020 will be taken at a later stage;

95. Notes with concern the Bureau decision of 11 February 2019 regarding parliamentary support to the EU Mission to ASEAN in Jakarta, the EU delegation to the African Union in Addis Ababa and the EU Delegation to the UN in New York; considers that given the specific nature of this parliamentary support, Parliament's Committee on Budgetary Control should be provided with detailed information on resources and output on an annual basis in the framework of the Parliament discharge; asks the Secretary-General to carry out a cost/benefit analysis of this parliamentary diplomacy support before the end of 2020 and prior to any envisaged extension to other regions of the world;

Directorate-General for Personnel (DG PERS)

96. Recalls that, in 2018, Directorate-General for Personnel (DG PERS) had 456 member of staff and managed 47,5 % of Parliament's overall budget;

97. Welcomes the transfer of tasks related to APAs from Directorate-General for Finance (DG FINS) to DG PERS and the significant effort necessary in order to organise the transfer of responsibilities;

98. Notes with satisfaction the creation of the Accredited Parliamentary Assistants Front Office to manage the end-to-end recruitment of APAs, as well as the modification and termination of contracts and administrative support to APAs; believes that the Front Office's capacity to answer to APAs needs should be further strengthened; welcomes the introduction of a simplified and quicker procedure to recruit APAs and the progress towards paperless file management; calls for the Parliament administration teams responsible for the recruitment of APAs to be reinforced before the beginning of each new mandate, for the time necessary to provide comprehensive training beforehand and until the high work load has been completed;

99. Reiterates its call on the administration to provide, as early as possible in the next parliamentary term, training courses or publications especially for new APAs, including as regards practical and administrative matters (mission orders, medical examinations, accreditation, parking stickers, groups of visitors, exhibitions, etc.) in order to avoid systemic errors that hinder the smooth running of administrative procedures that affect new APAs;

100. Reiterates its request that APAs receive the same subsistence allowance as statutory personnel for their missions to attend the part-sessions in Strasbourg;

101. Expresses its support for the management of the consequences of the United Kingdom's withdrawal from the Union on the administration of Parliament, especially as regards the impact on human resources and the budget;

102. Notes that DG PERS's lead indicator in 2018 is time to deliver; notes with satisfaction that targets and methods of data collection were refined with a generally positive assessment of the results;

103. Notes that the total number of staff in Parliament in December 2018 was 9 883 agents in activity, which includes permanent and temporary staff, contract staff and APAs (compared to 9 682 in 2017);

104. Draws attention to the Court of Auditors' Special Report No 15/2019: Implementation of the 2014 staff reform package at the Commission – Big savings but not without consequences for staff; notes with concern the observations of the Court that are applicable to other Union institutions, including Parliament, and thus welcomes the Commission's readiness to accept the recommendations of the Court; supports the position expressed by Parliament's Committee on Budgetary Control ([4]) on the matter; underlines the importance of the Union providing competitive salaries compared to the private sector in the country of residence and is concerned that less favourable conditions of employment may have reduced the attractiveness of working for the Union particularly when there are difficulties in attracting sufficient staff from a number of Member States; warns of the serious consequences that any cut to the administrative budget or any staff reduction may have in the future of the European Union civil service and the implementation of the Union's policies; expresses also its great concern about the increased proportion of contract staff as a result of the 2014 staff reform resulting in an increasingly precarious employment conditions in the Union institutions and the establishment of an EU parallel low-cost staff; calls on the Union's institutions to carry out a comprehensive assessment of the impact on the human resources management and staff well-being of any future reform or revision of the Staff Regulations;

105. Recalls the fact that promoting equal opportunities is a key component of the Parliament's human resource management policy; takes note of the fact that the gender equality roadmap continues to be implemented through concrete actions: targets for women heads of unit was set at 40 %, women directors at 35 % and women directors-general at 30 %by the end of 2019; regrets however that the gender equality roadmap has not been fully implemented, especially as regards reaching the target for the representation of women in senior management positions of40 % by 2020; calls for more ambitious targets to be urgently set and for them to be achieved over a short time frame;

106. Proposes, in addition, that a greater focus be placed on equal opportunities for all, notably for example increasing the number of people with disabilities working in the Parliament administration; notes that within the Bureau a High-Level Group on Gender and Diversity already exists and requests that it conduct a study of measures taken in Member States and internationally that have been effective in increasing the participation of people with disabilities in the work place, including legislative measures; requests that the High-Level Group reports back to the Bureau with concrete suggestions once the study has been undertaken and the results analysed; calls for ambitious targets to be urgently set, including those that reflect the need for geographical balance, and for them to be achieved over a short time frame;

107. Notes with satisfaction that the High Level Group on Equality and Diversity tasked DG PERS in 2018 to elaborate a report with a roadmap containing the list of measures to eliminate discrimination based on any ground such as ethnic origin, disability, sexual orientation and gender identity in the Parliament Secretariat; takes note that the Bureau adopted the report in April 2019 and it is already being implemented; asks the High Level Group to continue reinforcing and improving this kind of measures and initiatives in order to foster an inclusive working environment in Parliament;

108. Deplores the fact that no system exists for Members who are on maternity leave to be temporarily replaced by substitutes; is of the opinion that this impossibility is fundamentally at odds with core values of the Union because it sends the signal that a vote on a female candidate may entail temporary non-representation; is of the opinion that the fact that no system exists for Members on parental absence and also for Members on long-term sick leave to be temporarily replaced by substitutes is an unresolved problem, since the fact that they cannot send a proxy to vote on their behalf creates a temporary imbalance in the representation of Union citizens; calls on the Council to amend Article 6 of the Act concerning the election of the members of the European Parliament by direct universal suffrage ([5]) in order to remedy the situation;

109. Regrets that, during the period 2017 to 2018, the number of women holding posts at the level of director-general remained stable in absolute numbers, at two, far below the target; notes with satisfaction that the number of women at director level reached 34 % at the end of 2018 and 37 % in the course of 2019 and that the number of women at head of unit level increased to 38 % at the end of 2018 and 39 % at the end of 2019; recognises the need for a step-by-step approach, but underlines that the situation will only be satisfactory once the gender balance at management level reflects the gender balance of the eligible population for those posts;

([4]) Working Document on Implementation of the 2014 staff reform package at the Commission – Big savings but not without consequences for staff.

([5]) Act concerning the election of the members of the European Parliament by direct universal suffrage, annexed to Council Decision 76/787/ECSC, EEC, Euratom of 20 September 1976 (European Electoral Act) (OJ L 278, 8.10.1976, p. 5).

110. Notes that there are Member States that do not hold any director or general-director position, and that, despite many years having passed since the 2004, 2007 and 2013 enlargements, there has been no corresponding increase in representation for the new Member States at management level, where some nationalities continue to be heavily overrepresented; recommends addressing this situation; recalls the importance of all recruitment being based on competency, while respecting the importance of achieving a geographical balance among the Parliament's staff; to this end, calls on Parliament to ensure that staff at all levels, including at director and director-general level, is hired and promoted without discrimination based on nationality and to ensure that employment at Parliament is equally attractive to all nationalities;

111. Takes note of the solutions found for APAs who had worked for two consecutive parliamentary terms without interruption but who were lacking up to 2 months to complete the 10 years of service needed to be entitled to a pension under the pension rights scheme of the Union institutions; criticises the fact that a solution was put forward too late, despite the numerous and continuous warnings during the previous parliamentary term; criticises, further, the fact that only one solution was found and that it depended solely on the goodwill of certain Members who were aware of the situation and wished to show solidarity with their APAs in this situation; criticises, also, the fact that the Administration did not inform Members elected for the new parliamentary term of this matter and of the fact that they could issue contracts of less than six months in these instances, as a result of which many of these APAs had great difficulty finding a Member willing to employ them on a contract without interruption for a short period of time, something which some APAs did not manage to do(according to the Administration, this was the case for at least three of the 170 APAs concerned);

112. Welcomes the extension and streamlining of teleworking possibilities for the Secretariat-General of Parliament but calls for the extension of the possibility of teleworking with a fixed schedule, as at the Commission and other institutions; supports conducting a survey on the experience of teleworking and asks for the evaluation results to be shared with the Members and all the Parliamentary services;

113. Reiterates its call for a greater use of videoconferences and other technologies in order to protect the environment and to save resources, in particular to reduce travel by staff between the three places of work in order to carry out their duties;

114. Recognises Parliament's zero tolerance policy towards harassment at any and all levels including Members, staff and APAs and the actions put in place to discourage harassment in the workplace, in particular the adoption, by the Bureau, on 12 March 2018, of an updated roadmap for the adaptation of preventive and early support measures to deal with conflict and harassment between Members and APAs, trainees or other staff, an external audit of Parliament's internal practices and procedures, the creation of a network of confidential counsellors and of a mediator function, and the organisation of a public hearing with experts in harassment in the workplace; notes that the results of the external audit were expected by early November 2018, and requests that they be communicated without delay, once available; calls for an explanation for such a delay: welcomes the fact that some groups have strongly encouraged their Members to participate in training sessions on dignity and respect at work, in order to lead by example, and calls for training sessions for Members and members of staff; expects the full and transparent implementation of the roadmap; takes note that the Advisory Committee on Harassment and its Prevention in the Workplace received some 20 complaints regarding psychological or sexual harassment at work each year from 2014 to 2017 and 7 complaints in 2018, which can not be ignored in a context where every case is one too many;

115. Asks for the full implementation of the measures recommended in Parliament's resolution of 26 October 2017 on combating sexual harassment and abuse in the European Union, namely the implementation of the anti-harassment training for all staff and Members on a compulsory basis, as well as the restructuring of the two existing committees into one independent committee; requests that the judicial and medical expenses of victims of harassment be covered in accordance with Article 24 of the Staff Regulations;

116. Welcomes the fact that there were no waiting lists for the first three categories of staff (i.e. single parent working at Parliament and Members; two parents working full time at Parliament; two parents working at Parliament, one of which works full time and the other at least half time) used to prioritise the allocation of places at Parliament's nursery and the private nurseries in Brussels with which Parliament has a contract; notes that, in 2018, 197 places were offered and 116 places were accepted by members of staff; notes with satisfaction that the Wayenberg nursery is being extended and will have capacity for 320 children (there are currently 230 places);

117. Notes that, from 1 February 2020, the company 'Esedra' has taken over as the new service provider of Parliament's crèches and nursery sections; notes with anxiety the limited information given by the relevant Parliament services (DG PERS) about the changes that this new contract will entail before the change of service provider took place; underlines the need for Parliament always to place the well-being of the children in its nursery at the top of its criteria when evaluating a call for tender, as well as to give high importance to the working conditions of the staff employed by the service provider;

118. Underlines the importance of clear rules governing crèches and nursery; requires Parliament's Crèches and Nursery Sections Management Committee to adopt sufficient specifications to make its rules clear, transparent and broad enough to cover any unusual and specific situations, such as individual family situations or children with special needs; suggests to keep updated information about crèches and nursery services on the websites including the contributions and the current capacity; recommends, in addition, amending Article 4 of the rules governing the crèches and nursery sections run under the supervision of the European Parliament in order to clearly state the maximum parental contribution in order to ensure sufficient transparency is provided and to prevent any potential discrepancies;

119. Recalls the need for all service providers to fully respect Belgian law and to ensure that the subcontractor is aligned with Parliament's policy of respect and dignity at work; calls on the responsible Parliament services to ensure a smooth transition and that none of the possible changes to how the crèches and nursery sections operate, introduced by the new management, results in a reduction in the quality of service and in working conditions, as compared to the previous service provider;

120. Notes that, due to the high workload of staff in DG PERS, there is a lack of flexibility in modifying APAs salaries, when requested by a Member and justified by an increase of the APA responsibilities;

Directorate-General for Infrastructure and Logistics (DG INLO)

121. Recalls that, in 2018, DG INLO had 607 members of staff and managed 12,6 % of Parliament's overall budget;

122. Notes that committed appropriations amounted to EUR 239 547 603, corresponding to an 11 % decrease in comparison to 2017 (EUR 265 839 576);

123. Stresses that, with regard to Parliament's building policy, the principle of cost-effectiveness must be observed to the maximum extent possible, both in terms of costs related to existing buildings and of new projects; emphasises that Parliament's primary concern must be effective financial management, with the objective of completing work at the lowest possible cost;

124. Notes that the new medium and long-term buildings strategy was adopted by the Bureau in April 2018; notes that the Bureau's buildings strategy focuses on measures designed to meet future needs beyond 2019, including the renovation of buildings, which remains one of the main challenges to be addressed; recalls that Parliament has focused on buying properties, meaning that it now owns 80 % of the buildings it occupies;

125. Acknowledges that in Brussels the Martens building was completed and the Montoyer 63 building was rebuilt;

126. Notes that the largest building project of Parliament – the enlargement of the Konrad Adenauer building in Luxembourg – is at the point of the finalisation of its first phase, the East site, which represents approximately 70 % of the entire project; recalls that currently, Parliament staff in Luxembourg are located in four buildings; acknowledges that the Konrad Adenauer building will bring all services under one roof and, as such, allow for economies of scale in the fields of energy, water, security and facilities management of the building; points out with concern that certain costs relating to construction delays have been higher than originally foreseen but thanks to the considerably lower expenses for the financial costs of the loans, Parliament has been able to partially offset the additional costs; takes note that, at this stage, the total cost of Adenauer project remains EUR 32,5 million under the approved overall budget which excludes project management costs, financial costs, certified bodies, etc.; regrets the increased costs due to the constructions delays and notes that transactions with the construction companies (linked to the delay with the project) have been necessary to avoid further delays and costs (between 5 % and 15 % of the contract amount);

127. Notes with concern that, as in previous years, new mopping-up transfer for the pre-financing of the Konrad Adenauer building project – EUR 29 million – was authorised; stresses that 'mopping-up' is a relaxation of the principle of specification and deliberately contravenes the principle of budgetary accuracy; disagrees with the ongoing practice of the year-end 'mopping up transfer' to contribute to current building projects; calls for a better budget management in order to reduce such transfers to the bare minimum possible and to improve the clarity and transparence of the related budgetary lines;

128. Commends the improvement of the working environment for Members in Brussels (1 personal office + 2 offices for their staff) and Strasbourg (1 + 1 offices); further supports improving of working conditions of Members in keeping with paragraph 147 below;

129. Supports the efforts of DG INLO to tighten its security arrangements by making structural and organisational improvements, including the securing of all physical sites; insists on the need to reconcile openness for citizens with security requirements;

130. Notes with regret that a number of crucial service-providers have recently decided not to extend long-term contracts signed with Parliament (banks and food shops) and asks the service to investigate the reasons for the decline in services available at Parliament;

131. Acknowledges the start of the works to extend the Wayenberg nursery in 2018; is concerned however by the unsafe access given to these sites during the works and suggests that DG INLO and DG SAFE should pay closer attention to ensuring the safety of users during such building works in the future;

132. Takes note of Parliament's significant infrastructure, which can be broken down as follows:

Brussels buildings	**Luxembourg buildings**	**Strasbourg buildings**
13 owned	1 owned	5 owned
7 rented	6 rented	1 parking rented
671 285 m^2	176 283 m^2	344 283 m^2
EP Liaison Offices and antenna		
Total	37	
owned	12	
rented	25	
surface	28 383 m^2	

133. Acknowledges that the Bureau instructed the Secretary-General to authorise DG INLO to launch an architectural competition for the refurbishment of the Paul-Henri Spaak building considering only two options: renovation or redesign of the building; presses for the building to be prepared for a further evolution of Parliament's activities in the decades ahead, in line with the Treaties; recalls that an architectural competition was launched in order to elicit concrete architectural proposals and that a final decision on the project should be taken by the political and budgetary authorities; stresses that such a decision should take place following the publication of an assessment of the safety of the building and that the Secretary-General should draw up a budgetisation of the plan before the decision is taken;

134. Notes that the creation of a 'Europa Experience' in several Liaison Offices has been approved by the Bureau and is being implemented throughout the coming years;

135. Supports the internalisation of the drivers' service and notes the very high satisfaction rate (99,9 %) for the official car service in 2018; suggests that official cars should not travel empty and that, when driving from Brussels to Strasbourg and back, they should be used to transport Members, staff and APAs with mission orders; takes note of the new rule requiring drivers to wait for a maximum of five minutes at the pick-up location and understands the need for such a rule but is, however, concerned that this time limit is too tight; notes the long waiting time for Members at the airport before cars depart to the Parliament and suggests finding a more efficient way of managing these delays;

136. Expresses strong concern for the working conditions of the staff of two of the external concessions contracted by Parliament, namely the cleaning staff and the restauration staff, and strongly recommends that DG INLO organises an independent survey of their satisfaction with the working conditions, in order to ensure respect and dignity at work; calls for an evaluation of Parliament's public procurement policy with a view to improving transparent and predictable working conditions for all contracted services; calls on Parliament to report to the discharge authority on the results of such evaluation; acknowledges that Parliament respects the relevant legislation;

137. Is concerned that the service has still not been able to solve the problem with Parliament's hot water system and asks the committee responsible in future to provide information on action taken to combat legionella in Parliament;

138. Welcomes the increase in the variety of the food on offer in Parliament's self-service canteen; is, however, concerned that, despite holding a public call for the cost/benefit assessment of the price/quality balance, the food on offer has been found to be unsatisfactory; calls for a reassessment of the evaluation of quality and price of potential service providers on the market; calls for necessary amendments to be made regarding the unbalanced quality-price ratio stemming from the results of the survey; expresses serious concern about the price and quality of the food and beverages;

139. Expresses solidarity with workers of COMPASS Group who are facing staff cuts and a worsening of their working conditions; is concerned about the growing use by the external catering company of temporary and interim staff, which has consequences for the quality of the services and for the benefits and quality of the working conditions for permanent staff;

140. Welcomes the creation of an *ex-ante* control and public procurement coordination unit in 2017 in order to strengthen the central role of the *ex-ante* verification unit and to provide support to ensure the uniform application and monitoring of procurement procedures in DG INLO;

141. Notes with satisfaction that an audit on the accessibility of buildings for persons with disabilities was carried out throughout 2018 as part of the 'Design for all' policy and the launch of DG INLO's accessibility network;

142. Approves of the role of DG INLO in Parliament's environmental policy, in particular the objective to make buildings more energy efficient and to reduce water consumption;

Directorate-General for Logistics and Interpretation for Conferences (DG LINC)

143. Recalls that, in 2018, Directorate-General for Logistics and Interpretation for Conferences (DG LINC) had 534 members of staff and managed 3,1 % of Parliament's overall budget;

144. Insists on the application of the code of conduct on multilinguism, allowing every Member to express themselves in their own language; stresses that the more detailed language profiles introduced by the revision of the code of conduct on multilingualism are only to be used in exceptional circumstances; their purpose is not to limit language provision but to provide a more targeted service to Members in the case of market limitations and logistical constraints;

145. Approves of the 2018 transformation of the directorate-general to enhance Parliament's capacities in conference organisation and by the completion of the process of establishing new working conditions for interpreters;

146. Acknowledges the strategy for the modernisation of conference management, largely focused on enhancing and adapting service provision in Parliament, based on user needs, and developing a single interface for organisers;

147. Notes with satisfaction the agreement on interpreter working conditions of 8 September 2018; encourages the joint follow-up group, which consists of representatives of the administration and of the interpreters, to continue offering a forum for fruitful cooperation in order to smoothly solve issues that may arise;

148. Notes that the overall average number of hours per week that interpreters spent delivering interpretation services in their booths increased from 11 hours 54 minutes in 2014 to 13 hours 47 minutes in 2018 due to, inter alia, increase in parliamentary activity;

149. Calls attention to the fact that there are large differences in the cost of translation from particular languages and asks the service to investigate the reasons for these major discrepancies;

Directorate-General for Translation (DG TRAD)

150. Recalls that in 2018, Directorate-General for Translation (DG TRAD) had 1 145 members of staff and managed 0,9 % of Parliament's overall budget;

151. Acknowledges that, in 2018, DG TRAD saw a 10 % increase in production compared with the previous year, owing to the cyclical nature of translation demand, which is closely linked to parliamentary activity; notes with concern that in-house translation output in relation to capacity reached 119,4 % (benchmark: 100 %) and the outsourcing rate was 32,8 % (31,4 % in 2017); appeals to DG TRAD for it to consider increasing the amount of outsourcing, respecting the 100 % benchmark and focusing on the quality and translational flawlessness of the documents; calls on DG TRAD to continue its work to increase the checking of outsourced translations for compliance and quality;

152. Notes the progressive migration to eTranslation, providing machine translation output for all language combinations; insists on the irreplaceable role and added value of human translators;

153. Observes that new tasks for translators were introduced in 2018, transforming translation into intercultural linguistic mediation, for instance, via the establishment of the Audio Capacity Service, which involves some of the translators translating the flash news (daily news bulletins) into 24 languages and podcasts into 6 languages; notes that DG TRAD hired a voice coach who trained almost 180 members of staff; is concerned that DG TRAD staff were faced not only with an exceptionally high workload due to the end of the legislative term but also with uncertainties related to upcoming new and unfamiliar tasks; calls on DG TRAD's high-level management and staff to continue discussions on the impact of the cyclical workload on the well-being of staff; encourages the establishment of a joint follow-up group, which would consist of representatives of the administration and of translators, similar to the one established by DG LINC;

Directorate-General for Finance (DG FINS)

154. Recalls that in 2018, DG FINS had 222 members of staff and managed 20,8 % of Parliament's overall budget;

155. Is aware that the regulatory framework of DG FINS has greatly evolved since the entry into force of the Statute for Members in 2009; notes, in addition, the entry into force of the new Financial Regulation on 2 August 2018 and the consequent modifications of the internal rules on the implementation of Parliament's budget, which affects the work of DG FINS;

156. Is concerned about human resource scarcity and mobility, meaning that priority has had to be given to core services for Members and for Parliament, leading to problems with the extent of checks made, with deadlines, with the speed with which payments have been made, and with balancing expenditure operations; is worried about this trend and its adverse impact, in particular, about deteriorating well-being at work and more long-term sickness, which have become more marked during the year;

157. Expresses great concern about the obsolescence of the directorate-general's IT applications and the risk of IT failure, which are both considered as high; calls on DG FINS and DG ITEC to step up their constructive cooperation in order to implement appropriate mitigating measures, including the smooth deployment of the new financial management and accounting system;

158. Approves of significant efforts for ongoing investment in the digitisation of financial processes, such as Members' electronic signatures, with a view to enhancing client service, administrative efficiency and the level of checks, in particular, the introduction of online reimbursement of Members' medical expenses and automation of the central attendance register, with a view to speeding up payments of related entitlements and extension of the functions of the e-Portal, as the single entry point for Members to manage their financial and social entitlements; deplores time-consuming inefficiencies in entering and checking the data, notably that data on Members' travel costs is entered into the system twice, first by Members and in a second step again by the administration;

159. Notes that Parliament's new travel agency started operating on 1 January 2019, following a public call for tenders; notes the limited use of the travel service's call centre, available at weekends but which does not cover all the companies used by the travel agency; deplores the fact that Members have experienced difficulties reaching the travel service's call centre during and outside working hours; deplores the limited opening hours of the agency, notably the fact that it is shut on Friday afternoons, except for Friday afternoons before a Strasbourg session, which seriously limits Members' staff's ability to work efficiently; calls for an improvement of availability; insists on the mandatory implementation of a simple and user-friendly complaints mechanism, which would allow for quick resolution of any problems; deplores the slow reaction time of the agency when dealing with requests for tickets; finds it absolutely unacceptable that tickets proposed by the agency are not always the most cost effective ones (often above online prices) and that Members experience considerable delays in the reimbursement of their travel costs; calls on DG FINS to launch a satisfaction survey on the services of the travel agency, and, with the aim of presenting the results by 30 June 2020 at the latest, to inform customers of the organisation and responsibilities of DG FINS and Parliament's travel agency; urges the new travel agency to reflect on the results provided by the satisfaction survey and implement improvements accordingly;

General Expenditure Allowance

160. Welcomes the measures taken by the Bureau to develop greater transparency and financial accountability;

161. Recalls that a separate bank account for the reception of the general expenditure allowance is mandatory; calls on Parliament to regularly inform the discharge authority of how many Members comply with this obligation;

162. Draws attention to the fact that, at its meeting of 2 July 2018, the Bureau adopted a new non-exhaustive list of expenses which may be defrayed from the general expenditure allowance that contains the most common examples of eligible expenditure; notes that for Members who so wish, the costs relating to a voluntary verification audit of the use of general expenditure allowance can be covered from general expenditure allowance; recalls that all Members are free to document their use of general expenditure allowance, and to have this information published in their personal websites; calls on Parliament to regularly inform the discharge authority of how many Members follow these recommendations;

163. Acknowledges the improvements made in the last years in the efficient and transparent verification and control of expenditure reimbursements, such as Members' travel cost reimbursements and Parliamentary Assistant's allowances, in respect of which documentation for costs incurred must be provided; calls for a strict handling of cases where misconduct has been uncovered; urges the Bureau to draw conclusions from past incidents of fraud and issue severe punitive measures in cases of fraud; strongly urges Members to use their General Expenditure Allowance strictly for the purposes laid out in the Implementing Measures for the Statute for Members of the European Parliament; urges the Bureau to proceed with the evaluation of the guidelines as it is foreseen in the last bureau decision; seeks, in the interest of the citizens and the reputation of the House and its Members, a well adjusted balance between the Freedom of the mandate and the combat against risks of misuse and fraud; considers a regular evaluation of the relevant provisions every five years towards the mid-point of a parliamentary term to be appropriate;

164. Recalls Articles 62(1) and 62(2) of the Decision of the Bureau of 19 May and 9 July 2008, as amended (last modification on 1 July 2019), concerning implementing measures for the Statute for Members of the European Parliament, which stipulates that 'the sums paid', including the general expenditure allowance, 'shall be reserved exclusively for the funding of activities linked to the exercise of a Member's mandate and may not be used to cover personal expenses or to fund grants or donations of a political nature' and that 'Members shall pay back any unused amounts to Parliament except where they are defrayed in the form of a lump sum'; calls upon the Secretary-General and the Bureau to ensure that those provisions are fully implemented and complied with and to regularly inform the discharge authority of how many Members have paid pack their unused amounts;

165. Recalls that the ad-hoc Working Group for defining and publishing the rules concerning the use of the general expenditure allowance in the past legislative term recommended that the Bureau resume discussions about the general expenditure allowance and come up with an agreement that requires Members to: keep all receipts pertaining to the general expenditure allowance, to admit an independent auditor in charge of the annual check of the accounts and the publication of an auditor's opinion, and to return the unspent share of the general expenditure allowance at the end of their mandate;

166. Further recalls that the plenary has adopted the following additional changes concerning the general expenditure allowance on top of those already issued by the ad-hoc Working Group, requiring: a 5 % sample check of general expenditure allowance spending by Parliament's internal auditing, the final results and the findings of which should be part of the annual internal audit report published by Parliament, Members to publish, on an annual basis, an overview of their expenditures by category (communication costs, office rental, office supplies, etc.);

167. Urges the Bureau to implement the democratic will of the plenary concerning the general expenditure allowance as soon as possible;

168. Welcomes the fact that the Bureau of the past legislative term created the necessary infrastructure on Members' online page on Parliament's website for those Members who wish to publish a voluntary audit or confirmation of their expenditure that their use of the general expenditure allowance complies with the applicable rules of the Statute for Members and its implementing measures; calls on Parliament to improve its communication towards Members about this possibility and how to make use of it in practice;

Voluntary Pension Fund

169. Notes that the voluntary pension scheme has an estimated actuarial deficit of EUR 286,1 million at the end of 2018; further notes that at the end of 2018, the amount of net assets to be taken into account and the actuarial commitment amount to EUR 112,3 million and EUR 398,4 million respectively;

170. Recalls that these projected future liabilities are spread over several decades but notes that the total amount paid by the voluntary pension fund in 2018 amounts to EUR 17,8 million;

171. Points out that this raises concerns about the possible exhaustion of the fund and that Parliament is guaranteeing the payment of pension rights if, and when, this fund is not able to meet its obligations;

172. Strongly supports the results of a meeting of 10 December 2018, where the Bureau decided to modify the rules applicable to the pension scheme by increasing the retirement age from 63 to 65 years and introducing a levy of 5 % to pension payments for future pensioners with a view to improve its sustainability; endorses the Bureau's decision as a positive step; notes however that Parliament will remain liable for a very significant amount in the future; recalls that Article 27(2) of the Statute for Members of the European Parliament provides that ' [a]cquired rights and future entitlements shall be maintained in full';

173. Calls on the Secretary-General, as well as the Bureau, to exhaust – in full accordance with the provisions of the Statute for Members, namely Article 27(1) and (2) – all possible avenues to find a fair solution to the problem while keeping Parliament's liability to a minimum, as taxpayers' money is involved and to inform the discharge authority of the measures taken in this regard;

Directorate-General for Innovation and Technological Support (DG ITEC)

174. Recalls that, in 2018, DG ITEC had 484 members of staff and managed 6,4 % of Parliament's overall budget;

175. Notes that DG ITEC's lead indicator in 2018 is its responsiveness to the demands of users and partners in all fields of activity in a timely and efficient manner; insists that DG ITEC should continue to invest in the delivery of a modern, seamless, efficient and user-oriented IT interfaces;

176. Supports the on-going development of e-Parliament applications, a reinforcement of IT innovation activities and the strengthening of Parliament's cybersecurity capacity; welcomes the decision to double the resources allocated to the Computer Emergency Response Team for the EU Institutions, bodies and agencies (CERT-EU); commends the strengthening of the Union institutions' capacity to ensure an optimal protection against cyberattack;

177. Acknowledges the fact that it is very difficult for DG ITEC to recruit enough highly qualified experts with very specific profiles, knowledge and experience; calls on Parliament to ensure that this request is properly transmitted to the European Personnel Selection Office to better respond to such specific needs of Union institutions;

178. Insists that DG ITEC make stronger efforts to guarantee continuity and resilience of Parliament ICT infrastructures achieved since the IT outage of October 2017; calls for increasing the efforts and capacity to provide assurance on Parliament ICT robustness; calls for continuing the work and progress made in the areas of business continuity, risk management, incident management and recovery capability; stresses the existence of deficiencies in the functioning of the internet network in Parliament;

179. Highlights the increasing risks related to data and privacy; points with concern to recent reporting on storing and processing user's data when logging in to Parliament's wi-fi; strongly questions the need to retain data for up to six months ([6]); calls on Parliament to develop an information security policy and strategy; stresses that close cooperation between DG ITEC and DG SAFE is of utmost importance; encourages the directorate-general's to plan common activities over the medium and long term;

Directorate-General for Security and Safety (DG SAFE)

180. Recalls that, in 2018, DG SAFE had 756 members of staff and managed 1,5 % of Parliament's overall budget;

181. Is concerned by the results of the recent DG SAFE staff survey, and hopes that a solution can be found in the near future that responds to staff concerns;

182. Recalls that openness to the public is a hallmark of Parliament and an adequate balance with the necessary level of security must remain;

183. Welcomes the major security-related decisions taken by the Bureau over the 8th parliamentary term, in particular (a) measures concerning relations with the national authorities of the host countries and with the other institutions, notably measures to secure the Brussels European district, security screening of external service providers' personnel, threat assessment and changes to alert levels, (b) measures to upgrade Parliament's buildings and (c) internal measures; recalls that those decisions implied infrastructure investment;

184. Welcomes the agreement, concluded by Parliament in 2018, on reciprocal exemption from security checks with the Commission, the European External Action Service, the Economic and Social Committee and the Committee of the Regions; regrets however that no such agreement has been signed with the Council yet, and hopes that a solution can soon be found in that respect;

185. Approves of the replacement of the access badges for Members and their staff; looks forward to the forthcoming replacement of those used by Parliament's staff;

186. Commends the good cooperation between DG SAFE and DG INLO in enhancing security of all Parliament's buildings in upgrading access, including to car parks, as requested by the Bureau;

187. Acknowledges the creation of the Protection Unit, in particular the close protection of the President of Parliament and the reinforcement of the security of Parliament's strategic locations;

188. Supports the extension of the SMS security alert system to all users of service telephones which will, in future, be used for all Members and staff;

([6]) https://euobserver.com/institutional/146270

Legal Service

189. Approves of the Legal Service strategy of making lawyers more readily available to the parliamentary committees; calls on a reinforcement of staff dealing with parliamentary activities;

190. Notes with satisfaction that the Legal Service respects gender balance at the level of administrators, heads of unit and directors;

191. Highlights that the Legal Service has won 95 % of the cases taken to court during the 8th legislative term; expresses its conviction that the Legal Service plays its role in safeguarding the financial interests of Parliament and of the Union citizens by retrieving public money through court cases;

192. Is concerned by the difficulties of finding qualified individuals from certain countries to fill some posts, as it is an obligation to cover all legal systems and all the languages of the Member States;

Annual report on contracts awarded

193. Recalls that the successive two Financial Regulations ([7]) and the Rules of Application of Regulation (EU, Euratom) No 966/2012 ([8]) 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 Regulations require publication of the contracts awarded with a value greater than EUR 15 000, a value that corresponds to the threshold above which a competitive tendering procedure becomes compulsory;

194. Notes that, of a total of 251 contracts awarded in 2018, 94 were based on open or restricted procedures, with a value of EUR 569,5 million, and 155 on negotiated procedures, with a total value of EUR 35,9 million; notes that the total number of contracts awarded by negotiated procedures decreased in terms of value as a percentage of the total value of contracts awarded, from 12 % in 2017 to 6 % in 2018, as well as in terms of volume, from EUR 70,5 million in 2017 to EUR 35,86 million in 2018;

195. Notes the following breakdown of contracts by type awarded in 2018 and 2017, including building contracts:

Type of contract	2018		2017	
	Number	Percentage (%)	Number	Percentage (%)
Services	199	79	177	79
Supply	37	15	36	16
Works	12	5	11	5
Building	3	1	0	0
Total	**251**	**100**	**224**	**100**

Type of contract	2018		2017	
	Value (EUR)	Percentage (%)	Value (EUR)	Percentage (%)
Services	256 374 627	42	446 313 270	76
Supply	210 526 209	35	133 863 942	23
Works	133 431 628	22	6 892 972	1
Building	5 039 824	1	0	0
Total	**605 372 288**	**100**	**587 070 184**	**100**

(Annual report on the contracts awarded by the European Parliament, 2018, p. 6)

([7]) Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations Regulation (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014 and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

([8]) 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).

196. Notes the following breakdown of contracts awarded in 2018 and 2017 by type of procedure used, in terms of number and value:

Type of procedure	2018		2017	
	Number	Percentage (%)	Number	Percentage (%)
Open	89	35,46	78	35
Restricted	5	1,99	1	1
Negotiated	155	61,75	145	64
Competition	1	0,40	—	—
Exceptional	1	0,40	—	—
Total	**251**	**100**	**224**	**100**

Type of procedure	2018		2017	
	Value (EUR)	Percentage (%)	Value (EUR)	Percentage (%)
Open	486 039 380	80	488 368 460	83
Restricted	83 433 046	14	28 200 000	5
Negotiated	35 859 040	6	70 501 724	12
Competition	24 221	—	—	—
Exception	16 600	—	—	—
Total	**605 372 288**	**100**	**587 070 184**	**100**

(Annual report on the contracts awarded by the European Parliament, 2018, p. 8)

Political groups (budget item 4 0 0)

197. Notes that, in 2018, the appropriations entered under budget item 4 0 0, attributed to the political groups and non-attached Members were used as follows ([9]):

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

Group	2018					2017				
	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
European People's Party (EPP)	18 282	6 690	20 820	113,88	4 152	17 790	8 150	19 330	108,66	6 610
Progressive Alliance of Socialists and Democrats (S&D)	15 792	5 863	16 888	106,94	4 767	15 610	5 469	15 268	97,81	5 812
European Conservatives and Reformists (ECR)	6 182	2 962	7 200	116,47	1 944	6 200	2 810	6 051	97,60	2 959
Alliance of Liberal and Democrats for Europe (ALDE)	5 823	1 824	6 033	103,61	1 614	5 711	1 694	5 596	97,99	1 809
The Greens/European Free Alliance (Greens/EFA)	4 478	1 579	4 669	104,27	1 388	4 333	1 826	4 583	105,77	1 578
European United Left/Nordic Green Left (GUE/NGL)	4 443	1 257	4 590	103,31	1 110	4 421	1 407	4 571	103,39	1 257
Europe of Freedom and Direct Democracy (EFDD)	3 829	1 828	2 725	71,17	1 915	3 654	1 917	3 523	96,41	1 827
Europe of Nations and Freedom (ENF)	3 238	1 094	3 612	111,55	720	2 719	846	2 474	90,99	1 091
Non-attached Members	1 153	314	537	46,57	442	929	257	494	53,18	318
Total	**63 220**	**23 412**	**67 073**	**106,09**	**18 052**	**61 365**	**24 377**	**61 889**	**100,85**	**23 258**

198. Welcomes the fact that independent external auditors for the political groups issued only unqualified opinions for the financial year 2018;

European political parties and European political foundations

199. Notes that the Authority for European Political Parties and European Political Foundations (APPF) was created in 2016 with the task of assessing registration requests, registering new Union parties and foundations, monitoring their funding and imposing sanctions in cases of failure to respect their obligations; acknowledges that it became fully operational in 2017;

200. Notes that the Commission, Council and Parliament agreed to provide additional financial and human resources for the APPF in the budget for the financial year 2019;

201. Points out that, pursuant to Article 6(10) of Regulation (EU, Euratom) No 1141/2014 ([10]),the director of the APPF shall submit annually a report to Parliament, the Council and the Commission on the activities of the Authority; notes that the annual report was sent to Parliament's President and Secretary-General on 21 November 2019; deplores the fact that the 2018 report was submitted to Parliament's Committee on Budgetary Control in January 2020 only; expresses concerns about the decision to consider the report as confidential, following an express request from the APPF making it available only to a limited number of persons under restricted conditions; considers that by limiting access to this document, which concerns the use of public funds, it gives the regrettable impression that there is something to hide; insists that the APPF report be made public each year, and that it is sent to Members at the same time as it is sent to Parliament's President and Secretary-General;

202. Calls on Parliament's Committee on Budgetary Control to invite of the director of the APPF to the annual hearing for the Parliament discharge, as is the case for the other heads of agencies and institutions;

203. Underlines the importance of the APPF's public reporting about its activities as an element of its accountability, which is essential for the continued construction of trust and assurance, as well as to assess whether the APPF is adequately equipped with staff, resources and competences to effectively prevent a misuse of funds by political parties and foundations;

([10]) Regulation (EU, Euratom) No 1141/2014 of the European Parliament and of the Council of 22 October 2014 on the statute and funding of European political parties and European political foundations (OJ L 317, 4.11.2014, p. 1).

204. Notes that, in 2018, the appropriations entered under budget item 4 0 2 were used as follows:

Party	Abbreviation	Own resources	EP final contribution – first part	Total revenue [1]	EP contribution as % of reimbursable expenditure (max. 85 %)	Revenue surplus (transfer to reserve or loss)
European People's Party	EPP	1 427 466	7 356 802	11 340 157	85 %	64 271
Party of European Socialists	PES	1 153 831	6 309 079	7 462 911	85 %	—
Alliance of Liberals and Democrats for Europe Party	ALDE	759 642	2 674 543	3 935 648	85 %	157 524
European Green Party	EGP	544 072	2 244 342	2 961 972	85 %	– 26 538
Party of the European Left	EL	301 456	1 513 876	1 875 332	85 %	– 6 798
European Democratic Party	PDE	125 374	532 075	754 587	85 %	18 913
European Free Alliance	EFA	156 351	628 696	910 047	85 %	32 110
Alliance of Conservatives and Reformists in Europe	ACRE	– 286 814	1 253 918	1 245 829	71 %	– 729 991
European Christian Political Movement	ECPM	125 110	624 532	749 641	85 %	5 995
Movement for a Europe of Nations and Freedom	MENL	211 768	1 045 592	1 257 360	85 %	– 28 579
TOTAL		**4 518 257**	**24 183 454**	**32 493 485**		**– 513 092**

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

205. Notes that, in 2018, the appropriations entered under budget item 4 0 3 were used as follows:

Foundation	Abbreviation	Affiliated to party	Own resources	EP final grant	Total revenue	EP grant as % of eligible costs (max. 85 %)	Revenue surplus (transfer to reserve or loss)
Wilfried Martens Centre for European Studies	WMCES	EPP	1 097 171	5 816 345	6 913 516	85 %	31 397
Foundation for European Progressive Studies	FEPS	PES	1 050 548	4 895 825	5 946 373	85 %	—
European Liberal Forum	ELF	ALDE	292 141	1 650 538	1 942 680	85 %	—
Green European Foundation	GEF	EGP	185 182	1 038 822	1 224 004	85 %	1 368
Transform Europe	TE	EL	244 655	1 193 712	1 438 367	85 %	16 375
Institute of European Democrats	IED	PDE	45 755	255 000	300 755	85 %	—
Coppieters Foundation	CF	EFA	115 193	388 702	503 895	85 %	38 617
New Direction – Foundation for European Reform	ND	ACRE	279 636	1 215 011	1 494 647	85 %	– 156 378
Sallux	SALLUX	ECPM	77 416	418 444	495 860	85 %	2 159
Foundation for a Europe of Nations and Freedom	FENL	MENL	53 600	329 251	382 851	85 %	– 4 503
TOTAL			**3 441 296**	**17 201 651**	**20 642 947**		**– 70 965**

DECISION (EU) 2020/1881 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2018, Section IV — Court of Justice of the European Union

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2018 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2018 (COM(2019) 316 — C9-0053/2019) ([2]),

— having regard to the annual report of the Court of Justice of the European Union to the discharge authority on internal audits carried out in 2018,

— having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2018, 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 2018, 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([6]), and in particular Articles 59, 118, 260, 261 and 262 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Legal Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0027/2020),

1. Grants the Registrar of the Court of Justice discharge in respect of the implementation of the budget of the Court of Justice of the European Union for the financial year 2018;

2. Sets out its observations in the resolution below;

([1]) OJ L 57, 28.2.2018.
([2]) OJ C 327, 30.9.2019, p. 1.
([3]) OJ C 340, 8.10.2019, p. 1.
([4]) OJ C 340, 8.10.2019, p. 9.
([5]) OJ L 298, 26.10.2012, p. 1.
([6]) OJ L 193, 30.7.2018, p. 1.

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 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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1882 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 2018, Section IV — Court of Justice of the European Union

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 2018, Section IV – Court of Justice of the European Union,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Legal Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0027/2020),

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 Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;

1. Notes with satisfaction that in its 2018 annual report, the Court of Auditors identified no significant weaknesses with respect to the audited topics relating to human resources and procurement for the Court of Justice of the European Union (the 'CJEU');

2. Welcomes the conclusion of the Court of Auditors that the payments as a whole for the year ended 31 December 2018 in respect of the administrative expenditure of the CJEU were free from material error and that the examined supervisory and control systems were effective;

3. Regrets, as a general observation, that chapter 10 'Administration' of the 2018 annual report of the Court of Auditors has a rather limited scope and conclusions, notwithstanding the fact that the Multiannual Financial Framework Heading 5 'Administration' is considered to be low risk;

4. Notes that the Court of Auditors selected a sample of 45 transactions from the Multiannual Financial Framework Heading 5 'Administration' for all Union institutions and bodies; notes that the sample was designed to be representative of the range of spending under Heading 5, which represents 6,3 % of the Union budget; notes that the work of the Court of Auditors indicates administrative expenditure as low risk; considers, however, that the number of transactions selected in relation to the 'other institutions' is not sufficient and asks the Court of Auditors to increase the number of transactions to be examined by at least 10 %;

5. Notes that, in 2018, the CJEU's budget amounted to EUR 410 025 089, compared to EUR 399 344 000 in 2017, corresponding to an increase of 2,67 %; notes an overall rate of implementation of 99,18 % (compared to 98,69 % in 2017);

6. Welcomes the overall prudent and sound financial management of the CJEU in the 2018 budget period; notes the high budget implementation rate for Title 1 (persons working with the CJEU, representing 75 % of budget implemented) and Title 2 (buildings, furniture, equipment and miscellaneous operating expenditure, representing the rest of the budget implemented) amounting to 99,0 % and 99,8 % (compared to 98,6 % and 99,1 % in 2017);

7. Acknowledges the CJEU's efforts to avoid significant discrepancies between commitments (99,18 %) and payments (94,04 %); welcomes the fact that the CJEU monitors very closely the execution of its budget during the year by establishing monthly dashboards in order to ensure an optimal use of the resources available;

8. Highlights the CJEU's application of the principles of performance-based budgeting to all its administrative services; notes the establishment of specific objectives accompanied by one or more measurable indicators which are essential in the preparation of the annual budget; acknowledges the organisation of workshops with all services in order to harmonise the budgetary approach and exchange best practices;

9. Regrets, however, the increase in expenditure of 11,81 % between 2017 and 2018 in respect of budget item 2022 'Cleaning and maintenance' arising from a new building maintenance contract and other factors, in respect of which an estimate had not been made and which resulted in an increase in this budgetary line during 2018; calls on the CJEU to continue its efforts to prepare sound budget estimates;

10. Welcomes the fact that the implementation rate in respect of the final appropriations for meetings and conferences increased to 98,83 % in 2018 (compared to 81,40 % in 2017); recognises that this budget item is partly intended to finance official visits and ceremonial events for which budgetary planning is less predictable due to unforeseeable events;

11. Welcomes the CJEU's effort to publish its annual activity report on 29 April; notes that the CJEU continues to explore, in cooperation with other institutions, the possibility of bringing forward further its calendar, which would provide the discharge authority with more time to go into greater depth and to conduct the discharge procedure;

12. Acknowledges the CJEU's commitment to work towards the implementation of the recommendations of the Court of Auditors, in particular with regard to proactive case management with timetables adapted according to the nature and complexity of the different cases; recognises the CJEU's careful planning and monitoring to ensure a smooth continuity of judicial activity; notes that the average duration of proceedings in 2018 at the Court of Justice was 15,7 months (compared to 16,4 months in 2017) and at the General Court was 20 months (compared to 20,6 months in 2015 and 16 months in 2017); encourages the CJEU to continue its efforts to shorten the duration of proceedings whenever possible;

13. Recognises that the main priorities of the CJEU are to ensure a reasonable period of time for the handling of cases brought before the two Courts together with the preservation of the quality of decisions; notes that, due to a rigorous control system and a high level of vigilance, it was possible to achieve a reduction in the average duration of proceedings over recent years; notes, however, that this demands continual attention, in particular in the context of an increasing workload;

14. Welcomes the satisfaction expressed by users of the e-Curia application (which has become compulsory for the exchange of procedural documents between lawyers and the General Court as of 1 December 2018); notes that the use of e-Curia has not been made compulsory by the Court of Justice; encourages the Court of Justice to follow the good example of the General Court and to consider the compulsory introduction of e-Curia; commends the fact that this development has contributed both to the security and the speediness of such exchanges and to the improvement of the environment (through the reduced use of paper) and to the reduction of postal costs; encourages the CJEU to continue its efforts to achieve widespread digitalisation of all stages of the judicial process;

15. Takes into account the fact that further organisational and procedural measures are needed to enable the CJEU to cope with an ever-increasing workload while still respecting its objectives; notes that, on 26 March 2018, the CJEU (on the basis of the second paragraph of Article 281 of the Treaty on the Functioning of the European Union (TFEU)) made a request to amend Protocol No 3 on the statute of the Court of Justice of the European Union and that this legislative procedure came to an end with the adoption and entering into force of Regulation (EU, Euratom) 2019/629 of the European Parliament and of the Council [1];

16. Notes that the CJEU had 2 217 posts in 2018 composed of 1 413 officials (or 64 %), 650 temporary agents (or 29 %) and 154 contract agents (or 7 %) (compared to 2 180 posts in 2017);

17. Points out that the distribution of staff by sector of activity remains similar to that in previous years with at least 85 % of posts occupied by staff performing legal and linguistic activities; notes that the occupation rate of posts remained very high in 2018 (97 %) owing to the sustained volume of judicial work, which requires rapid and optimal recruitment to all vacant posts;

[1] Regulation (EU, Euratom) 2019/629 of the European Parliament and of the Council of 17 April 2019 amending Protocol No 3 on the Statute of the Court of Justice of the European Union (OJ L 111, 25.4.2019, p. 1).

18. Reiterates that, in the context of the continued increase in the number of cases, a flexible allocation of resources, in particular of existing legal secretaries, could increase the effectivity of the CJEU; calls on the CJEU to report on concrete measures taken;

19. Expresses concerns that while 274 trainees worked at the CJEU in 2018, only 87 trainees were entitled to a monthly stipend of EUR 1 120; welcomes the fact that the CJEU adopted new rules regarding trainees and requested additional appropriations in order to be able to finance internship for trainees in members' cabinets from 2019 onwards; notes, however, that it remains the case that not all traineeships offered will be accompanied by a fair remuneration; instructs (with due regard to non-discrimination practices and fair remuneration) the CJEU to swiftly accept the decision to start paying all trainees; calls on the CJEU to ensure fair remuneration for all of its working staff;

20. Welcomes the reform of the General Court which brought improvements in reducing the backlog of cases and lowering the average duration of proceedings; notes that in 2018 the General Court closed 13 % more cases than in 2017 and reduced the number of pending cases by 12 %;

21. Welcomes the fact that the two courts comprising the CJEU closed a combined total of 1 769 cases in 2018 (which is a record in terms of productivity) and that this confirms the general trend between 2012 and 2018 of a major upswing in court activity;

22. Points out that in 2018 a record number of new cases were brought before the Court of Justice (a total of 849, which equals an increase of 15 % compared to 2017); welcomes the record number of closed cases (a total of 760, which equals an increase of 10 % compared to 2017);

23. Welcomes the fact that in 2018 the General Court passed the mark of 1 000 closed cases (1 009 in total) for the first time; highlights, at the same time, the significant reduction (12 %) in the number of cases pending compared to 2017 (1 333 on 31 December 2018, compared with 1 508 one year previously);

24. Notes a steady increase in the number of women in management positions which was 37,7 % in 2018, 35 % in 2016 and 30 % in 2013; notes that there are 27 female managers (21 posts in middle management and 6 posts in higher management) compared to 45 male managers in 2018; welcomes the CJEU's efforts to strengthen its policy on equal opportunities and diversity by setting up a special entity introducing and following-up concrete programmes, measures and awareness-raising meetings; calls on the CJEU to continue its efforts;

25. Notes, however, the persistent imbalance concerning the number of women among the judges of both the Court of Justice and the General Court; urges, once again, the Members of the Council to address this situation by actively promoting gender parity in the appointment of judges, in line with the principles enshrined in Article 8 TFEU and Article 23 of the Charter of Fundamental Rights of the European Union, and with the commitments made pursuant to Regulations (EU, Euratom) 2015/2422 of the European Parliament and of the Council [2] and (EU, Euratom) 2019/629;

26. Reiterates that the geographical balance of staff, in particular in management positions, should be closely monitored; notes that only 15 of 57 heads of unit at the CJEU and 2 of its 13 directors are from Member States that have joined the Union since May 2004; encourages the CJEU once more to develop a policy to improve the geographical balance and to report back to the discharge authority in this regard;

27. Welcomes the CJEU's commitment to promote work-life balance measures such as the adoption of a decision allowing occasional teleworking in addition to structural teleworking arrangements; notes also the achievements within IT to improve remote access to work applications; notes further, with satisfaction, the efforts to protect the psychological health of the staff by providing the support of a psychologist, working part-time;

[2] Regulation (EU, Euratom) 2015/2422 of the European Parliament and of the Council of 16 December 2015 amending Protocol No 3 on the Statute of the Court of Justice of the European Union (OJ L 341, 24.12.2015, p. 14).

28. Expresses concern at the number of cases of burnout at the CJEU, which totalled 12 cases both in 2017 and 2018; asks the CJEU, therefore, to assess whether the workload is distributed proportionally across the different teams and members of staff;

29. Calls on the CJEU to publish on an annual basis a table with detailed data on its interinstitutional cooperation agreements with respect to fees, services and related matters; repeats the importance of interinstitutional cooperation through service level agreements for different domains, such as HR, security and IT; agrees with the recommendations of the internal audit service to increase the exchange of good practices with other institutions and to explore the possibilities of enhanced cooperation for contract preparation and contract management, such as in IT matters; regrets the lack of information given in response to Parliament's question relating to the cooperation of the CJEU with the European Anti-Fraud Office; encourages the CJEU to seek ways to increase its cooperation with the European Anti-Fraud Office;

30. Observes that the CJEU updated its data processing operations following the entry into force of Regulation (EU) 2018/1725 of the European Parliament and of the Council ([3]); notes with appreciation that a specific procedure to report data breaches was set up;

31. Welcomes the efforts of the CJEU to improve the cybersecurity of the institution; notes that activities have been coordinated with the Computer Emergency Response Team for the EU institutions, bodies and agencies (CERT-EU) and with the Informatics Inter-institutional Committee subgroup on security;

32. Welcomes the internal audit on the proper functioning of the staff selection and recruitment procedures in order to identify synergies and streamlining opportunities to make them more effective; notes that an action plan was initiated in 2016 and completed in 2018 with the introduction of measures such as a new recruitment manual, new and updated modules for the HR management information system, the simplification of administrative circuits and the streamlining of vacancy notices drafting; notes the measures taken to improve the attractiveness of the CJEU and of the Luxembourg site in an interinstitutional context;

33. Highlights the internal auditor's follow-up to appraise whether the action taken by the departments audited is appropriate, effective and timely and to identify and record improvements made; notes with satisfaction that all audits carried out were closed without prejudice to any additional examinations;

34. Notes the CJEU's anti-fraud strategy to combat fraud, corruption and any illegal activity detrimental to the interests of the Union; notes that this strategy is founded on the relevant provisions of the Financial Regulation and the Staff Regulation, supplemented by a series of internal decisions and rules; acknowledges that the strategy is an integral part of the CJEU's risk management policy within the framework of the internal control system;

35. Acknowledges the CJEU's environmental management system based on Regulation (EC) No 1221/2009 of the European Parliament and of the Council ([4]); notes that the CJEU improved its environmental performance in 2018 compared to the base year 2015 as follows: a reduction in paper consumption of 15,5 %, a reduction in electricity consumption of 8,3 % and an increase in the number of videoconferences of 52,9 %; welcomes various additional projects, such as the reduction in single-use plastics, the reduction in the number of individual printers and participation (jointly with the other Union institutions based in Luxembourg) in the self-service bike system 'vel'OH';

36. Welcomes the CJEU's commitment to fully respect the timetable and budget for the work of the fifth extension of the CJEU's buildings (construction of the third tower offering an additional 50 000 m^2) which will make it possible to gather all CJEU staff on a single site; notes the works on the upgrading of security measures and welcomes the fact that the CJEU's buildings are designed to ensure easy access for disabled people;

37. Welcomes the fact that savings in the order of EUR 100 million will be achieved over the 25 year depreciation period for that fifth extension, compared with the continuation of a policy of leasing, which clearly shows the value of the chosen building policy of purchase; underlines the outcome of Special report no. 34/2018 of the Court of Auditors on office accommodation of EU institutions, in which it made highly positive findings regarding the efficiency of the CJEU's buildings policy;

([3]) Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

([4]) Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS), repealing Regulation (EC) No 761/2001 and Commission Decisions 2001/681/EC and 2006/193/EC (OJ L 342, 22.12.2009, p. 1).

38. Notes with interest that the staff committee of the CJEU in 2017 organised a survey about open spaces and presented the findings to the directors-general on 30 January 2018; welcomes the initiative of the CJEU in creating a working group featuring the director of buildings and security, the president of the staff committee and members of staff working in open spaces; notes that, following the recommendations of this working group, the information technology directorate converted part of its office space into individual offices; calls on the CJEU to share its insights from this experience with other institutions and with the Commission in particular;

39. Congratulates the CJEU for having been included by the European Ombudsman among the three finalists for the Award for Good Administration (category 'excellence through collaboration') in respect of the creation of the Judicial Network of the European Union; agrees that, in terms of transparency and cooperation, the launch of the secured platform in January 2018 (where previously undisclosed documents are made available to participating courts) is an important step in the correct direction;

40. Notes the launch of CJEU's redesigned website in June 2018 and the important steps and works undertaken in order to strengthen, clarify and simplify the information delivered to the public; welcomes a new product on the website named 'factsheets' which aims at presenting an overview of the reference case law in a specific area of Union law in all official languages; notes that a recent survey has shown a very high level of user satisfaction, with 80 % of users giving a rating between 4 and 5 out of 5;

41. Welcomes the CJEU's communication strategy which seeks to bring the CJEU closer to citizens; recognises the evolving budget for communication of the CJEU, totalling EUR 429 000 in 2018 (compared to EUR 330 500 in 2013); notes the short animated films which are made available in 23 official languages on the CJEU's YouTube channel (viewed by 82 800 in 2018), its presence on Twitter with more than 74 000 followers (compared to 42 000 in 2017), its outreach events (including seminars for journalists) and its open days;

42. Encourages the CJEU to broadcast its public hearings and to make the recordings available online; believes that this enhanced transparency would be in line with Article 15 TFEU and would benefit all who work or study in the legal field in the Union;

43. Points out that the Judicial Network of the European Union, which includes the Member States' constitutional and supreme courts, has been set up by the CJEU and is being coordinated by it;

44. Welcomes the fact that that a list of the missions (representation of the CJEU at a ceremony or an official event) carried out by members, in line with the revised code of conduct of the CJEU, is published on the CJEU's website and contains information such as the participating member's name and the purpose, the venue and the organiser of the event; calls on the CJEU to publish also the related costs (as is done by other Union institutions); reiterates its call on the CJEU to publish more detailed information concerning the external activities of members, including the purpose, date, venue and travel and subsistence costs of the listed events and whether they were paid by the CJEU or by a third party;

45. Welcomes the fact that members of the CJEU are subject to a code of conduct governing their independence, impartiality, integrity, commitment, collegiality, responsibilities and obligations; notes that the CJEU considers the declarations of financial interests of its members as an internal means to ensure impartiality and independence; calls on the CJEU to consider publication in the interest of public scrutiny;

46. Notes that the declarations of financial interests are necessarily of a self-declaratory nature and, given the current legal framework, the CJEU has no investigatory powers to ensure the veracity and the exhaustiveness of the declared data; calls on the CJEU to improve the system in cooperation with other Union institutions;

47. Reiterates its call on the CJEU to publish CVs and declarations of interest for all its members on its website; notes that short biographies of each member are published on the website (which do not, however, contain information on membership of any other organisations); notes that members are required to submit a declaration of their financial interests to the president of the court of the CJEU of which they are members on taking up their duties in line with the new code of conduct for members; calls on the CJEU to publish those declarations on its website;

48. Recognises the internal procedures to verify, before attributing a case to a member, on the basis of the declarations of interests, whether that member has a financial interest in the case; notes that the members contact the President of the court of the CJEU of which they are members whenever an issue relating to the interpretation of the code of conduct may arise and that the consultative committee is only convened in exceptional cases, e.g. when a complaint has been lodged against a member; asks the CJEU to advise Parliament's Committee on Budgetary Control as to the robustness of this mechanism;

49. Regrets the fact that it has not received information on the progress achieved relating to the internal procedures on 'revolving doors' for senior members of staff; reminds the CJEU of the strategic initiative conducted by the European Ombudsman in 2018 on how to implement the provisions laid down in the Staff Regulations on 'revolving door moves' of senior members of staff; calls on the CJEU to establish and to publish strict rules in this regard without delay;

50. Notes the procedure related to the pre-recruitment declaration on the absence of conflicts of interests for new members of staff; notes further that the recruitment process has been modified to ensure that such declarations are assessed and that, if necessary particular measures are proposed to the appointing authority; notes also that the CJEU is working on rules governing the exercise of external activities by staff; calls on the CJEU to report on this to Parliament's Committee on Budgetary Control;

51. Acknowledges the CJEU's procedures and internal rules to prevent all forms of harassment in the working place, which are published on its website; welcomes the information provided on how to initiate a formal or an informal procedure in case of inappropriate behaviour;

52. Congratulates the interinstitutional network of counsellors (which involves the participation of all Union institutions located in Luxembourg and was set up in order to exchange best practices in the field of prevention of harassment and counselling); welcomes the intensive training provided to the CJEU's counsellors;

53. Deplores the fact that it was not informed by the CJEU of plans to enhance the control system related to the use of official cars; underlines the requirement that drivers should only accompany members to their home countries in exceptional and justified cases; urges the CJEU to rapidly adopt measures to avoid situations in which drivers are going to members' home countries without having the member on board; underlines the high reputational and ethical risks these practices may carry for the CJEU; calls on the CJEU to report back to the discharge authority on progress achieved in this regard by June 2020;

54. Notes that more than 40 % of the translation workload has been outsourced with the cost of an outsourced translated page in 2018 amounting to EUR 103,10 (compared to EUR 111,30 in 2017); notes that the cost of an in-house translated page in 2018 amounted to EUR 128,07 (compared to EUR 136,70 in 2017); notes that the internal cost includes all necessary sub-costs, such as IT, office space and similar; notes that under the current conditions the CJEU does not consider a further increase of the outsourcing rate advisable and that, due to the sensitive nature of the information handled by this institution, a part of the translation workload should remain in-house; asks the CJEU to explain to the Parliament's Committee on Budgetary Control the reasoning for this view;

55. Acknowledges that members of staff from the United Kingdom have been informed that the appointing authority does not intend to require the compulsory resignation of officials who are no longer nationals of a Member State following the withdrawal of the United Kingdom from the Union; notes that, similarly, temporary and contract agents from the United Kingdom have been informed that an assessment based on the interests of the service will be made on a case-by-case basis;

56. Highlights all the work achieved in recent years, in areas such as performance-based budgeting, the ethical framework with its many related rules and procedures, enhanced communication activities and the increasing number of measures to improve transparency; welcomes the substantial number of interinstitutional service and cooperation agreements; underlines the importance of collaboration and of sharing of experience among Union institutions and bodies; suggests that an analysis be made of the possibility of formalised networking activities in different domains in order to share best practises and to develop common solutions.

DECISION (EU) 2020/1883 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2018, Section VIII — European Ombudsman

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2018 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2018 (COM(2019) 316 — C9-0057/2019) ([2]),

— having regard to the European Ombudsman's annual report to the discharge authority on internal audits carried out in 2018,

— having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2018, 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 2018, 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([6]), and in particular Articles 59, 118, 260, 261 and 262 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0028/2020),

1. Grants the European Ombudsman discharge in respect of the implementation of the budget of the European Ombudsman for the financial year 2018;

2. Sets out its observations in the resolution below;

([1]) OJ L 57, 28.2.2018.
([2]) OJ C 327, 30.9.2019, p. 1.
([3]) OJ C 340, 8.10.2019, p. 1.
([4]) OJ C 340, 8.10.2019, p. 9.
([5]) OJ L 298, 26.10.2012, p. 1.
([6]) OJ L 193, 30.7.2018, p. 1.

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1884 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 2018, 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 2018, Section VIII — European Ombudsman,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0028/2020),

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 with satisfaction that the Court of Auditors (the 'Court'), in its report on the European Ombudsman's (the 'Ombudsman') annual accounts for the financial year 2018, observed no significant weaknesses with respect to the audited topics related to human resources and procurement;

2. Notes the conclusion of the Court that the payments as a whole for the year ended 31 December 2018 in relation to administrative expenditure of the Ombudsman were free from material error and that the supervisory and control systems examined were effective;

3. Regrets, as a general observation, that chapter 10 'Administration' of the Court's Annual Report has a rather limited scope and conclusions, notwithstanding the fact that the Multiannual Financial Framework Heading 5 'Administration' is considered to be low risk;

4. Notes that the Court selected a sample of 45 transactions for the Multiannual Financial Framework Heading 5 'Administration' for all Union institutions and bodies; notes that the sample was designed to be representative of the range of spending under Heading 5, which represents 6,3 % of the Union budget; notes that the Court's work indicates administrative expenditure as low risk; considers, however, that the number of transactions selected in relation to the 'other institutions' is not sufficient and asks the Court to increase the number of transactions to be examined by at least 10 %;

5. Welcomes the fact that the Ombudsman respects the best practice of setting a deadline for the submission of the annual activity report on 31 March of the year following the accounting year; welcomes, therefore, the fact that the Ombudsman adopted its annual activity report by 28 March, which provides the discharge authoritywith more time to go into the report in depth and to better conduct the discharge procedure;

6. Stresses that the Ombudsman's budget is purely administrative and amounted in 2018 to EUR 10 837 545 (compared to EUR 10 905 441 in 2017), resulting in a reduction of EUR 67 896 (0,62 %); welcomes the overall prudent and sound financial management of the Ombudsman in the 2018 budget period; notes that of the total appropriations 95,33 % were committed (compared to 93,91 % in 2017) and 91,33 % paid (compared to 86,20 % in 2017);

7. Notes the improvements related to the appropriations carried forward from 2018 to 2019 representing EUR 433 865,17 (4 % of the 2018 budget) compared to EUR 841 340,68 (7,71 % of the 2017 budget) from 2017 to 2018;

8. Observes, however, that there were unused appropriations in respect of several budget lines such as 'external meetings' (budget line B3-030) with EUR 13 514,61 unused out of EUR 45 000, 'publications' (budget line B3-210) with EUR 47 530,48 unused out of EUR 161 100, etc.; recalls the necessity for measures in order to minimize the budget over-estimates;

9. Takes note of the limited resources of the Ombudsman to deal with an ever increasing workload; supports the Ombudsman's request to align the establishment plan with the actual needs and workload by identifying functions of a permanent nature which should be carried out by permanent staff; takes note of the establishment plan comprising 82 posts in 2018 (compared to 77 posts in 2013); asks the Ombudsman to report back on potential efficiency gains due to the sole fact of reorganisation and reallocation of tasks;

10. Encourages the cooperation of the Ombudsman's Office with other Union institutions in order to limit expenses; observes that, concerning translation, the Ombudsman does not have in-house translators and, therefore, relies on Parliament and the Translation Centre For the Bodies of the European Union; takes note, however, of the fact that the cost for translation increased in 2018, as the Ombudsman spent EUR 343 771 on translation (compared to EUR 262 631 in 2017);

11. Welcomes the exemplary gender balance in management positions, with 4 women and 4 men; notes however that overall 65 % of the staff are female, while only 35 % are male; encourages a more gender-equal working environment in the Ombudsman's Office;

12. Notes in relation to the geographical balance in management positions that the Ombudsman had six different nationalities (German, Greek, Irish, Italian, Polish and Swedish) represented in 2018 compared to eight in 2013 (Austrian, German, Danish, Greek, Irish, Polish, Portuguese and British); takes into account the fact that the overall number of managers was reduced from eleven to eight between 2013 and 2018; calls on the Ombudsman to continue its efforts to achieve geographical balance, taking into account, however, the small size of the Ombudsman's Office and its specific core-business activities;

13. Welcomes the Ombusdman's efforts in relation to the new gender policy but regrets the disparity between the average training days per gender: 6,80 for men compared to 5,90 for women;

14. Acknowledges the ongoing implementation of the 2017 human resources policy framework through the adoption of new rules on the recruitment of temporary agents, through a decision on part-time work and credit hours, and through an anti-discrimination & equal treatment policy; takes note of further initiatives to improve the recruitment procedures, and actions such as study visits for staff and staff exchange programmes;

15. Encourages the Ombudsman to continue to develop a long-term human resources policy framework which addresses the work-life balance, lifelong guidance and career development, gender balance, non-discrimination, teleworking, geographical balance and recruitment of its staff, as well as the integration of disabled people in its staff;

16. Notes with interest that the Ombudsman, with regard to its internal activities, invited the European Disability Forum to disseminate the Ombudsman's traineeship call through its channels to encourage persons with disabilities to apply; takes note of the revision of the application form in order to include a question about reasonable accommodation needed during selection procedures;

17. Welcomes, in the frame of the Ombudsman's internal control standards, the fact that actions were taken to implement the harassment prevention decision including the designation of ethics officers (one in Brussels and one in Strasbourg) and members of the conciliation committee; takes note of the fact that all staff participated in a compulsory training course on ethical conduct (including harassment prevention) in September 2018 and a specific session for heads of unit took place in November 2018;

18. Welcomes the implementation of the guide on ethics and good conduct for the Ombudsman's staff adopted in 2017, which requires new members of staff to fill in a declaration of interest form and which provides staff leaving the office with information on their obligations.

19. Regrets that the Ombudsman's follow-up to the 2017 discharge resolution only provides acknowledgement of Parliament's remarks in relation to the majority of points mentioned without providing further details; stresses that the follow-up report is essential for Parliament's Committee on Budgetary Control and calls on the Ombudsman to include necessary answers and explanations in relation to points raised in their next follow-up report;

20. Notes that the Ombudsman's key performance indicator for overall compliance, with the ambitious target of 90 %, could not be reached in 2018; notes that the rate achieved was 81 % (compared to 85 % in 2017), while the compliance rate for inquiries in the public interest reached 85 % (compared to 79 % in 2017); recognises that the latter rate is significant given that the effect of compliance will likely benefit a larger audience;

21. Supports the Ombudsman's intention to cooperate even more closely with Parliament to ensure that it is made aware of failures, in particular with regard to instances of maladministration found in inquiries or institutions' negative replies to recommendations made by the Ombudsman; believes that such information, provided in a summarised and organised format, would be extremely valuable for Parliament's Committee on Budgetary Control; notes, however, the Ombudsman's confirmation that overall the institutions tend to engage constructively with the Ombudsman;

22. Highlights the fact that the results for all three components of key performance indicator 7 (efficiency: composite indicator for the handling of complaints and inquiries) are all on or above target; notes that the proportions of inquiries closed within six months and eighteen months are 57 % and 88 % respectively (for which the targets were 50 % and 80 % respectively) and that the third component, 'proportion of admissibility decisions' taken within one month, has increased significantly from 69 % in 2016 to 86 % in 2017, and reached the target of 90 % in 2018;

23. Notes that the average time for dealing with all categories of complaints increased to 79 days in 2018 (compared to 64 days in 2017), while the average time for dealing with inquiries decreased to 255 days in 2018 (compared to 266 days in 2017 and 369 in 2013); notes, however, the 53 % increase in the number of inquiries on the basis of complaints which were closed (which explains the increase in the average time for dealing with all categories of complaints);

24. Notes that the number of complaints within the mandate (880, compared to 751 in 2017) has continued to increase significantly in 2018 (+ 17 %) after an increase of 5,5 % in 2017; notes that the number of inquiries opened on the basis of complaints was 482 compared to 433 in 2017 (+ 11 %) and the number of inquiries closed on the basis of complaints was 534 compared to 348 in 2017 (+ 53 %); notes that the increase in inquires opened and closed partly reflects the fact that, due to a reclassification, a number of cases which would have previously been classified as 'no grounds for an inquiry', are now closed as 'inquires in which no maladministration was found';

25. Takes note of the results of inquiries closed by the Ombudsman in 2018 such as (a) 'no maladministration found' for 254 cases (46,6 %), (b) 'settled by the concerned institution - suggestions accepted - solutions achieved' for 221 cases (40,6 %), (c) 'no further inquiries justified' for 56 cases (10,3 %), (d) 'maladministration found' for 29 cases (5,3 %) and (e) 'other' for 10 cases (1,8 %); recognises that the fundamental mission of the Ombudsman is to ensure that the Union's administration serves the public interest, and to assist all those encountering problems with Union institutions;

26. Notes that since 2013, details concerning the Ombudsman's missions, including costs, purpose and duration, have been published on the Ombudsman website; notes that the mission expenses amounted to EUR 27 206,79 in 2018 (compared to EUR 30 592 in 2017); reiterates that, for transparency reasons, a related list concerning the yearly mission situation should be included in the annual activity report;

27. Recognises the initiative 'Award for Good Administration', which is of benefit by formally recognising good work, which promotes the sharing of best practices across the institutions, and which serves as inspiration for future projects; welcomes the cooperation with the European Network of Ombudsmen, other Member States' bodies and international networks and organisations to identify and promote the highest standards;

28. Welcomes the actions taken by the Ombudsman to improve cybersecurity and data protection, such as through information and communications technology security training courses, the development of procedures on the handling of data breaches, the holding of timely consultation with the data protection officer and the European Data Protection Supervisor to ensure privacy in the design of projects; asks the Ombudsman to further report on the implementation of the action points in progress, including on the establishment of a template for the data privacy impact assessments and a central register of records of processing operations;

29. Recognises the added value that free and open source software can bring to the Ombudsman; underlines in particular their role in increasing transparency and avoiding vendor lock-in effects; recognises also their potential in the improvement of security as they allow identification and fixing of weaknesses; strongly recommends any software developed for the institution be made publicly available under free and open-source software licence;

30. Underlines the importance of making Union citizens aware of the possibility of having recourse to the Ombudsman in the event of maladministration; takes note of the ongoing efforts of the Ombudsman's Office to raise its visibility with tools such as the new website, launched in 2018, which includes a revised interface for potential complaints and a user-friendly search function; notes the new video highlighting topics such as access to information, problems with Union funding, and transparency in lobbying; notes that platforms such as the Ombudsman's Twitter account saw a 17 % rise in followers, that the LinkedIn account increased by 13 % and that Instagram saw a substantial increase of 61 % in followers; further encourages the use of free open-source self-hosted social network platforms having special regard to users' data protection;

31. Encourages the Ombudsman to make progress on a coherent policy for the digitalisation of its services;

32. Welcomes the development of social media guidelines, in cooperation with other Union institutions, and the exchange of best practises to deal with the challenges Union institutions are facing in terms of the increasing use of, and exposure to, social media;

33. Encourages the Ombudsman's Office to continue its efforts to reduce its environmental footprint, such as promoting digitalisation to reduce the use of paper, limiting staff missions by promoting the use of video-conference facilities, and promoting the use of collective transportation; asks for more information on the implementation of such activities in the 2019 discharge;

34. Underlines the repeated request of Parliament to revise the Ombudsman's statute in view of new realities and challenges; notes that the last revision was carried out in 2008 and that a resolution on a draft regulation of Parliament laying down regulations and general conditions governing the performance of the Ombudsman's duties (Statute of the European Ombudsman) was finally voted in February 2019; notes that it is for the Ombudsman to adopt the implementation provisions for this regulation; asks the Ombudsman's Office to report in relation to these matters in its next annual activity report;

35. Welcomes the fact that the Ombudsman carried out an inquiry regarding the handling of 'revolving door situations' and examined how 15 Union institutions and bodies (including the Parliament, the Council, and the Court) publish information when senior members of their staff request approval to take up external employment,(including an examination of how often such information is published and the scope and content of the information); notes that the Ombudsman found a high level of awareness of the importance of robust implementation of rules in this area, but that, nevertheless, some suggestions for improvement have been issued; welcomes the Ombudsman's intention to carry out a follow-up inquiry in 2020;

36. Congratulates the Ombudsman on the new internal FAST-Track procedure to deal with complaints regarding access to documents; takes note that under the new system, decisions on complaints are taken three times faster than under the standard procedure; asks the Ombudsman to share with other Union institutions and bodies the outcome of its evaluation on the effectiveness of this new procedure;

37. Welcomes the Ombudsman's cooperation with the European Anti-Fraud Office in respect of cases submitted to both organisations; notes the direct channel of contact in order to avoid duplication of investigations, which bore its first fruits in 2018;

38. Highlights all the work achieved in the past few years, in areas such as performance-based budgeting, the ethical framework with all its related rules and procedures, enhanced communication activities and the increasing number of measures to improve transparency; welcomes the significant amount of interinstitutional service and cooperation agreements; underlines the importance of the collaboration and sharing of experience among the Union institutions and bodies; suggests that the possibility of formalised networking activities in different domains be analysed, with a view to sharing best practises and developing common solutions.

DECISION (EU) 2020/1885 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2018, Section IX — European Data Protection Supervisor

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2018 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2018 (COM(2019) 316 — C9-0058/2019) ([2]),

— having regard to the European Data Protection Supervisor's annual report to the discharge authority on internal audits carried out in 2018,

— having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2018, 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 2018, 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([6]), and in particular Articles 59, 118, 260, 261 and 262 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0029/2020),

1. Grants the European Data Protection Supervisor discharge in respect of the implementation of the budget of the European Data Protection Supervisor for the financial year 2018;

2. Sets out its observations in the resolution below;

([1]) OJ L 57, 28.2.2018.
([2]) OJ C 327, 30.9.2019, p. 1.
([3]) OJ C 340, 8.10.2019, p. 1.
([4]) OJ C 340, 8.10.2019, p. 9.
([5]) OJ L 298, 26.10.2012, p. 1.
([6]) OJ L 193, 30.7.2018, p. 1.

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1886 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 2018, 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 2018, Section IX — European Data Protection Supervisor,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0029/2020),

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 with satisfaction that the Court of Auditors (the 'Court'), in its report on the European Data Protection Supervisor's (EDPS) annual accounts for the financial year 2018, observed that no serious weaknesses had been identified with respect to the audited topics related to human resources and procurement;

2. Takes note of the fact that, according to the annual activity report of the EDPS, the Court examined one transaction from the financial year 2018 and this examination did not give rise to any observations;

3. Welcomes the conclusion of the Court that the payments as a whole for the year ended 31 December 2018 in relation to administrative expenditure of the EDPS were free from material error and that the supervisory and control systems examined were effective; notes the Court's request to re-implement the ex post control, which is now again in place;

4. Regrets, as a general observation, that chapter 10 'Administration' of the Court's Annual Report has a rather limited scope and conclusions, notwithstanding the fact that Heading 5 'Administration' of the Multiannual Financial Framework is considered to be low risk;

5. Notes that the Court selected a sample of 45 transactions for the Multiannual Financial Framework Heading 5 'Administration' for all Union institutions and bodies; notes that the sample was designed to be representative of the range of spending under Heading 5, which represents 6,3 % of the Union budget; notes that the Court's work indicates administrative expenditure as low risk; considers, however, that the number of transactions selected in relation to the 'other institutions' is not sufficient and asks the Court to increase the number of transactions to be examined by at least 10 %;

6. Recalls that the EDPS is not a decentralised Union agency and takes the view that despite the fact that its budget represents a very small percentage of the Union budget, the legality and regularity of EDPS transactions should, nevertheless, be properly examined by the Court, as transparency is vital for the appropriate functioning of all Union bodies; notes that the EDPS is neither covered by the report of the Court on the implementation of the Union budget for 2018 nor by the 2018 report on Union agencies and other bodies; stresses, however, that information regarding the results of external independent audits by the Court should be publicly available for all Union bodies; calls, therefore, on the Court to reconsider its position and start publishing audit reports covering the EDPS from the coming year onward; requests, therefore, that the Court issue separate annual activity reports on the annual accounts of this important Union body which aims to ensure that Union institutions and bodies fully respect the right to privacy and data protection;

7. Welcomes the overall prudent and sound financial management of the EDPS; notes that the EDPS made a clear distinction between so-called 'current or new activities'; notes an increase of 1,54 % for current activities in line with its policy of austerity, with most budget lines frozen at 0 % increase; notes, however, the increase for new activities, mainly due to the setting up of a new Union entity called the European Data Protection Board (EDPB) and its related operations (which became operational asof 25 May 2018);

8. Notes that in 2018, the EDPS had a total allocated budget of EUR 14 449 068 (compared to EUR 11 324 735 in 2017), which represents an increase of 27,59 % compared to the 2017 budget (a 21,93 % budget increase from 2016 to 2017); welcomes the fact that 93,7 % of all appropriations were committed by the end of 2018 compared to 89 % in 2017; notes with concern that the budget implementation in terms of payment appropriations corresponds to 75,2 % (compared to 77 % in 2017) of all appropriations;

9. Recalls the necessity for budget estimates in order to ensure an efficient budgetary performance in the coming years; recognises the existence of matters which have a crucial impact, such as the EDPS salary budget with a share of more than 53 % whereby even a moderate staff turnover has a significant impact on the overall budget implementation rate; recognises that the budget estimates in respect of the recently created EDPB will achieve accuracy only after a few years of operation;

10. Notes with interest that the EDPS launched a new open competition to create a pool of highly qualified data protection experts to satisfy its future recruitment needs; acknowledges, in relation to staff recruitment planning, that the EDPS requested a moderate increase of six members of staff in the context of preparations for the setting up of the EDPB;

11. Recognises that 2018 was crucial for the EDPS due to the adoption of Regulation (EU) 2016/679 of the European Parliament and of the Council [1] and Directive (EU) 2016/680 of the European Parliament and of the Council [2] in 2016 in the context of the modernisation of data protection rules; notes that the new tasks and responsibilities arising from Regulation (EU) 2016/679 will require additional resources in future; notes that the EDPS had 97 members of staff in 2018 (compared to 55 in 2013); asks the EDPS, however, to analyse the situation in relation to potential efficiency gains arising solely from reorganisation and reallocation of tasks;

12. Notes that, as a result of this new legislation, the EDPB, made up of 28 Member State data protection authorities and the EDPS, was established to ensure the consistent implementation of Regulation (EU) 2016/679 across the Union; notes that a significant amount of the EDPS's time and effort in early 2018 went into the support of the EDPB secretariat, as well as participating fully itself as a member of the board;

13. Notes that, following the new rules on the processing of personal data, the Union institutions and bodies also ensure their compliance with said rules, including the management and governance of their IT infrastructure and systems; acknowledges that the EDPS expanded its catalogue of specific guidelines and started a programme to verify compliance with rules among Union bodies;

14. Notes that there is a need for greater transparency and cooperation between European data protection authorities; underlines the importance of cooperation between the EDPS and the national data protection authorities in the Member States to ensure effective supervision and collaboration in the preparation for the new legal framework; calls on the EDPS to inform Parliament's Committee on Budgetary Control in relation to all the results achieved;

15. Acknowledges the fact that the EDPS annually publishes data on their interinstitutional cooperation through service level agreements in respect of medical, translation/interpretation, catering and training services and in respect of administrative agreements for building, logistics, security services and IT, etc.; welcomes the agreement of a memorandum of understanding between the EDPS and the EDPB (mainly in relation to IT), which allows the new Union body to benefit from the work done by the EDPS over the recent years;

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[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).

16. Welcomes the EDPS's intention (in the context of the modernisation of its procurement processes) to install an electronic workflow in order to set up a paperless mode of functioning; reiterates the importance of the inter-institutional cooperation between the EDPS and the Commission in terms of procurement, financial management and human resources; welcomes the service level agreement with the Commission's Directorate-General for Budget and Directorate-General for Informatics in relation to the IT tools 'ABAC' and 'Sysper II' as requested in the last discharge report; encourages the EDPS to make progress on a coherent policy for the digitalisation of its services;

17. Notes that the first action plan of the ethics officer was fully achieved and that the second report foresees several measures such as the revision of the codes of conduct for supervisors and staff, a revised decision on external activities and the possible adhesion to the new transparency register for Union institutions, etc.; invites the EDPS to implement such requested measures as soon as possible; welcomes the awareness raising sessions in line with the ethics framework; asks for detailed information on the achievements arising from the ethics framework to be presented in the next annual activity report;

18. Welcomes the fact that the internal rules concerning whistleblowing adopted in 2016 will be updated in order to strengthen the protection of whistleblowers and alleged wrongdoers; notes the existence of some protection measures such as a risk assessment and an access limitation of a strict 'need to know basis' to the related files; encourages the EDPS to ask its ethics officer to give special attention to this issue in the next awareness raising session organised for all staff; notes with satisfaction that the EDPS has had no case of whistleblowing so far;

19. Reiterates the importance of data protection in relation to cybersecurity; welcomes the efforts of the EDPS in providing guidance to the Union institutions on how to protect personal data when implementing cybersecurity measures, on how comprehensive information security management systems serve as the basis for fulfilling both data protection and cybersecurity obligations and on how to carry out data protection notification and information obligations in relation to personal data breaches; notes that the scandal over the misuse of Facebook data by Cambridge Analytica and the growing evidence of illegal interference in elections require responses from the EDPS; underlines that the EDPS must fight against the potential misuse of digital data;

20. Recognises the added value that free and open source software can bring to the EDPS; underlines in particular their role in increasing transparency and avoiding vendor lock-in effects; recognises also their potential in the improvement of security as they allow the identification and fixing of weaknesses; strongly recommends that any software developed for the institution be made publicly available under free and open-source software licences;

21. Welcomes the fact that the decision on anti-harassment has been made available to the entire staff via the EDPS intranet; notes with satisfaction the fact that the EDPS is currently working on revising the anti-harassment decision, as well as on a mandate to appoint additional confidential counsellors; notes that 69 % of colleagues acknowledged in the 2018 staff survey that they were aware of the existing policy on psychological and sexual harassment; welcomes the fact that in 2018 one confidential counsellor was trained;

22. Welcomes the fact that the CVs and declarations of interests of the supervisors are available on the EDPS website; notes that those declarations are necessarily of a self-declaratory nature and neither the EDPS nor its ethical officer have any investigating powers to ensure the veracity and the exhaustiveness of the declared data; calls on the EDPS to evaluate how to improve the system together with other Union institutions and bodies;

23. Calls on the EDPS to guarantee publication and regular updating on its website of all its guidelines and procedures related to the ethical framework; calls on the EDPS to continue its efforts to improve the information available online, in terms of transparency and public scrutiny;

24. Regrets the fact that more detailed information on concrete measures on how to improve well-being at work was not included in the annual activity report; welcomes, however, the fact that decisions and policies have been adopted and/or implemented in 2018, such as a staff survey report, a revised decision on teleworking and a revised decision on mentorship; asks the EPDS to provide more detailed information in the next annual activity report;

25. Welcomes the initiative of the EDPS in 2018 to in future offer paid traineeships only through the Blue Book trainee program; notes that this change in the EDPS recruitment process of trainees was made following a recommendation from the Ombudsman to adapt eligibility criteria in relation to paid traineeships; reiterates the need to guarantee that an appropriate allowance is paid to all Union institutions' trainees in order to avoid the reinforcement of discrimination on economic grounds;

26. Notes with interest the representation of 20 Union nationalities among the staff of the EDPS (compared to 16 different Union nationalities in 2017); notes in relation to gender balance that there was a 40 % male (compared to 32 % in 2017) and 60 % female population at the EDPS; acknowledges the continuous efforts of the EDPS to achieve balance, taking into account the EDPS's small size and specific core business activities;

27. Notes with interest that the EDPS was allocated four extra offices in the MTS building currently shared with the European Ombudsman; notes that the EDPS staff, including the EDPB secretariat, is expected to grow further in 2020 and therefore a greater expansion to the entire building is necessary; supports the EDPS in relation to this request and asks it to inform Parliament's Committee on Budgetary Control in relation to all related steps and achievements;

28. Welcomes the targeted initiatives by the EDPS to reduce the environmental footprint of the institution; encourages the EDPS to put in place a concrete action plan to reduce its environmental footprint;

29. Welcomes the fact that the importance of the communication activities of the EDPS has increased considerably over the recent years; recognises the efforts to improve the impact of its online presence; notes the organisation of two important communication campaigns, namely the 2018 International Conference focusing on Debating Ethics (thereby reaching the widest possible audience for the debate on digital ethics), and, in December 2018, its communication campaign on the new data protection regulation for Union institutions;

30. Recalls that the EDPS uses a number of key performance indicators to help to monitor its work and the use of its resources; notes with satisfaction that in 2018 the EDPS met or exceeded the targets set in the majority of its key performance indicators (e.g. in relation to key performance indicator 4 'level of interest of stakeholders' with a target of 10 consultations, a figure of 13 consultations was reached); notes that the implementation of the relevant strategic objectives is well on track and no corrective measures are needed; encourages the EDPS to continue working in this direction;

31. Welcomes the fact that the EDPS follows nearly all 16 internal control standards, which are regularly monitored to ensure the economic, efficient and effective achievement of the objectives; notes that the internal audit service carried out a follow-up audit on the recommendations outstanding of a review on the internal control standards and concluded that the level of internal control is satisfactory and effective;

32. Notes that the internal audit service carried out a survey concentrating on three main areas (the EDPS's governance in connection with the EDPB, the framework for providing human resources, budget and financial administration, and the logistical support for the EDPB and EDPS support teams) which were the subject of close scrutiny; notes that the internal audit service issued a final report, in which all recommendations were deemed 'issues for consideration' only, and which will not be subject to any follow-up by the internal audit service;

33. Notes that the expenditure on translation amounts to EUR 337 057,35 for the EDPS and EUR 516 461,90 for EDPB activities; notes that the EDPB benefits from a quota of free translations performed by the Commission's Directorate-General for Translation; takes note that the need for frequent translations in all official languages of the Union allied to the very small size of the institution makes the internalisation of translation impossible from a cost-benefit perspective;

34. Takes note that missions by staff are encoded in the missions integrated processing system and a mission report is uploaded as a supporting document in the statement of expenses; welcomes the data provided in the annual activity report as requested in the previous discharge report, which shows no significant differences in terms of the number and costs of missions in the past four years;

35. Welcomes the fact that the EDPS respects the best practice of setting a deadline for the submission of the annual activity report on 31 March of the year following the accounting year; welcomes, therefore, the fact that the EDPS adopted its annual activity report by 26 March 2019 in order to provide the discharge authority with more time to go into the report in depth and to better conduct the discharge procedure;

36. Highlights all the work achieved in the past few years in areas such as performance-based budgeting, the ethical framework with all its related rules and procedures, enhanced communication activities and the increasing number of measures to improve transparency; welcomes the significant number of interinstitutional service and cooperation agreements; underlines the importance of collaboration and sharing of experience among Union institutions and bodies; suggests that the possibility of formalized networking activities in different domains be analysed in order to share best practice and to develop common solutions.

37. Underlines that the withdrawal of the United Kingdom from the European Union will have a significant impact on the planned work of the EDPS; highlights the importance of a swift negotiation of a data deal with the United Kingdom.

DECISION (EU) 2020/1887 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2018, Section V — Court of Auditors

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2018 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2018 (COM(2019) 316 — C9-0054/2019) ([2]),

— having regard to the Court of Auditors' annual report to the discharge authority on internal audits carried out in 2018,

— having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2018, 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 2018, 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([6]), and in particular Articles 59, 118, 260, 261 and 262 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0031/2020),

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 2018;

2. Sets out its observations in the resolution below;

([1]) OJ L 57, 28.2.2018.
([2]) OJ C 327, 30.9.2019, p. 1.
([3]) OJ C 340, 8.10.2019, p. 1.
([4]) OJ C 340, 8.10.2019, p. 9.
([5]) OJ L 298, 26.10.2012, p. 1.
([6]) OJ L 193, 30.7.2018, p. 1.

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1888 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 2018, 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 2018, Section V — Court of Auditors,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0031/2020),

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 external firm, PricewaterhouseCoopers Sàrl, in order to apply the same principles of transparency and accountability which the Court applies to its auditees; notes with satisfaction that the external auditor's report states that the financial statements give a true and fair view of the Court's financial position on 31 December 2018, and of the results of its operations, its cash flows and the changes in net assets for the year then ended;

2. Emphasises the fact that in 2018, the Court's final appropriations amounted to a total of EUR 146 469 000 (compared to EUR 141 240 000 in 2017), which represents an overall increase of 3,70 % compared to 2017 (the rise in price levels is estimated at 1,9 % for Luxembourg); notes that 96,21 % of all appropriations were committed by the end of 2018 (compared to 97,73 % in 2017 and 99 % in 2016) and that 94,73 % of all appropriations were paid in 2018 (compared to 94,27 % in 2017 and 93,29 % in 2016);

3. Stresses that the Court's budget is entirely administrative, being related to expenditure concerning persons working within the institution (Title 1), to buildings, to movable property equipment and to miscellaneous operating expenditure (Title 2); is concerned about the continuing budget overestimates for Title 2 with a commitment rate of 59,13 % (compared to 57,13 % in 2017) and a payment rate of 55,11 % (compared to 55,75 % in 2017);

4. Notes that the commitments carried over to 2019 amounted to EUR 6 068 597 or 4,1 % of the 2018 budget (compared to EUR 7 908 250 carried over to 2018 or 5,5 % of the 2017 budget), notes that the main item contributing to the carry-over was the EUR 4 310 280 carried over under chapter 21 (data processing, equipment and movable property: purchase, hire and maintenance) for IT projects which were still ongoing at the end of 2018;

5. Regrets, as a general observation, that chapter 10 'Administration' of the Court's 2018 Annual Report has a rather limited scope and conclusions, notwithstanding the fact that the Multiannual Financial Framework Heading 5 'Administration' is considered to be low risk; requests that audit work for chapter 10 be broadened in order to review weaknesses in administrative expenditures in each institution;

6. Welcomes the fact that the Court has generally applied its budgetary discipline soundly in recent years in order to keep its administrative costs stable without adversely impacting its core business; notes that no additional posts were sought for 2018 and that, therefore, the Court's establishment plan (as in 2017) provides for a total of 853 authorised posts;

7. Welcomes the efforts made by the Court to publish its annual activity report by 5 May in the succeeding year and to adopt its final accounts by 31 May; agrees that the Court must be given the necessary time to carry out its audit work (as has been expressed in the Court's annual report on the implementation of the Union budget); suggests, however, that the Court discuss the matter further with Parliament's Committee on Budgetary Control and with other relevant actors in order to better assess the timeframe of the discharge procedure;

8. Welcomes the provision of the table in the annual activity report showing the different service level agreements signed with the Commission and other institutions on matters such as human resources issues, translation and infrastructure and indicating their budgetary impact; notes with concern that the service agreement for the pay master office expenditure in relation to managing the Court's personnel files and management of missions increased to EUR 325 000 in 2018 (compared to EUR 180 000 in 2017) because of a new contract; reiterates the importance of inter-institutional cooperation;

9. Appreciates the Court's efforts to achieve the most cost efficient use of its official vehicles; notes that, as part of a cooperation with the Court of Justice, the Court signed an inter-institutional four-year leasing contract for those vehicles, resulting in better leasing prices and introducing environmental criteria;

10. Notes that the Court decided to review the rules for the use of official vehicles and that according to the new rules the members and the secretary-general may use official vehicles for journeys other than those undertaken in the performance of official duties in return for a contribution of a fixed rate of EUR 100 per month plus certain costs and charges; notes that the Court expects significant savings compared to the situation under the existing rules; notes that the new rules apply from 1 January 2020; is of the opinion that the use of official vehicles for private use should not take place under any circumstances; considers that this practice may harm the reputation of the Court and, in general, of the Union institutions; asks the Court, therefore, to reconsider this subject and to keep Parliament informed;

11. Notes that the Court adopted a new set of key performance indicators for the period 2018 to 2020 consisting of key performance indicators providing a broad overview of the dissemination, impact and perception of its work; notes that included among the key performance indicators are the Court's appearances in Parliament, the Council and in national parliaments, and the number of special reports published (rather than those merely adopted); welcomes the clear improvement in efficiency of the work of the Court, shown by the number of special reports increasing by 25 % since 2008 and, since 2017, appearances in Parliament increasing by 47 %, in Council by 39 % and in national parliaments by 164 %; invites the Court to consider including the audit's added-value into its key performance indicators and to report continually on the implementation of its recommendations;

12. Welcomes the fact that the Court experiences a strong increase in media interest with particularly high coverage given to its special reports; welcomes the fact that the Court will continue to promote its publications through social media channels; notes with interest that most of the Court's publications are available on its website through a link called 'search publications'; notes that the reports with the most media coverage in 2018 were the special reports on the European high-speed rail network, on the operational efficiency of the European Central Bank's crisis management for banks and on the facility for refugees in Turkey; welcomes the Court's digital communication strategy for working with non-institutional stakeholders, such as think-tanks, NGOs, industry associations and academia (which can act as multipliers of the Court's messages); further encourages the use of free open-source self-hosted social network platforms, with particular regard to the data protection of users;

13. Notes with satisfaction that overall media coverage (including social media) nearly tripled in 2018 as compared to 2017 (increasing from around 15 500 online articles and social media mentions to more than 44 000); notes that in 2018, social media posts from the Court's official accounts concerning its publications were displayed approximately 11 million times (which is nearly 18 times more than in 2017); notes that in 2018, more than 11 000 online articles about the Court's special reports were available (compared to 1 500 online articles in 2013);

14. Acknowledges the publication of 35 special reports (compared to 28 in 2017), 9 review-based publications (compared to 2 in 2017) and 10 opinions (compared to 5 in 2017); welcomes the Court's efforts, in line with the Financial Regulation, to generally produce its special reports within 13 months while noting that the average time to produce the special reports published during 2018 was 15,2 months; highlights, however, that 15 of the 35 special reports (43 %) took less than 13 months to produce (compared to 29 % in 2017);

15. Notes with concern that the Court selected a sample of 45 transactions (compared to 55 in 2017 and 100 in 2016) from the Multiannual Financial Framework Heading 5 'Administration' of all Union institutions and bodies; notes that the sample was designed to be representative of the range of spending under heading 5, which represents 6,3 % of the Union budget; notes that the Court's work indicates administrative expenditure as low risk; considers, however, that the number of transactions selected in relation to the 'other institutions' is not sufficient and asks the Court to increase the number of transactions to be examined by at least 10 %; asks the Court to consider presenting an independent annual report on the Union institutions (as it already does with regard to the Union agencies); asks the Court to keep Parliament informed of developments in that regard;

16. Notes with satisfaction that the chapter on transparency on the Court's website presents a calendar of meetings of the Court and a table of the missions of the Court's members (with date, place, purpose and costs) as well as links to related documents and other transparency portals;

17. Highlights the introduction of an attendance register to record the presence of members at meetings of the Court, its chambers and its committees (which has been effective since 1 January 2019); asks the Court to report on those matters to Parliament's Committee on Budgetary Control in its next annual activity report;

18. Calls on the Court to establish procedures for maintaining a register of members' annual leave, sick leave and absence from work for other reasons in order to ensure that all leave taken by members is effectively recorded; stresses that the current practice could undermine the trust of Union citizens and the Union institutions in the Court;

19. Observes with interest that the Court collects information on the work-related missions of members to assess whether the activity planned fell within the area of interest of the Court; welcomes that members provide the names and job title of the persons with whom they will meet, a general description of the topics to be discussed and, where available, the invitation containing the necessary details, in order to reduce the risk of possible abuses;

20. Notes that the decision clarifying the rules governing the missions of the members entered into force on 1 February 2018; notes that the decision defines in particular the information to be communicated when requesting a mission order;

21. Notes that the Court, within the framework of its internal control system, decided from February 2018 to delegate to the secretary-general the powers of authorising officer with respect to the accounts related to mission and representation expenses of the members; notes that those expenditures are now subject to the general control system operated by the secretariat-general's services which involves risk management and *ex-ante* and *ex-post* control and which are included in the annual declaration of the authorising officers by sub-delegation and by delegation; deeply deplores that it was only after a particularly critical situation that the Court took action with regard to this matter;

22. Notes that the internal audit service reviewed the 2018 annual control reports and declarations of the authorising officers by sub-delegation in order to assess the reliability of the information provided; notes that the secretary-general requested control reports from all directorates; acknowledges that the internal audit service confirms the reliable quality of the *ex-ante* and *ex-post* controls performed by the services and that overall the information contained in the control reports is reliable;

23. Notes the Court's decision, in relation to the period 2012 to 2018, to complete an internal audit of mission expenses and of the use of official cars (which audit was finalised in July 2019); notes that the audit report concluded that the vast majority of randomly selected operations examined by the internal audit service complied with the applicable rules and procedures; deplores the fact that the report also concluded that prior to the 2017 to 2018 reforms the management and control systems of the Court were affected by certain shortcomings; notes further that the report concluded that the 2017 to 2018 reforms effectively corrected the weaknesses in the control systems and that management and control procedures currently in place are overall reliable;

24. Notes that based on that audit report no indications of any misuse of their position by members or former members have been identified; notes that there has been no other internal investigation following that audit report;

25. Observes that the European Anti-Fraud Office (OLAF) has transmitted its report concerning a former member to the judicial authorities of Luxembourg; notes that the former member's immunity has been waived; notes that the Court has recovered the sum of EUR 153 407,58 from the former member;

26. Notes that OLAF opened an investigation in 2016 concerning possible abuse of travel and subsistence expenses by a current member of the Court (relating to a time when he was a Member of Parliament); notes that OLAF concluded the case in September 2019 with a recommendation to Parliament to recover EUR 11 243; notes that no disciplinary or judicial recommendations have been made in this regard and that no recommendation was addressed to the Court;

27. Welcomes the fact that members of the Court are subject to a code of conduct governing their independence, impartiality, integrity, commitment, collegiality, confidentiality, responsibility and obligations after leaving office; welcomes the fact that the Court publishes the declarations of interests (declarations of financial interests and outside activities) and the CVs of its members on its website, thereby making the Court subject to the same public scrutiny as the other Union institutions;

28. Is concerned that the declarations of interest are of a self-declaratory nature and that, given the current legal framework, neither the Court nor its ethics committee have any investigative powers to ensure the veracity and the exhaustiveness of the declared data; calls on the Court to ensure that members submit declarations of interest instead of declarations of the absence of conflicts of interests; stresses that the current procedures, including those of the ethics committee, need to be reinforced to ensure the absence of conflicts of interests; requests the Court to report on any progress made;

29. Welcomes the publication of the Court's ethics guidelines, applicable to all members and staff; welcomes the discussion by the ethics committee of any matters of an ethical nature that it considers relevant, including the assessment of external activities of members of the Court; notes the appointment of ethics advisers among the Court's members of staff with the aim of ensuring that every member of staff has the right and opportunity to seek confidential and impartial advice on sensitive matters, such as conflict of interests, the acceptance of gifts and how to provide information in the event of serious irregularities (whistleblowing);

30. Highlights the fact that the Court offers all staff a dedicated training course on public ethics (which is compulsory for incoming staff), containing a section on whistleblowing (including the procedure to be followed and the rights of members of staff); welcomes the fact that in the internal guidance on 'frequent asked questions on ethical matters', a number of examples are provided with the aim of facilitating the recognition of potential conflicts of interests; calls on the Court to further strengthen its efforts by improving information and communication and by monitoring activities;

31. Emphasises the fact that an ethical framework should consist of rules to prevent, identify and avoid potential conflicts of interests; notes that the Court's ethical framework has been reviewed by experts from the Supreme Audit Institutions of Poland and Croatia; takes note of the final peer review report; calls on the Court to inform Parliament of any follow-up actions that are decided based on the outcome of the peer review;

32. Welcomes the fact that the Court has established channels for whistleblowing which ensure appropriate protection for whistleblowers and that it has published the related rules of procedure; notes that an online contact form exists to report any serious irregularities; welcomes the link on its homepage on how to report fraud cases to OLAF;

33. Notes the fact that the Court continues to provide training and presentations for managers, incoming members of staff and human resources staff, in order to raise awareness of harassment in the working environment; notes, moreover, that contact persons for the fight against harassment receive relevant training on an annual basis; notes that the Court enhanced its anti-harassment rules in 2017 and that their purpose is to avoid harassment situations, maintain a satisfactory working environment and facilitate resolving interpersonal conflicts by means of amicable settlements;

34. Welcomes the efforts made by the Court to ensure the wellbeing of staff, such as by enabling flexible working and teleworking and notes that, in this regard, the Court provides presentations on equal opportunities and access to free psychologists; notes, however, that there were three cases of 'burnout' in 2018; asks the Court, therefore, to assess if the workload is distributed proportionally across teams and members of staff;

35. Notes that there was one formal complaint of harassment lodged in 2018 and that the facts of sexual harassment were established; notes that the entire procedure (which ended up with preventive and disciplinary measures being taken) took five months to be completed from the date of filing the complaint;

36. Highlights the fact that (as referred to in the third paragraph of Article 16 of the Staff Regulations related to the occupational activities of senior officials after leaving the service) the Court publishes related information on the occupational activities of senior officials of the Court; notes also the publication of the related rules on its website;

37. Notes the fact that the Court and OLAF work in close cooperation in order to protect the financial interests of the Union; further notes that in 2018 the Court communicated nine cases of suspected fraud revealed in the context of its audits (compared to 13 in 2017); congratulates the Court on the fact that the ongoing negotiations resulted in an administrative cooperation arrangement between the Court and OLAF (signed in May 2019) which aims to facilitate the practical working relationship between those bodies, in particular regarding the transmission of suspected fraud cases, and to organise actions of common interest, such as training, workshops and staff exchanges;

38. Regrets the fact that the Court's follow-up to the 2017 discharge resolution provided only limited responses to Parliament's remarks; stresses that follow-up is essential to enable Parliament's Committee on Budgetary Control to determine whether the Court has implemented Parliament's recommendations; calls on the Court to include all necessary responses and more detailed explanations on the implementation of Parliament's recommendations in its next follow-up report;

39. Notes that the withdrawal of the United Kingdom from the Union will not have a major impact on the structure and human resources of the Court; notes that the Court has committed itself to using its discretionary power in accordance with Article 49 of the Staff Regulations to the effect that officials are not dismissed on the sole ground that they are no longer nationals of a Member State; notes that, with regard to temporary and contract agents, the Court is required by law to examine each case individually and to authorise exceptions where justified in the interest of the service; welcomes the fact that the Court has committed to making an open and transparent use of this capacity to authorise exceptions; notes that the Court's assessment will be based solely on the interests of the service;

40. Stresses the Court's commitment to improving its gender balance at all management levels; notes that 45 % of its auditors and administrators are women, resulting in an almost equal proportion of women and men; notes that 38 % of its managers (24) are women, and that out of 10 directors, 3 are women; calls on the Court to continue its efforts to promote gender balance, in particular in relation to management positions and the more senior management positions; welcomes the fact that the proportion of women in management positions in the audit chambers increased from 7 % in 2015 to nearly 24 % at the end of 2018 (compared to 20 % in 2017); notes that the Court's equal opportunities policy for the 2018 to 2020 period (approved in February 2018) also addresses the issues of age and disability;

41. Reiterates that only 6 out of 28 members of the Court (compared to 4 in 2016) are women; emphasises the issue of gender imbalance among the members; recalls that Member States should more actively encourage women to apply for these kind of positions; reiterates that the Council should always present at least two candidates, one woman and one man, during the appointment procedure;

42. Notes that the increase in the translation workload has been compensated for by efficiency gains through the streamlining of the Court's internal procedures, including the centralisation of the pre- and post-processing of translations; notes that this has enabled a significant decrease of costs per page (in excess of 10 % compared to 2017);

43. Welcomes once more the Court's cooperation with other public institutions and stakeholders; notes with satisfaction the cooperation between the heads of supreme audit institutions and the adoption of a joint work plan from 2018 onwards; supports, moreover, the partnerships entered into with various universities in the context of the Court's policy to extend its range of training; asks the Court to extend its contacts to additional universities in order to establish cooperation in the future that is diversified and that retains a geographical balance;

44. Welcomes the fact that archive spaces of the K2 building became unnecessary thanks to increasing digitalisation; notes that these spaces will be converted into new collaborative or wellbeing spaces and that the cost will be met by the remaining budget of the K3 construction project completed a few years ago; notes that the level of comfort of the K1 building remains far below the other buildings of the campus; acknowledges the conclusion of a study recommending works which would result in huge investments; notes that options for finding the most efficient solution for the future of K1 remain under consideration (including in cooperation with the Luxemburgish authorities); calls on the Court to inform Parliament's Committee on Budgetary Control of any solutions, together with budget estimates;

45. Welcomes the fact that the Court has set up a comprehensive environmental programme to address various themes identified in its environmental analysis and to reduce its environmental impact; notes with appreciation that it managed to reduce its energy consumption by 11,5 % from 2014 to 2018, its water consumption by 21,1 % from 2016 to 2018, and its paper consumption by 50,8 % from 2014 to 2018;

46. Supports the Court's efforts to enhance data protection and cybersecurity by adopting a three-year cybersecurity action plan in mid-2018 with a number of actions to mitigate the risks identified; notes with satisfaction the Court's cooperation with the Computer Emergency Response Team for the EU Institutions, bodies and agencies (CERT-EU) to implement some of the controls foreseen in the plan;

47. Recognises the added value that free and open source software can bring to the Court; underlines in particular the role of such software in increasing transparency and avoiding vendor lock-in effects; recognises also its potential for security improvements as it permits the identification and fixing of weaknesses; strongly recommends that any software developed for the Court be made publicly available under a free and open-source software licence;

48. Highlights all the work achieved by the Court in recent years in areas such as performance-based budgeting, the ethical framework (with all its related rules and procedures), enhanced communication activities and the increasing number of measures to improve transparency; welcomes the significant number of inter-institutional service and cooperation agreements; underlines the importance of collaboration and sharing of experience among Union institutions and bodies; suggests the possibility of analysing formalised networking activities in different domains in order to share best practices and to develop common solutions.

DECISION (EU) 2020/1889 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the Translation Centre for the Bodies of the European Union (CdT) for the financial year 2018

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 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2018 (05761/2020 – C9-0039/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), 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 ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Culture and Education,

— having regard to the report of the Committee on Budgetary Control (A9-0035/2020),

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 314, 7.12.1994, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

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 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1890 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the Translation Centre for the Bodies of the European Union (CdT) for the financial year 2018

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 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0039/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), 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 ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Culture and Education,

— having regard to the report of the Committee on Budgetary Control (A9-0035/2020),

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 314, 7.12.1994, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

1. Approves the closure of the accounts of the Translation Centre for the Bodies of the European Union for the financial year 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1891 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 (CdT) for the financial year 2018

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 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Culture and Education,

— having regard to the report of the Committee on Budgetary Control (A9-0035/2020),

A. 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 2018 was EUR 47 142 100, representing a decrease of 4,63 % compared to 2017; whereas 91,48 % of the Centre's budget derives from direct contributions from institutions, other agencies and bodies [2];

B. whereas the Court of Auditors (the 'Court'), in its report on the Centre's annual accounts for the financial year 2018 (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;

Budget and financial management

1. Notes with satisfaction that budget monitoring efforts during the financial year 2018 resulted in a budget implementation rate of 94,94 %, representing an increase of 1,82 % compared to the previous year; notes that the payment appropriations execution rate was 87,94 %, representing an increase of 2,53 % compared to the previous year;

Performance

2. Notes that the Centre uses input and output indicators as key performance indicators to assess the results of its activities and several indicators to enhance its budget management; notes the revised *ex ante* evaluation and the ongoing *ex post* revision of the Centre's programmes and activities; invites the Centre to further develop the key performance indicators to assess the outcome and impact of its activities in order to gain qualitative advice on how to provide more added value for the Centre's output and improve the Centre's business model;

3. Notes with appreciation that in 2018 the Centre took major steps forward in the use of translation technology and that, in close cooperation with its partner directorate-general at the Commission, it has successfully implemented machine translation and Euramis into its production workflow;

4. Notes furthermore that in 2018 the brand-new version of the biggest terminology database in the world, Interactive Terminology for Europe (IATE), was launched to the public and that the Centre develops and manages it on behalf of its institutional partners;

5. Welcomes the fact that the Centre implemented two actions to share resources with other agencies on overlapping tasks through the EU Agencies Network: a shared services catalogue, which lists all the services that can be shared by Union agencies, and a joint procurement portal on which Union agencies' procurement plans are shared; strongly encourages the Centre to actively seek further and broader cooperation with all Union agencies, especially given its strategically well-suited location in Luxembourg, where many other Union agencies are headquartered;

[1] OJ C 416, 15.11.2018, p. 16.
[2] OJ C 416, 15.11.2018, p. 18.

6. Encourages the Centre to implement the Court's recommendations;

7. Welcomes the progress made on the external evaluation of the Centre's business model, which was carried out in 2017; calls on the Centre to report to the discharge authority on the outcome of the final evaluation;

8. Notes with appreciation, and highlights the positive effects of, the continued impact of the pricing structure introduced in 2017 for the translation of documents, which corresponded to a saving of EUR 4,4 million for the Centre's clients in 2018;

9. Urges the Centre to adopt a sustainable business model in accordance with the transformation plan devised following the external study entitled 'Study on the Translation Centre as the Linguistic Shared Service Provider for the EU Agencies and Bodies'; encourages the Centre to fully implement those actions which would help adapt the new business model to technological advances, such as the web translation and speech recognition project;

10. Notes with concern that the Centre has not completed the anti-fraud plan which was targeted to be implemented by the end of 2018 and which had an implementation rate of 66 % in 2018; urges the Centre to speed up the implementation of that plan;

11. Expresses its satisfaction with the efforts made by the Centre in developing key staff capabilities in the areas of quality and project management, with 86,8 % of key staff having received training, which exceeds the target set for 2018;

12. Acknowledges the Centre's follow-up on their commitment to make a new version of IATE available to the Union institutions by the end of 2018, which was done in November 2018; notes that the Centre released the inter-institutional version of IATE in February 2019;

Staff policy

13. Notes that, on 31 December 2018, the establishment plan was 94,82 % executed, with 50 officials and 133 temporary agents appointed out of 55 officials and 138 temporary agents authorised under the Union budget (compared with 195 authorised posts in 2017); notes that, in addition, 23 contract agents worked for the Centre in 2018;

14. Notes with satisfaction that a good gender balance was achieved in 2018 with respect to the senior management positions (three men and two women) and within the management board (32 men and 27 women);

15. Encourages the Centre to develop a long term human resources policy framework to address the work-life balance of its staff, lifelong guidance and career development, gender balance, teleworking, non-discrimination, geographical balance and the recruitment and integration of disabled people;

Procurement

16. Notes that, according to the Court's report, by the end of 2018 the Centre had introduced e-invoicing but had not yet introduced the e-tendering and e-submission tools launched by the Commission to introduce a single solution for the electronic exchange of information with third parties participating in public procurement procedures (e-procurement); calls on the Centre to introduce all the necessary tools to manage procurement procedures and to report to the discharge authority on their implementation;

Prevention and management of conflicts of interest and transparency

17. Notes that the Centre opted for the publication of only declarations of interests, without CVs, due to the management problems associated with the size of its management board (approximately 130 members and alternate members); notes that the director's CV and declaration of interests are published on the Centre's website; notes that the Centre considers that risks associated with conflicts of interests are very low due to the nature of its business;

18. Notes with concern that, although the Centre is not fee-financed, it depends on revenue received from its clients, who are represented on the Centre's management board, and that there is therefore a high risk of conflict of interest regarding the pricing of the Centre's products, which could be remedied if the Commission collected fees on behalf of the Centre's clients, leading to the Centre being fully funded from the Union budget; acknowledges the Centre's comment that the possibility of being funded from the Union budget would require an agreement between the Commission and the budgetary authority; calls on the Centre to report to the discharge authority on measures taken in order to mitigate such a risk;

Other comments

19. Welcomes the launch, in 2018, of the new version of IATE, intended to increase the Centre's public visibility and online presence; calls on the Centre to further focus on disseminating the results of its work to the public and to reach out to the public via social media and other media outlets;

20. Encourages the Centre to pursue the digitalisation of its services;

21. Regrets the fact that the European Union Intellectual Property Office (EUIPO) decided, on 26 April 2018, to terminate the translation arrangement it concluded with the Centre, despite its legal obligation to avail of the services of the Centre, as provided for in Article 148 of Regulation (EU) 2017/1001 ([3]), which established the EUIPO; notes the legal action brought before the General Court by the Centre on 6 July 2018 and the closure of the oral phase of the hearing on 4 June 2019; notes that a new arrangement for two years only was signed on 7 December 2018 between the Centre and the EUIPO; calls on the Centre to keep the discharge authority updated on the development of the legal proceedings;

22. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 ([4]) on the performance, financial management and control of the agencies.

([3]) Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (OJ L 154, 16.6.2017, p. 1).

([4]) Texts adopted, P9_TA(2020)0121.

DECISION (EU) 2020/1892 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2018, Section II — European Council and Council

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2018 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2018 (COM(2019)0316 – C9-0052/2019) ([2]),

— having regard to the Council's annual report to the discharge authority on internal audits carried out in 2018,

— having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2018, 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 2018, 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([6]), and in particular Articles 59, 118, 260, 261 and 262 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Constitutional Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0038/2020),

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 2018;

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 and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([1]) OJ L 57, 28.2.2018.
([2]) OJ C 327, 30.9.2019, p. 1.
([3]) OJ C 340, 8.10.2019, p. 1.
([4]) OJ C 340, 8.10.2019, p. 9.
([5]) OJ L 298, 26.10.2012, p. 1.
([6]) OJ L 193, 30.7.2018, p. 1.

RESOLUTION (EU) 2020/1893 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 2018, 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 2018, Section II – European Council and Council,

— having regard to the Recommendation of the European Ombudsman in case 1069/2019/MIG on sponsorship of the Presidency of the Council of the European Union,

— having regard to the Special Report of the European Ombudsman in strategic inquiry OI/2/2017/TE on the transparency of the Council legislative process,

— having regard to its resolution of 17 January 2019 on the European Ombudsman's strategic inquiry OI/2/2017 on the transparency of legislative discussions in the preparatory bodies of the Council of the EU ([1]),

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Constitutional Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0038/2020),

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 with satisfaction that in its annual report of 2018, the Court of Auditors (the 'Court') identified no significant weaknesses with respect to the audited topics related to human resources and procurement for the European Council and the Council;

2. Notes the conclusion of the Court that the payments as a whole for the year ended 31 December 2018 for the administrative expenditure of the Council were free from material error and that the examined supervisory and control systems were effective;

3. Regrets, as a general observation, that chapter 10 'Administration' of the Court's 2018 Annual Report has a rather limited scope and conclusions, notwithstanding the fact that the Multiannual Financial Framework Heading 5 'Administration' is considered to be low risk;

4. Notes that the Court selected a sample of 45 transactions from the Multiannual Financial Framework Heading 5 'Administration' for all Union institutions and bodies; notes that the sample was designed to be representative of the range of spending under Heading 5, which represents 6,3 % of the Union budget; notes that the Court's work indicates administrative expenditure as low risk; considers, however, that the number of transactions selected in relation to the 'other institutions' is not sufficient and asks the Court to increase the number of transactions to be examined by at least 10 %;

([1]) Texts adopted, P8_TA(2019)0045.

5. Regrets that the request to separate the budget of the European Council and the Council into one budget for each institution, made by Parliament in previous discharge resolutions, has not been considered; calls on the Council to separate the budget in that way for reasons of transparency and to improve accountability and expenditure efficiency for both institutions;

6. Notes that in 2018 the Council had an overall budget of EUR 572 854 377 (compared to EUR 561 576 000 in 2017) with a global implementation rate of 91,9 % (compared to 93,8 % in 2017); notes a budget increase of EUR 11,3 million, equivalent to 2,0 % compared to an increase of 3 % in 2017 and 0,6 % in 2016;

7. Welcomes the overall prudent and sound financial management of the Council; recognises the evolution of the budget of the Council from a budget of EUR 634 million in 2010 to a budget of EUR 573 million in 2018, a decrease of 9,63 %;

8. Notes that appropriations carried over from 2018 to 2019 amounted to a total of EUR 56 599 584, equivalent to 10,7 % (compared to EUR 60 576 175 or 11,5 % in 2017), coming mainly from categories such as computer systems (EUR 18,3 million), buildings (EUR 16,0 million) and interpretation (EUR 11,9 million); notes the cancelled appropriations in 2018 of EUR 46 348 862 (compared to EUR 35 025 789 in 2017); reminds the Council that carry-overs are exceptions to the principle of annuality and should reflect actual needs and, thus, calls on the Council to strengthen its efforts to avoid budget over-estimates;

9. Notes again the low implementation rate for delegation travel expenses with a commitment of EUR 11,1 million compared to a final budget, including internal reallocations, of EUR 22,3 million; notes that, since Member States had to reimburse unused amounts from previous years, the Council committed only EUR 11,1 million for subsequent payments; calls on the Council to inform Parliament on the achievements reached related to a policy negotiated with the Member States to overcome this long-standing issue;

10. Acknowledges that the number of posts in the establishment plan for 2018 was fixed at 3 031 posts (compared to 3 027 posts in 2017); notes that 137 people were recruited (74 permanent officials and 63 temporary agents) in 2018 and that during 2018 184 people (154 permanent officials and 30 temporary agents) left, resulting in a net decrease of 47 occupied posts, which was the main cause for an underspending of EUR 18,8 million for the budget item 'establishment plan';

11. Recognises the increased workload expressed in a total number of 7 733 meetings in 2018 compared to 6 338 in 2010; notes another quantitative indicator of activities such as the number of legal acts published in the Official Journal, with 1 210 legal acts published in 2018 compared to 825 in 2010;

12. Welcomes the Council's efforts in the implementation of the 'Action Plan for a more dynamic, flexible and collaborative General Secretariat of the Council (GSC)'; notes the steps to further improve the Council's financial management and performance by measures such as the establishment of an advisory management board, the adoption of guidelines for a common project & task force management framework, the creation of a reorganisation task force and the review of internal rules following the publication of the new Financial Regulation;

13. Notes the Council's building situation resulting in intensive negotiations in 2018 with the Belgian authorities, who did not proceed with the sale of the four adjacent plots of land despite the agreement on the final price of the Europa building project; notes that the parties came to an agreement on an alternative solution resulting in the non-spending of the initial price for the plots of EUR 4 672 944;

14. Expresses its concerns about the alarming information reported by the media regarding the construction of the new Europa building; calls on the Council to thoroughly research the main contractor and the whole chain of subcontractors (up to 12 according to the media), as well as the working conditions of the workers employed, and to provide Parliament's Committee on Budgetary Control with all its findings;

15. Notes that the revised internal control framework took effect on 1 November 2018 and was set up with five components, namely control environment, risk assessment, control activities, information and communication, and monitoring activities, and another 17 principles and 33 characteristics to provide reasonable assurance of the achievements of the objectives set;

16. Welcomes the fact that in 2018, 92 % of the internal audit recommendations issued during the years 2015 – 2017 were implemented or in the process of being implemented; notes that the internal audit annual work programme of 2018 is based on an updated risk assessment, considering the review of risk registers, and was effectively implemented; notes the areas in which audits were carried out in 2018, such as technical management, IT public procurement, legal service and communication strategy;

17. Notes that related to the proposal for a new interinstitutional agreement on a mandatory transparency register, accessible in a machine-readable format, for interest representatives covering Parliament, the Council and the Commission, two negotiating rounds took place in 2018 under the Bulgarian Presidency and one in 2019 under the Romanian Presidency; recalls the decision of 18 June 2019 of the European Ombudsman (the Ombudsman) that the General Secretariat of the Council should keep a full record of any meetings held between interest representatives and the President of the European Council and that this should be made public; regrets the fact that the Council has still not joined the transparency register despite all of those negotiations and calls on the Council to follow up the negotiations to reach a successful outcome which will finally include the Council in the registry; calls on the Council to demonstrate a real commitment to the principles of transparency and accountability by adopting concrete measures and by building on the example set by the Finnish Presidency; calls on all Presidency trios to lead by example by refusing meetings with unregistered lobbyists;

18. Notes the Ombudsman's recommendation that the President of the European Council and the President's cabinet publish a full list of any lobby meetings held; is disappointed by the fact that the new President of the European Council has yet to implement that recommendation; notes that while it appears that the President of the European Council does not meet with many lobbyists, the principle of lobby transparency is nonetheless important; urges the President of the European Council to ensure that he and his cabinet refuse all meetings with unregistered lobbyists and proactively publish a comprehensive list of lobby meetings held; calls on the General Secretariat of the Council to ensure that the ethics rules governing the President of the European Council are brought into line with those of the President of the Commission so that 'revolving door' rules apply for three years and formal approval is required for any new roles with a link to the activities of the Union;

19. Welcomes the setting up of a digital services department as part of a reorganisation of the General Secretariat of the Council on 1 July 2018; notes that the information and management programme is set to streamline and digitalise key business processes by delivering a fully integrated system of applications and services, which will be accessible to users through a collaborative and secure digital working place for staff, presidencies and delegates;

20. Notes the intense media coverage and the particularly high level of media interest in the negotiations relating to the withdrawal of the United Kingdom from the Union; welcomes the continuous development of the Council's website and the intense work to increase its audience on all channels (increases of 9 % on visits to the website, 13 % of fans on Facebook, 26 % of followers on Twitter and 92 % of followers on Instagram as compared to the previous year); notes the high amount of background briefings and press conferences; notes the newsroom platform which allows the press and media to view, download and embed the Council's video and photo output in high-resolution quality; encourages further the use of non-proprietary social-network platforms, having special regards to users' data protection;

21. Reiterates its support for the recommendations of the Ombudsman on the transparency of legislative discussions in the preparatory bodies of the Council ([2]); asks the Council to strengthen its efforts to make the legislative process more traceable and reader friendly, to centre transparency around milestones in the legislative process and to normalise the identification and publication in due time of Member State input in a machine-readable format (e.g. statements and proposals for amendments) into legislative debates at Council meetings, preparatory discussions in the Council's Committee of Permanent Representatives or in any of its preparatory bodies; calls on the Council to step up its transparency efforts by, inter alia, publishing Council legislative documents, having formal minute-taking of Council preparatory bodies to record Member State positions and publishing those minutes, and making available more trilogue documents in line with the Ombudsman's recommendations; acknowledges the Council's efforts to improve transparency with ongoing changes to its website and the activities of its internal transparency team; calls on the Council to introduce further measures in order to achieve a successful transparency policy allowing the public to follow the Union legislative process with greater ease;

22. Recalls the conclusions of the Ombudsman's Special Report in strategic inquiry OI/2/2017/TE on the transparency of the Council legislative process, from May 2018, which found that 'the Council's current practices constitute maladministration'; recalls the joint non-paper by Belgium, Denmark, Estonia, Ireland, Latvia, Luxembourg, Slovenia, Sweden and the Netherlands from October 2019 on increasing the transparency and accountability of the Union, which specifically asks the Council to 'increase openness in trilogue negotiations by systematic publication of legislative milestone documents'; asks the Council to seriously considers those recommendations in the interest of transparency and report to Parliament;

23. Expresses its deep concerns about the information reported by European media regarding the corporate sponsorship of Member States hosting the Union Presidency and echoes the concerns expressed by Union citizens and Members of Parliament on the matter; acknowledges that the Member States are expected to finance their own Presidencies and regrets that resorting to corporate sponsorship to cover some of their expenses in that regard has become common practice in recent years; is highly concerned by the possible reputational damage and the risk of loss of trust that this practice might cause the Union, its institutions and especially the Council in the eyes of Union citizens; notes that the Council argues that the issue of sponsorship is the sole responsibility of the Member State holding the Presidency; is of the same opinion as the Ombudsman that the public does not distinguish between the Council Presidency and the Member State holding it; fully supports the Ombudsman's assessment and recommendation ([3]) for the Council to issue guidance to Member States on the issue; moreover, strongly recommends the Council to envisage the budgetisation of Presidencies; requests the Council to forward this concern to the Member States, in particular to the current Presidency trio, to take those recommendations into serious consideration and to report back to Parliament;

24. Asks for the code of conduct for the President of the European Council to be brought in line with those of the Commission and Parliament in order to insure formal approval for activities related to Union legislation for three years after having left the Council;

25. Is deeply concerned by the conflict of interests allegations against a number of Member State representatives involved in the high-level policy and budget decision-making process; asks the Council to ensure that Member State representatives who are subject to benefit directly from Union subsidies through the businesses they own do not participate in the related policy or budgetary discussions and votes; further asks the Council to join Parliament in its call on the Commission to propose new audit procedures to speed up the investigation of urgent and grave cases of conflict of interests and ensure that Parliament be properly informed of the audit conclusions;

26. Regrets that the Council once again failed to provide answers to the written questions sent by Parliament and that the Secretary-General of the Council did not attend the hearing organised on 12 November 2019 in the context of the annual discharge which shows a continued and complete lack of cooperation on the Council's side; stresses that the expenditure of the Council must be scrutinised in the same way as that of other institutions and points out that the fundamental elements of such scrutiny have been laid down in its discharge resolutions of the past years; points out that Parliament is the only institution directly elected by Union citizens and that its role in the discharge procedure is directly connected with citizens' right to be informed on how public money is spent;

([2]) European Parliament resolution of 17 January 2019 on the Ombudsman's strategic inquiry OI/2/2017 on the transparency of legislative discussions in the preparatory bodies of the Council of the EU (Texts adopted, P8_TA(2019)0045).

([3]) Recommendation of the European Ombudsman in case 1069/2019/MIG on sponsorship of the Presidency of the Council of the European Union.

Future cooperation between Council and Parliament

27. Notes that Parliament's role in respect of the budget discharge is laid down in the Treaty on the Functioning of the European Union (TFEU), in the Financial Regulation and in Parliament's Rules of Procedure;

28. Notes that according to Article 319 TFEU Parliament, acting on a recommendation of the Council, grants discharge to the Commission for the implementation of the general budget of the Union; notes that the Council's role is fully acknowledged as an institution giving recommendations in the discharge procedure;

29. Emphasises Parliament's prerogative to grant discharge pursuant to Articles 316, 317 and 319 TFEU in line with current interpretation and practice, namely to grant discharge in respect of each heading of the budget separately in order to maintain transparency and ensure democratic accountability towards Union taxpayers;

30. Is of the opinion that the different roles of the respective institutions in the discharge procedure should be distinguished and hence an equivalent and reciprocal role of the two institutions in the annual discharge procedure should be excluded;

31. Recalls the fact that, according to Article 316 and 335 TFEU, the institutions enjoy administrative autonomy and that their expenditure is set out in separate parts of the budget; notes that, according to Article 59 of the Financial Regulation, the institutions are individually responsible for the implementation of their budgets; underlines the importance of the institutions acting responsibly and professionally in the implementation of their budgets;

32. Notes that over the course of almost 20 years Parliament has developed the practice of granting discharge to all Union institutions and bodies; recalls that Parliament grants discharge to Union institutions and bodies after considering the documents provided and the replies they give to written questionnaires and after hearing their secretaries general; notes that all Union institutions and bodies accept to participate in Parliament's discharge procedure, with the only exception being the Council; regrets that the Council refused to answer the questions submitted by Parliament's Committee on Budgetary Control on 12 November 2019;

33. Welcomes the fact that the Council has showed its openness to reaching an agreement with Parliament on how to cooperate in the discharge process.

34. Regrets the lack of cooperation from the Council in the discharge procedure which has resulted in Parliament's refusal to grant discharge to the Secretary-General of the Council since the financial year 2009;

35. Underlines the need for a Memorandum of Understanding between the Council and Parliament to find solutions to solve the longstanding differences in views between the Council and Parliament about the current practice of granting discharge;

36. Welcomes that the composition of Parliament's newly appointed negotiating team has been endorsed; calls on the negotiating team to ensure full consistency of the agreement with the position as endorsed by Parliament's Committee on Budgetary Control in February 2020; invites the Council to resume the negotiations without any further undue delay;

37. Believes that answers to a number of recurring questions in the questionnaires sent to the different institutions, bodies and agencies, such as those on gender balance and geographical balance, conflict of interests, lobbying and protection of whistle-blowers, could possibly be included in the evaluation report on the Union's finances, drawn up in accordance with Article 318 TFEU, insofar as those issues have a link with the implementation of the budget; recalls the fact that the report referred to in Article 318 TFEU is explicitly mentioned in Article 319(1) TFEU as one of the documents to be examined in the context of the discharge procedure;

38. Recalls the fact that each institution and body is required under the Financial Regulation to take appropriate measures to act on the observations accompanying Parliament's discharge decision and to report on the measures taken in light of those observations; points out that a refusal by an institution to comply with this requirement, after being called upon to act, might give rise to an action for failure to act under Article 265 TFEU;

39. Welcomes the statements by Vice-President-designate Věra Jourová and Commissioner-designate Johannes Hahn, in their hearings before Parliament, that they are willing to engage in this matter so as to help achieve more transparency on the implementation of the Council's budget; points to the case-law of the Court of Justice of the European Union on the right of taxpayers and public opinion to be kept informed of the use of public revenue;

40. Considers that the commitments of those Commissioners constitute a positive change in attitude compared to the stance taken by the Commission hitherto, as expressed in its letter of 23 January 2014, in which it stated that the Commission should not be expected to oversee the implementation of the budgets of the other institutions;

41. Asks the Council to fulfil its particular role and to give discharge recommendations with respect to the other Union institutions.

DECISION (EU) 2020/1894 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the European Union Agency for Network and Information Security (ENISA) (now ENISA (the European Union Agency for Cybersecurity)) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Network and Information Security (ENISA) for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0047/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), and in particular Article 21 thereof,

— having regard to Regulation (EU) 2019/881 of the European Parliament and of the Council of 17 April 2019 on ENISA (the European Union Agency for Cybersecurity) and on information and communications technology cybersecurity certification and repealing Regulation (EU) No 526/2013 (Cybersecurity Act) ([6]) and in particular Article 31 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 ([7]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([8]), and in particular Article 105 thereof,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 34.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 165, 18.6.2013, p. 41.
([6]) OJ L 151, 7.6.2019, p. 15.
([7]) OJ L 328, 7.12.2013, p. 42.
([8]) OJ L 122, 10.5.2019, p. 1.

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0039/2020),

1. Grants the Executive Director of ENISA (the European Union Agency for Cybersecurity) discharge in respect of the implementation of the Agency's budget for the financial year 2018;

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 ENISA (the European Union Agency for Cybersecurity), 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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1895 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the European Union Agency for Network and Information Security (ENISA) (now ENISA (the European Union Agency for Cybersecurity)) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Network and Information Security (ENISA) for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0047/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), and in particular Article 21 thereof,

— having regard to Regulation (EU) 2019/881 of the European Parliament and of the Council of 17 April 2019 on ENISA (the European Union Agency for Cybersecurity) and on information and communications technology cybersecurity certification and repealing Regulation (EU) No 526/2013 (Cybersecurity Act) ([6]) and in particular Article 31 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 ([7]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([8]), and in particular Article 105 thereof,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 34.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 165, 18.6.2013, p. 41.
([6]) OJ L 151, 7.6.2019, p. 15.
([7]) OJ L 328, 7.12.2013, p. 42.
([8]) OJ L 122, 10.5.2019, p. 1.

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0039/2020),

1. Approves the closure of the accounts of the European Union Agency for Network and Information Security (ENISA) for the financial year 2018;

2. Instructs its President to forward this decision to the Executive Director of ENISA (the European Union Agency for Cybersecurity), 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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1896 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 (ENISA) (now ENISA (the European Union Agency for Cybersecurity)) for the financial year 2018

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 (ENISA) for the financial year 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0039/2020),

A. 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 2018 was EUR 11 473 788, representing an increase of 2,67 % compared to 2017; whereas the budget of the Agency derives mainly from the Union budget ([2]);

B. whereas the Court of Auditors (the 'Court'), in its report on the Agency's annual accounts for the financial year 2018 (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 with satisfaction that the budget monitoring efforts during the financial year 2018 resulted in a budget implementation rate of 99,98 %, representing a decrease of 0,01 % compared to 2017; notes furthermore that the payment appropriations execution rate was 88,56 %, representing a slight increase of 0,37 % compared to 2017;

Performance

2. Notes that the Agency uses certain key performance indicators (KPIs) to measure the added value provided by its activities and to enhance its budget management, focusing more on qualitative indicators for the assessment of the achievement of its operational goals and more on quantitative indicators for its administrative goals; notes that, in order to better meet its stakeholders' expectations, the Agency is enhancing its reporting package by tailoring its qualitative and quantitative KPIs to measure its activity impact more efficiently;

3. Calls on the Agency to step up its action to tackle the security vulnerabilities of 5G and to disseminate information on the subject as widely as possible in order to ensure that the existing technical solutions are adopted by the industry;

4. Regrets that, following the study on the external evaluation of the Agency's performance over the 2013 to 2016 period carried out on behalf of the Commission in 2017, no action plan has been formalised; nevertheless, notes that relevant recommendations have been implemented and that an internal audit carried out by the Commission's internal audit service made overlapping recommendations for which a formal remedial action plan has been agreed upon;

5. Encourages the Agency to pursue the digitalisation of its services;

6. Calls on the Commission to conduct a Feasibility Study in order to assess the possibility of setting up shared synergies with the Cedefop which has its headquarters in Thessaloniki; calls on the Commission to evaluate both scenarios, namely the transfer of the Agency to the Cedefop headquarters in Thessaloniki, and the transfer of the Agency's headquarters to its Heraklion headquarters; notes that the transfer of the Agency to the Cedefop headquarters would entail the sharing of corporate and support services and the management of the common premises, as well as shared ICT, telecommunications and internet-based infrastructures, saving very significant amounts of money which would be used for the further funding of both agencies;

([1]) OJ C 120, 29.3.2019, p. 205.
([2]) OJ C 120, 29.3.2019, p. 206.

Staff policy

7. Notes with concern that, on 31 December 2018, the establishment plan was executed only to 93,62 %, with 44 temporary agents appointed out of 47 temporary agents authorised under the Union budget (compared with 48 authorised posts in 2017); notes that, in addition, 27 contract agents and three seconded national experts worked for the Agency in 2018;

8. Notes that in 2015, the Agency planned to relocate staff engaged in its administration to Athens while Regulation (EU) No 526/2013 of the European Parliament and of the Council ([3]) provides that such members of staff should be based in Heraklion, and that it is likely that costs could be further reduced if all members of staff were centralised in one location; notes that only seven members of staff are currently working at the Heraklion premises; notes that the Agency will further study the relevance of the facilities in line with the current seat agreement and the programmes developed in those facilities;

9. Notes with concern that the Agency finds it difficult to recruit, attract and hold suitably qualified staff, mainly due to the types of post that are advertised, namely contract agent posts, and to the low correction coefficients applied to the salaries of the Agency's members of staff in Greece; notes with satisfaction, however, that the Agency has implemented a number of social measures in order to increase its attractiveness;

10. Notes that the Agency does not have the necessary appropriations to advertise all vacant posts in all EU languages as required by EPSO; notes, however, that the Agency, like other Union decentralised agencies, publishes vacancy notices on several websites, in publications across the Union and on the EU Agencies Network website;

11. Notes that the handover process to new members of staff is currently being reviewed in order to better transfer knowledge to new staff in the future and that this process is considered to be included in the sensitive posts policy; invites the Agency to inform the discharge authority when that review has been concluded;

12. Notes with concern the lack of gender balance in 2018 among senior managers (8 men and 2 women) and among the members of the management board (25 men and 5 women);

Prevention and management of conflicts of interests and transparency

13. Notes the Agency's existing measures on and ongoing efforts to secure transparency and the prevention and management of conflicts of interests and notes that the CVs of the members of the management board and their declaration of conflicts of interests have now been published on the Agency's website; recalls that the Agency does not publish the senior management members' declarations of conflicts of interests on its website; reiterates its calls on the Agency to publish the CVs of all the members of the management board and the declarations of conflicts of interests of its senior management and to report to the discharge authority on the measures taken in that regard;

Internal controls

14. Notes with concern that the Court's report finds that the Agency does not have a sensitive post policy for the purpose of identifying sensitive functions, keeping them up to date and establishing appropriate measures to mitigate the risks of vested interests; calls on the Agency to adopt and implement such a policy without delay;

15. Notes that in 2018, the Commission's internal audit service issued an audit report on 'Stakeholders' involvement in the Production of Deliverables in ENISA' for which the Agency is preparing an action plan to address any potential areas of improvement;

Other comments

16. Notes that the impact of the United Kingdom's decision to withdraw from the Union on the Agency's operations and administration is very limited; notes, however, that the Agency has reviewed its internal processes to mitigate any risks linked to the United Kingdom's withdrawal from the Union, and that none of those risks are considered to be critical but that they are, rather, considered to be very low;

17. Regrets the fact that the Agency has not yet formalised a strategy to ensure an environmentally friendly work place; calls on the Agency to do so as a matter of urgency;

18. Calls on the Agency to focus on disseminating the results of its research to the public, and to reach out to the public via social media and other media outlets;

19. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 ([4]) on the performance, financial management and control of the agencies.

([3]) 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 (OJ L 165, 18.6.2013, p. 41).
([4]) Texts adopted, P9_TA(2020)0121.

DECISION (EU) 2020/1897 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the European Centre for the Development of Vocational Training (now European Centre for the Development of Vocational Training (Cedefop)) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2018 (05761/2020 – C9-0033/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), and in particular Article 12a thereof,

— having regard to Regulation (EU) 2019/128 of the European Parliament and of the Council of 16 January 2019 establishing a European Centre for the Development of Vocational Training (Cedefop) and repealing Council Regulation (EEC) No 337/75 ([6]), 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 ([7]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([8]), and in particular Article 105 thereof,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 39, 13.2.1975, p. 1.
([6]) OJ L 30, 31.1.2019, p. 90.
([7]) OJ L 328, 7.12.2013, p. 42.
([8]) OJ L 122, 10.5.2019, p. 1.

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Employment and Social Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0040/2020),

1. Grants the Executive Director of the European Centre for the Development of Vocational Training (Cedefop) discharge in respect of the implementation of the Centre's budget for the financial year 2018;

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 Centre for the Development of Vocational Training (Cedefop), 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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1898 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the European Centre for the Development of Vocational Training (now European Centre for the Development of Vocational Training (Cedefop)) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2018 (05761/2020 – C9-0033/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), and in particular Article 12a thereof,

— having regard to Regulation (EU) 2019/128 of the European Parliament and of the Council of 16 January 2019 establishing a European Centre for the Development of Vocational Training (Cedefop) and repealing Council Regulation (EEC) No 337/75 ([6]), 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 ([7]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([8]), and in particular Article 105 thereof,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 39, 13.2.1975, p. 1.
([6]) OJ L 30, 31.1.2019, p. 90.
([7]) OJ L 328, 7.12.2013, p. 42.
([8]) OJ L 122, 10.5.2019, p. 1.

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Employment and Social Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0040/2020),

1. Approves the closure of the accounts of the European Centre for the Development of Vocational Training for the financial year 2018;

2. Instructs its President to forward this decision to the Executive Director of the European Centre for the Development of Vocational Training (Cedefop), 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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1899 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the European Fisheries Control Agency (EFCA) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Fisheries Control Agency for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0052/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), and in particular Article 36 thereof,

— having regard to Regulation (EU) 2019/473 of the European Parliament and of the Council of 19 March 2019 on the European Fisheries Control Agency ([6]), and in particular Article 45 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 ([7]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([8]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 34.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 128, 21.5.2005, p. 1.
([6]) OJ L 83, 25.3.2019, p. 18.
([7]) OJ L 328, 7.12.2013, p. 42.
([8]) OJ L 122, 10.5.2019, p. 1.

— having regard to the opinion of the Committee on Fisheries,

— having regard to the report of the Committee on Budgetary Control (A9-0041/2020),

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 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1900 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the European Fisheries Control Agency (EFCA) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Fisheries Control Agency for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0052/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), and in particular Article 36 thereof,

— having regard to Regulation (EU) 2019/473 of the European Parliament and of the Council of 19 March 2019 on the European Fisheries Control Agency ([6]), and in particular Article 45 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 ([7]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([8]), and in particular Article 105 thereof,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 34
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 128, 21.5.2005, p. 1.
([6]) OJ L 83, 25.3.2019, p. 18.
([7]) OJ L 328, 7.12.2013, p. 42.
([8]) OJ L 122, 10.5.2019, p. 1.

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Fisheries,

— having regard to the report of the Committee on Budgetary Control (A9-0041/2020),

1. Approves the closure of the accounts of the European Fisheries Control Agency for the financial year 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1901 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 (EFCA) for the financial year 2018

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 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Fisheries,

— having regard to the report of the Committee on Budgetary Control (A9-0041/2020),

A. 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 2018 was EUR 17 408 849, representing an increase of 1,73 % compared to 2017; whereas the budget of the Agency derives mainly from the Union budget ([2]);

B. whereas the Court of Auditors (the 'Court'), in its report on the Agency's annual accounts for the financial year 2018 (the 'Court's report'), stated that it had obtained reasonable assurances that the Agency's annual accounts for the financial year 2018 are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that budget monitoring efforts during the financial year 2018 resulted in a budget implementation rate of 99,74 %, representing a slight increase of 0,83 % compared to 2017; notes with satisfaction that the payment appropriations execution rate was at 87,62 %, representing an increase of 13,81 % compared to 2017;

Performance

2. Notes that the Agency uses a number of key performance indicators to support its multiannual strategic objectives and to assess the added value provided by its activities;

3. Notes that the Agency implemented 98 % of its activities on time and that it implemented 100 % of its annual communication strategy plan;

4. Notes that the Agency, the European Border and Coast Guard Agency and the European Maritime Safety Agency adopted a tripartite working arrangement defining the cooperation between those agencies and the cooperation with national authorities carrying out coast guard functions by providing services, information, equipment and training, as well as by coordinating multipurpose operations;

5. Encourages the Agency to pursue the digitalisation of its services

6. Takes note of the fact that the results of the second Five Year Independent External Evaluation of the Agency for the period 2012 to 2016 were presented in 2017; notes with satisfaction that, at the end of 2018, one recommendation was closed and ten recommendations were progressing in line with the roadmap presented to the administrative board;

([1]) OJ C 416, 15.11.2018, p. 42.
([2]) OJ C 416, 15.11.2018, p. 43.

7. Considers that the role of the Agency in promoting the creation of Frontex should not undermine the Agency's core activity as the Union body responsible for organising operational coordination of fisheries control activities and providing assistance in that area to the Member States and the Commission, as this could lead to the weakening of fisheries surveillance and an increase in illegal, unreported and unregulated (IUU) fishing; therefore stresses the need to provide the Agency with adequate financial and human resources commensurate with its growing tasks;

8. Highlights the fact that the Agency adopted, in June 2018, a decision on the publication of information on meetings with organisations or self-employed individuals and that, following the agreement between Parliament and the Commission on the transparency register, the Agency will publish the relevant executive director and staff meetings with lobbyists on the Agency's website;

9. Notes that, following preparatory work in 2017, the Agency implemented in 2018 an information security management system based on the international standard ISO 27001 aiming to protect the Agency from technology-based risks and preserving the confidentiality, integrity and availability of information;

10. Highlights the active role and added value provided by the Agency in the improved regional fisheries governance in western Africa (PESCAO) project to develop capacities to combat IUU fishing activities and to improve the management of fisheries resources in West Africa; highlights the three operations carried out in 2018, involving Senegal, Gambia, Guinea-Bissau, Guinea-Conakry, Sierra Leone, Cape Verde and Mauritania;

11. Stresses the importance of the Agency's role in the implementation of the Common Fisheries Policy and the achievement of its objectives, in particular with regard to the landing obligation, as Member States are facing difficulties in complying with this obligation;

Staff policy

12. Notes that, on 31 December 2018, the establishment plan was 98,36 % executed, with 60 Temporary Agents (TAs) appointed out of 61 TAs authorised under the Union budget (compared to 61 authorised posts in 2017); notes that in addition 11 contract agents and six seconded national experts have been working for the Agency in 2018;

13. Encourages the Agency to develop a long term human resources policy framework which addresses the work-life balance of its staff, the lifelong guidance and career development, the gender balance, the teleworking, the non-discrimination, the geographical balance and the recruitment and integration of people with disabilities;

14. Notes with concern the lack of gender balance on the management board (47 men and 21 women);

Procurement

15. Highlights that the main procurement activity in 2018 was focused on launching the two open calls respectively to acquire travel agency and event organisation services for the Agency and for the European Agency for Safety and Health at Work;

16. Welcomes that, following the objective of Union agencies of sharing procurement efforts, the Agency launched its second inter-institutional open call for tender in 2018 and that two other agencies joined that procurement procedure; calls on the Agency to report to the discharge authority on future developments regarding its joint procurement procedures; regards this practise as an example worth following; encourages the Agency to further explore possibilities of streamlining procedures with other institutions;

17. Notes from the Court's report that the Agency did not systematically check prices and uplifts charged with supplier's quotes and invoices issued to the framework contractor for the acquisition of software licences; notes from the Agency's reply that it has no possibility to change the conditions and provisions of the framework contract signed by the Commission and that it will implement the new framework contract to address the issues raised concerning the old contract;

Prevention and management of conflicts of interests and transparency

18. Acknowledges the Agency's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interests, and whistleblower protection; notes with satisfaction that experts who do not sign a declaration of interests are not permitted to work under a specific contract and that the Agency monitors regularly the submission of the declarations;

19. Notes that in 2018, the Commission's internal audit service issued an audit report on "Planning, Budgeting and Monitoring in the Agency" and that an action plan for potential areas of improvement was agreed; calls on the Agency to report to the discharge authority on the measures taken;

Other comments

20. Notes that the Agency has initiated a process in order to be certified in EU Eco-Management and Audit Scheme and has taken a series of measures aiming to reduce its overall impact on the environment; points out, however, that the Agency does not have any additional measures in place to reduce or offset CO_2 emissions;

21. Calls upon the Agency to focus on disseminating the results of its research to the general public, and to reach out to public via the social media and other media outlets;

22. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 ([3]) on the performance, financial management and control of the agencies.

([3]) Texts adopted, P9_TA(2020)0121.

DECISION (EU) 2020/1902 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2018, Section X — European External Action Service

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2018 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2018 (COM(2019)0316 – C9-0059/2019) ([2]),

— having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2018, 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 2018, 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([6]), and in particular Articles 59, 118 and 260 to 263 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Foreign Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0043/2020),

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 2018;

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 Auditors, the Court of Justice of the European Union, and 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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([1]) OJ L 57, 28.2.2018.
([2]) OJ C 327, 30.9.2019, p. 1.
([3]) OJ C 340, 8.10.2019, p. 1.
([4]) OJ C 340, 8.10.2019, p. 9.
([5]) OJ L 298, 26.10.2012, p. 1.
([6]) OJ L 193, 30.7.2018, p. 1.

RESOLUTION (EU) 2020/1903 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 2018, 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 2018, Section X — European External Action Service,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Foreign Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0043/2020),

A. whereas the effectiveness and efficiency of management systems and the use of resources in headquarters and Union delegations are key guiding principles for achieving the objectives of foreign policy, for responding to geopolitical challenges and for strengthening the role of the Union as a global actor;

B. whereas it is essential to promote a common management culture within the European External Action Service (EEAS) by reinforcing the European character and 'esprit de corps' of diplomatic staff;

C. 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. Regrets, as a general observation, that chapter 10 'Administration' of the report of the Court of Auditors (the 'Court') on the annual accounts of the institution for the financial year 2018 (the 'Court's report') has a rather limited scope and conclusions, notwithstanding the fact that Heading 5 'Administration' of the Multiannual Financial Framework is considered to be low risk;

2. Considers that the audit work carried out under chapter 10 of the Court's report should be better balanced between the Union institutions and should go beyond compliance requirements;

3. Believes that more audit work should be dedicated to operating expenditure or issues that are becoming of high relevance or even critical for the EEAS, such as strategic communication capacity and information technology, for example cybersecurity, the performance of the global security package for delegations or the financial management and administrative support of mission support platform to the civilian common security and defence policy;

4. Notes also that, for the second consecutive year, the Court did not report any specific issues for the EEAS;

5. Notes with appreciation that, for the second consecutive year, the Court did not identify material levels of error in the EEAS annual activity report and governance arrangement;

6. Notes that the total budget of the EEAS for 2018 amounted to EUR 678,5 million (i.e. an increase of 2,8 % compared to 2017) with an execution rate of 99,9 % for commitments and 84,8 % (slightly lower than 2017 with 86,7 %) for payments as of the end of the year and with additional contributions from the Commission to cover the administrative costs of Commission staff posted in Union delegations; notes the current budget breakdown, namely EUR 249,7 million for EEAS headquarters and EUR 428,8 million for the delegations;

7. Notes that a contribution of EUR 58,5 million was also received in 2018 from the European Development Fund and the trust funds compared to EUR 55 million in 2017;

8. Encourages the EEAS to possibly simplify the current budget nomenclature to allow for easier and more efficient management for the EEAS by progressively streamlining the 35 budget lines used to finance Commission staff operations in the delegations, reflecting geographical and various development instruments;

9. Notes with appreciation the simplification of budget management with the entire financing of the common overhead costs relating to all delegation offices in 2018, (rent, security, cleaning and other overheads), including European Development Fund delegations, from the budget lines of the EEAS for the third consecutive year; supports the EEAS efforts to modernise and simplify its administration through the 'Innovative 2019' project, which includes 20 proposals under examination; asks the EEAS to report back to the Budgetary Control Committee on the proposals under examination;

10. Observes that the headquarters' budget amounted to EUR 249,7 million out of which EUR 162,4 million (i.e. 65,5 %) concerned the payment of salaries and other entitlements of statutory and external staff, EUR 30,8 million (i.e. 12 %) were for buildings and associated costs, and EUR 34,9 million (i.e. 14 %) were related to IT computer systems, equipment and furniture;

11. Notes that the delegations' budget of EUR 428,8 million was divided between EUR 118,4 million (i.e. 27,6 %) for the remuneration of statutory staff, EUR 168 million (39,2 %) for buildings and associated costs, EUR 72,1 million (or 16,8 %) for external staff and outside services, EUR 27,6 million (6,4 %) for other expenditure related to staff and EUR 42,7 million (10 %) for other administrative expenditure; notes also that EUR 196,4 million (compared to EUR 185,6 million in 2016 and EUR 204,7 million in 2015) was received from the Commission for the administrative costs of the Commission's staff posted in the Union's delegations and was split between the Commission's Heading V with EUR 47,2 million, the administrative lines of operational programmes with EUR 93,2 million, and the European Development Fund and trust funds with EUR 58,5 million (compared to EUR 55 million in 2017 and EUR 45,4 million in 2016);

12. Notes the complexity of the building administration policy in the light of the mission of the EEAS; stresses the need for sufficient explanation to be provided by EEAS related to its building administration policy when buying, renting or managing buildings; calls on the EEAS to exercise constant vigilance on its building administration policy and, in particular, to ensure any suspected cases of fraud or corruption that may be detected when buying, renting or managing buildings are immediately addressed; calls on the EEAS to provide sufficient explanation on its tender procedures and the cost of the buildings in the remit of the discharge exercise;

13. Stresses that good cooperation between Parliament and the EEAS is essential to manage and review building files; strongly encourages the EEAS to submit building files for approval in due time to allow time for a thorough review and follow-up questions; reiterates that files submitted to the budgetary authority only very close to critical deadlines create unnecessary time constraints and force approvals by the budgetary authority without the possibility to extend the review period;

14. Calls on the EEAS to commit for the next discharges to keep sending its Working Document on EEAS' Building Policy to the Budgetary Control Committee, including information explaining the context and coverage of the building costs; takes note of the exhaustive and detailed information about the EEAS' building policy provided through the written questionnaires;

15. Notes that the EEAS has transferred EUR 30,8 million out of which the largest amount was used to purchase a building in Washington, and the latter amount reduced the final headquarters budget to EUR 239 million while increasing the delegation budget by EUR 10,7 million;

16. Notes that the Union is confronted with an increasingly challenging international environment, which has led to increasing demands on the Union to play a leading role on the international scene; highlights the central role of the EEAS in conducting the Union's foreign policy under the guidance of the High Representative / Vice-President of the Commission; notes that the enhanced role of the EEAS has not been underpinned by a corresponding staff increase; calls for sufficient human resources to be made available in order not to put at risk the Union's effectiveness as a global actor;

17. Notes that the EEAS carries a vital role to ensure the coherence of the Union's foreign policy; also highlights the need to provide necessary resources for a successful implementation of an efficient EU Common Security and Defence Policy;

18. Recognises the difficult operational area of the EEAS in which Union delegations evolve, as political and socio-economic conditions are often complex, unstable and associated with high risks with potential significant budgetary and costs consequences mainly for staff and infrastructures' security;

19. Calls on the EEAS to create posts for local agents responsible for reporting on legislative work in countries of strategic interest, particularly accession countries and those of the Eastern Partnership, in order to increase the Union's understanding of the neighbourhood and its approximation to the acquis; calls on the EEAS to take action to resolve the problems leading to the procurement errors identified and to prevent future infringements of the relevant rules;

20. Notes that East Strat Com Task Force was granted EUR 1,1 million in 2018 for its work to address Russia's disinformation. In 2019, the budget increased to EUR 3 million; calls for a substantial increase in the budget in order for the Union to successfully counter-attack Russia's information war; calls for more information campaigns to better explain Union policies in the Eastern Partnership countries;

21. Acknowledges, in that context, that the structure of certain EEAS costs, such as infrastructure costs, might be more difficult to manage due to exchange rate fluctuations or local specific market conditions, making the management and planning at the delegations level more difficult;

22. Notes that the Article 60 of the Financial Regulation provides for new arrangements for the delegation of budget implementation powers to the delegations, namely the possibility for deputy heads of delegation to act as subdelegated authorising officers and to implement the operational budget of the Commission in order to ensure business continuity;

23. Welcomes in that context the EEAS adaptations of its internal rules accordingly but invites nevertheless the EEAS to carefully monitor such situations when this new provision will be used, namely in small-sized delegations; invites the EEAS in the framework of its internal control strategy to pay particular attention to the related potential risks by proceeding to intensified remote operations control on the adequacy of the financial workflows and/or by providing increased temporary support with relevant *ad hoc* monitoring and reporting of these periods; recalls that the internal control standard 'Business continuity' was one of the weakest components of the EEAS internal control system for several years, especially for delegations;

24. Considers as positive steps the creation of the risk assessment and management instrument with risks registers for headquarters and delegations as well as the adoption of a new internal control framework; invites however the EEAS to go beyond mere risk awareness by making sure that risk mitigation is effectively implemented and steadily reviewed;

25. Takes note of the rate of anomalies detected in *ex ante* verifications of commitments and payments (209 errors out of 1041 and 258 errors out of 1841 respectively); regrets the recurrent nature of the errors detected, i.e. mainly the unavailability of supporting documents when financial operations are presented to ex ante financial verification; invites the EEAS also to continue providing specific support for all value public procurement in delegations; welcomes the implementation of financial e-workflows at headquarters by the end of 2019 which is intended to contribute to a reduction in the level of errors in general terms;

26. Welcomes the alignment in 2018 of the *ex post* methodology with the Court's methodology, enabling to provide error rate per principal domains of expenditure, namely staff expenditure, infrastructure, security and IT/telecommunications and based on random stratified samples of operations; considers that that positive evolution will provide the management and authorising officer by delegation a better overview of operational and overall financial amounts at risk based on a larger and exhaustive coverage of financial transactions; highlights that that methodology will provide more objective grounds for the issuance of dedicated action plans with mitigating measures or potential reservations;

27. Reiterates the importance of providing a result-oriented support to delegations in all areas, namely for procurement support; considers that the experience, cooperation and outcomes of the Regional Centre Europe covering 27 delegations should be properly valued, in particular for the higher level of assurance provided, while possibly considering other equally effective means;

28. Calls on the EEAS to progressively reinforce its EEAS assurance chain in line with the new set of internal control standards putting more emphasis both on the individual competence and accountability for their role in materialising controls (as also reflected in the 2018 questionnaire on the implementation of the internal control principles namely in the area of control over technology a little less well scored) and on the risk of fraud;

29. Welcomes the EEAS' efforts to foster the sense of accountability of newly appointed heads of delegation for the sound financial management of Union funds falling under their operational responsibilities alongside their political mandate; considers that this also concerns all the actors within foreign affairs such as EU special representatives, EU special envoys, heads of military operations and heads of civilian missions;

30. Recalls that reservation is a keystone in the accountability construction and therefore constitutes a preventive and transparency instrument within the building of the EEAS assurance chain reflecting ongoing challenges or remaining and occurred weaknesses faced by heads of delegation;

31. Notes that only two delegations provided motivated reservations, i.e. the Delegation to Syria, as in 2017, and the Delegation to the Council of Europe in Strasbourg for non-compliance of implemented contracts with procurement rules; encourages the EEAS to continue the ongoing full review of all contracts to ensure compliance with the financial rules;

32. Observes that at the end of 2018, the population of Member State diplomats in the total administrator population amounted to 33,76 %, almost equivalent to the 2014 level of 33,8 %; notes the following slight fluctuations between 2014-2018: 32,83 % end 2017, 31,7 % end 2016, 32,9 % in 2015; invites the EEAS to stay in line with the staffing formula as set out in the Decision 2010/427/EU ([1]), namely a ratio of one third of staff from Member States and two thirds from Union's institutions;

33. Remains concerned at continuing imbalances in the staffing profile of the EEAS as regards nationality; notes that at the end of 2017, Member State diplomats represented 32,83 % of the overall administrator staff of the EEAS (i.e. 307 persons), at the end of 2016, 31,7 % of the staff of the EEAS came from the Member States compared to 32,9 % in 2015 in comparison to 33,8 % in 2014;

34. Stresses that the EEAS, despite repeated calls, still does not meet the requirements for geographical balance and is significantly disproportionate while having heads of delegation from Belgium (9), Germany (15), France (16), Italy (21), Poland (5), Czech Republic (2); notes, in particular, the increased number of Italian heads of delegation over the last two years;

([1]) Council Decision 2010/427/EU of 26 July 2010 establishing the organisation and functioning of the European External Action Service (EEAS) (OJ L 201, 3.8.2010, p. 30).

35. Calls for the enhancement of the geographical balance within the EEAS; reiterates the importance of appropriate and meaningful presence of nationals from all the Member States; stresses that the EEAS must ensure that all Member States are adequately represented while respecting the competences and merits of the candidates; therefore encourages the EEAS to carry on interacting with Member States to promote its posts among the national diplomat networks;

36. Calls on the EEAS to implement gender budgeting in all public expenditure;

37. Recalls that gender mainstreaming is the (re)organisation, improvement, development and evaluation of policy processes, so that a gender equality perspective is incorporated in all policies at all levels and at all stages, by the actors involved in policy-making;

38. Notes with satisfaction that numerical gender parity has almost been reached with 47,4 % of the overall number of posts occupied being women; invites however the EEAS to continue to further reduce existing qualitative imbalances at all levels, functions and in different categories, especially for administrator positions where 34,92 % of the posts are currently occupied by women; encourages the EEAS to keep working on the array of measures taken to support gender balance and increase diversity, such as the network for women in pre-management posts and the dedicated trainings for women in management and those aspiring to management;

39. Observes that gender and geographic balance should also be respected with regard to the EU special representatives and notes that currently two out of eight EU special representatives are women; considers also that ethical standards have to be taken into account to avoid potential conflicts of interests; supports the EEAS' preparing guidelines on ethics, taking into account the specificities of work in delegation;

40. Highlights the same situation in the staff overall distribution by gender in management posts, while noting a slight improvement in 2018 with 27,1 % compared to 24,5 % in 2017, representing 71 women, namely 60 out of 211 positions at middle management posts (28,4 % compared to 26 % in 2017) and 11 out of 51 senior management posts (21,57 % compared to 18 % in 2017);

41. calls for further efforts to address these imbalances; calls on the EEAS to update its gender and equal opportunities strategy in order to include concrete goals regarding the presence of women in management positions; highlights the fact that an improvement of the geographical and gender balance in the EEAS would contribute to improving Union ownership of external action;

42. Notes that out of 135 posts of heads of delegation, 34 were held by women; regrets also the low percentage of women candidates for management positions in the annual rotation exercise for delegations which remains low at only 18 %; encourages the EEAS to continue its work with Member States to introduce more women candidates;

43. Observes that, following a regular increase since 2011, the number of seconded national experts from Member States has been stabilised to 449, the same number as in 2017; notes that 87,31 % of seconded national experts are posted at EEAS headquarters with the rationale that they respond to very specialised needs within the EEAS structure; calls on also the EEAS to pay particular attention to the potential issue of conflict of interest in its recruitment policy for seconded national experts;

44. Recalls the importance of cooling-off periods for officials formerly employed by the Union institutions or agencies as unaddressed conflict-of-interest situations may compromise the enforcement of high ethical standards throughout the Union administration; underlines that Article 16 of the Staff Regulations enables Union institutions and agencies, including the EEAS, to turn down a former official's request to take a specific job if restrictions are not sufficient to protect the legitimate interests of the institutions; fears that it is often not possible to enforce conditions imposed upon post-public employment activities; therefore encourages the EEAS, all other agencies and Union institutions, to consider the full range of tools made available under Article 16 of the Staff Regulations, in particular when they are notified of a transfer to an organisation or company which has registered in the transparency register in order to exclude any risk of former officials lobbying Union institutions within two years after leaving the service; further calls on all Union institutions and agencies, including the EEAS, to strictly publish their assessment of each case as required under Article 16 of the Staff Regulations;

45. Considers the further pooling of experience in enforcement and supervision of Article 16 of the Staff Regulations and related ethics rules across all Union institutions necessary; welcomes the commitment of Commission President Ursula von der Leyen for a Union ethics body common to the Union institutions;

46. Observes that the interest and the number of co-location projects increased gradually due to their cost-effectiveness and synergies, and that they provide a mechanism to recover full-costs of co-locations;

47. Welcomes the increase in co-location arrangements of Union delegations with Member States with the signature of twenty-two new co-location agreements in 2018, concerning 65 delegations and leading to a total of 114 co-location projects; notes also the conclusion of two service level agreements with the European Union Intellectual Property Office and the Commission's Directorate-General for European Civil Protection and Humanitarian Aid Operations and welcomes that further service level agreements are under negotiation with the European Investment Bank, European Border and Coast Guard Agency and European Union Aviation Safety Agency;

48. Notes with appreciation that co-locations generated non-negligible new sources of revenues for the EEAS amounting to EUR 52,1 million, providing room for manoeuvre to develop its real estate purchasing policy; notes that the EEAS owned 34 office buildings in delegations and rented 143;

49. Requests that the EEAS ensure that co-location in their premises is open to all interested Union institutions and bodies, such as Parliament and the European Investment Bank, with the same conditions as the EEAS; highlights the economic benefits of co-location by reducing the costs for maintenance and operating costs as well as security; further reiterates that the EEAS shall ensure that the costs for leasing or buying property for its delegations respect the price range the representations of Member States have to follow; underlines that the EEAS shall incorporate appropriate security cost estimations in its calculations to avoid request for additional funding at later stages;

50. Welcomes the progress made on reducing the number of delegations exceeding the maximum space of 35 m^2 per person, following the Court's recommendation in order to make the best use of EEAS premises and avoid unnecessary spending;

51. Supports the permanent annual review mechanism as an effective workforce management instrument to better prioritise and to ensure a recurrent adaptation of EEAS human resources in the network of delegations to the evolving geopolitical priorities and the size of projects portfolios (e.g. the preparation of the opening of the United Kingdom Delegation, the closure of the Solomon Islands Delegation, the upgrading of the Panama Delegation and the opening of a Delegation in Mongolia); notes in 2018, as a first result of this rationalisation exercise of staff resources, that eight posts have been transferred between delegations;

52. Reiterates that the Union took a step towards fair remuneration for all within its institutions; stresses that the EEAS should ensure that its trainees in headquarters and in delegations receive a decent remuneration for all types of internships (Blue Book, Bruges and Other); welcomes the implementation of paid traineeships in delegations and the termination of offering unpaid traineeships on the European Ombudsman's recommendations; notes that the number of trainees in delegations have more than quadrupled, from 26 in 2017 to 109 in 2018; regrets, however, that out of the total 404 traineeships offered by the EEAS in 2018, 126 were not remunerated, as they were part of a compulsory training for students; calls on the EEAS to guarantee an appropriate allowance to all EEAS trainees in order to avoid the reinforcement of discrimination on economic grounds;

53. Considers useful to improve the management tools of workload alongside an action plan to attract and retain people taking into account various professional needs, experience and nationalities; welcomes the human resources report and invites the EEAS to clearly state its institutional needs (or new required expertise) and identify its workforce risks at corporate level that could hinder the EEAS achievement of policies objectives; supports the EEAS's measures undertaken to address the increasing workload because of the staff cuts;

54. Notes with concern the 135 mediation cases treated in delegations and headquarters in 2018 concerning either unsolved disagreements around rights and obligations or different kinds of conflict at work including alleged psychological and sexual harassment; calls on the EEAS, in particular the mediation service now reporting directly to the secretariat general, to continue giving the highest priority to this issue in the resource management; reiterates the importance of developing a culture of zero tolerance towards harassment with a strict following up on reported cases; welcomes the anti-harassment awareness raising initiative launched in 2018 by the EEAS Secretary General with the aim of providing more information on the EEAS anti-harassment policy;

55. Invites also, in this context, the EEAS to extend the network of confidential counsellors, currently representing six people, especially in the network of delegations by possibly increasing the number of trained volunteer counsellors in delegations; encourages the EEAS to foster the social dialogue regardless the origin of the staff and the different status of the staff;

56. Observes that after having updated its administrative arrangement with the European Anti-Fraud Office and reinforced its cooperation on fraud related issues with directorates-general acting in external affairs, such as Directorate-General for Foreign Policy Instruments (DG FPI), Directorate-General for European Neighbourhood Policy and Enlargement Negotiations (DG NEAR) and Directorate-General for International Cooperation and Development (DG DEVCO) in 2017, the EEAS has continued its efforts to refine its anti-fraud strategy; stresses that further cooperation with the European Anti-Fraud Office and Commission (the directorates-general acting in external affairs, such as DG FPI, DG NEAR and DG DEVCO) should be implemented; notes with appreciation the awareness raising of the heads of delegation in agreement with DG DEVCO and DG NEAR on fraud prevention and reporting via its internal control principle 'Prevention of fraud'; welcomes the fact that the EEAS is a member of the Fraud and Detection Network chaired by European Anti-Fraud Office (OLAF);

57. Calls on the EEAS to indicate in its annual activity report the number of referred cases to OLAF and ongoing investigations by the OLAF related to potential conflict of interest in the EEAS;

58. Notes that in 2018 there was one reported case of alleged whistleblowing by an external person against a member of staff of the Commission in a Union delegation; asks the EEAS to provide Parliament with information concerning the policy and procedures it has in place, especially in delegations, when facing a case of whistleblowing;

59. Supports the EEAS efforts to improve transparency by promoting and improving the e-EEAS Register, through which citizens can request access to documents; notes with satisfaction that citizens used the e-EEAS Register on a higher frequency compared to 2017; asks the EEAS to ensure a quick response to citizens' requests;

60. Welcomes the entry into force in 2020 of the three joint decisions on conditions of employment, LA-Medical and LA-Provident Fund, which introduce a new framework of rules for local agents in delegations in order to modernise and improve social security schemes; welcomes the first joint EEAS-Commission staff survey in delegations in 2018; supports the launching of an internal audit on the recruitment and management of local agents to remedy certain weaknesses found by the Court in the recruitment procedures of local agents in delegations (i.e. a lack of transparency as regards certain steps of the procedure);

61. Takes note of the internal audit service's audit on 'EC-EEAS coordination' and notes with appreciation the audit conclusion that the coordination activities between the Commission services (DG DEVCO, DG NEAR and DG FPI) and the EEAS are overall effective and efficient; notes however the need for defining a non-fragmented view of the overall Union external assistance to a given country and the need to reinforce, in coordination with DG DEVCO and DG NEAR, risk assessment and management developing a common view on uncertainty and mitigating strategies;

62. Draws attention to the findings and recommendations of the Court's Special Report No 15/2018 'Strengthening the capacity of the internal security forces in Niger and Mali: only limited and slow progress'; calls on the EEAS to (i) take measures to improve the operational efficiency of the missions by providing adequate practical guidance and enough support, (ii) improve the occupancy rate of staff posts in the missions, (iii) set mandates and budgets to match operations and devise a common, comprehensive exit strategy clearly defining roles and responsibilities in the winding-up of the common security and defence policy missions, (iv) increase the focus on sustainability aspects and (v) improve performance indicators and the EEAS impact assessments to adequately monitor and evaluate the achievement of tasks;

63. Supports the reinforcement of the linkage between policy making, public diplomacy and strategic communication; notes, in that context, that EUR 3 million were allocated to the EEAS in 2018 (compared to EUR 1,1 million in 2017) for consolidating its Strategic Communication Plus action in order to counter disinformation and hybrid threats, to develop resilience to foreign interference while also noting the development of business intelligence services;

64. Underlines the need to fight propaganda and to expose disinformation and malicious foreign influence; stresses the importance of the EEAS Strategic Communication Task Force and calls for providing it with the necessary financial and personnel resources;

65. Welcomes the creation of the Rapid Alert System, set up among the Union institutions and Member States to facilitate the sharing of best practices related to disinformation campaigns and coordinate responses based on open-source information provided by academia, fact-checkers, online platforms and international partners; encourages the EEAS to develop a long-term vision for the rapid alert system and foster coordination with Members States and other key partners; further, encourages the EEAS to promote the EUvsDisinfo.eu website, which contains over 5 000 disinformation cases but generated only 1,2 million page views in 2018;

66. Supports the efforts made by the EEAS in order to reinforce the full range of physical and IT security issues from the staff and buildings security with the purchasing of new security equipment, to the training of regional security officers to preserve the security interests of the EEAS and to provide further security know-how by implementing a formal security risk management, and the cybersecurity challenge and policy; particularly welcomes the launch of the security awareness programme to reduce risks in the headquarters, based on 2018 staff survey, and the security risk management system in the delegations to standardise the reporting of local security threats, including risks regarding health and safety; encourages the EEAS to continue a real policy for the digitalisation of its services;

67. Welcomes the first follow-up report of the discharge resolution on the EEAS for the financial year 2017 adopted by a majority of Members and the EEAS's commitment to address the main recommendations and observations raised during the discharge procedure with the aim of further improving the management of Union funds;

68. Asks the EEAS to provide for a follow-up report for the financial year 2018 in accordance with Article 266 of the Financial Regulation;

69. Welcomes new initiatives to improve the communication in relation with Union citizens concerning the importance of public diplomacy and strategic communications as an integral aspect of the Union's external relations; encourages the EEAS to invest in digital communications, through social media and its websites; commends that the EEAS starts engaging multipliers to run Europe-wide public-awareness campaigns; further encourages the use of free open-source self-hosted social network platforms having special regards to users data protection;

70. Regrets that the EEAS does not yet have an environmental management system; notes that efforts were made to promote the use of video conference; however asks the EEAS to put in place a concrete action plan in order to lower its environmental footprint its headquarters and delegations;

71. Welcomes the short-term secondment programme between the EEAS and Parliament; highlights its role in enhancing the mutual understanding of each institution's structures and working methods and thereby improving the cooperation between the two institutions; encourages the EEAS to promote this programme more actively among its staff in order to boost the number of participants; recommends further to expand the Diplomatic Exchange and Secondment Programme between the EEAS and the Member States' diplomatic services that is aimed at contributing to the evolution of a shared diplomatic culture.

72. Emphasises the growing importance of the EU Arctic Policy and the need to strengthen the Union's credibility among partners by ensuring the stability of the EU's Arctic Ambassador post.

DECISION (EU) 2020/1904 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the SESAR Joint Undertaking for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the SESAR Joint Undertaking for the financial year 2018,

— having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2018, together with the Joint Undertakings' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2018 (05763/2019 – C9-0066/2019),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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) ([5]), 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 ([6]),

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Transport and Tourism,

— having regard to the report of the Committee on Budgetary Control (A9-0044/2020),

([1]) OJ C 426, 18.12.2019, p. 1.
([2]) OJ C 426, 18.12.2019, p. 26.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 64, 2.3.2007, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

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 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1905 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the SESAR Joint Undertaking for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the SESAR Joint Undertaking for the financial year 2018,

— having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2018, together with the Joint Undertakings' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the joint undertaking in respect of the implementation of the budget for the financial year 2018 (05763/2019 – C9-0066/2019),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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) ([5]), 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 ([6]),

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Transport and Tourism,

— having regard to the report of the Committee on Budgetary Control (A9-0044/2020),

1. Approves the closure of the accounts of the SESAR Joint Undertaking for the financial year 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([1]) OJ C 426, 18.12.2019, p. 1.
([2]) OJ C 426, 18.12.2019, p. 26.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 64, 2.3.2007, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2020/1906 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 2018

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 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Transport and Tourism,

— having regard to the report of the Committee on Budgetary Control (A9-0044/2020),

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, the 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 other partners from the aviation industry were to contribute with at least EUR 500 000 000, and being around 90 % the in-kind contributions from Eurocontrol and other partners;

General

1. Observes from the report of the Court of Auditors (the 'Court') on the Joint Undertaking's annual accounts for the year ended 31 December 2018 (the 'Court's report') present fairly, in all material respects, the financial position of the Joint Undertaking at 31 December 2018, 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;

2. Acknowledges that the Court's report states that the transactions underlying the annual accounts of the Joint Undertaking for the financial year 2018 are, in all material respects, legal and regular;

3. Notes that effective communication is an essential component of successful Union-financed projects. Considers it to be important to increase the visibility of the achievements of the Joint Undertaking, and the dissemination of information on the value added. Calls upon the Joint Undertaking to pursue a proactive communications policy disseminating the results of its research to the general public, e.g. via social media or other media outlets, and thus aiming to raise public awareness of the impact of Union support, with particular regard to market uptake.

4. Asks the Court to assess the soundness and reliability of the methodology for calculating and valuing in-kind contributions. The assessment shall evaluate the design and the robustness of the guidance for the implementation of the in-kind contribution procedure in order to assist in the planning, reporting and certification process of the in-kind contributions.

5. Recalls that SESAR is the technological pillar of the Single European Sky (SES) initiative and its role is to coordinate and implement research to contribute overcoming the fragmentation of SES; points out that one of the main achievements of the Joint Undertaking includes the free routing to reduce flight and fuel emissions; believes therefore that the Joint Undertaking could be further used to contribute to the sustainability of the aviation sector;

6. Highlights the importance of the work of the Joint Undertaking to help accelerate innovation uptake; stresses moreover its role in the significant development of U-space and the production of a blueprint to enable the safe introduction and use of drones in the low-level airspace, which is the basis for a modern and rapidly growing sector;

Budget and financial management

7. Notes that in 2018, budget in payment appropriations was EUR 94 800 000 (EUR 90 900 000 in 2017), and budget in commitment appropriations was EUR 129 517 762 (EUR 109 900 000 in 2017); Including the unused appropriations of previous years, which the Joint Undertaking re-entered in the budget of the current year, and assigned revenues, the total available payment budget was EUR 166 465 000 (EUR 213 000 000 in 2017), and the total available commitment budget was EUR 175 918 000 (EUR 130 900 000 in 2017);

8. Notes that in December 2016, the SESAR 1 was formally closed and the last final grant payment was made in December 2017, and unused payment appropriations of EUR 40 000 000 from previous years were carried over to 2018 for the reimbursement of cash contributions received in excess from the SESAR 1 industry members and for the payment of delayed but still justified cost claims for the Seventh Framework Programme and the Trans-European Transport Network (TEN-T) projects; notes with concern that at the end of 2018, only EUR 1 800 000 (5 %) of these appropriations could be used for the corrective payments, EUR 20 000 000 (50 %) had to be cancelled, and EUR 18 200 000 (45 %) were carried over to 2019; regrets at the end of 2018 in the closing phase of the SESAR 1, the Joint Undertaking still showed a large amount of open commitments of EUR 61 400 000, and these resources allocated to the Joint Undertaking will not be fully used;

Multiannual budget implementation under the Seventh Framework Programme and TEN-T

9. Notes that, out of the EUR 1 284 300 000 of in-kind and cash contributions to be made by the other members to the operational and administrative activities of the Joint Undertaking (EUR 700 000 000 from Eurocontrol and EUR 584 300 000 from the air traffic sector members), the Joint Undertaking had, by the end of 2018, validated contributions of EUR 1 099 800 000 (EUR 560 700 000 from Eurocontrol and EUR 539 100 000 from the air traffic sector);

Multiannual budget implementation under Horizon 2020

10. Notes that out of the EUR 585 000 000 Union subsidy under Horizon 2020, by the end of 2018 the cumulative Union (Directorate-General for Mobility and Transport (DG MOVE)) cash contributions to the operational activities of the Joint Undertaking amounted to EUR 216 900 000, and that the other members committed to make in-kind and cash contributions of at least EUR 1 000 000 000 to the Joint Undertaking's SESAR 2020 operational activities (an estimated amount of EUR 500 000 000 from Eurocontrol matched by estimated EUR 500 000 000 from the air traffic sector); notes, moreover, that, at the end of 2018, the other members had contributed EUR 14 400 000 in cash and had made validated EUR 114 000 000 contribution in kind, while a further EUR 120 200 000 in-kind contribution was reported, but had not yet been validated;

11. Notes that for SESAR 2020, at the end of 2018, the Joint Undertaking implemented 81 % and 61 % respectively of the commitment and payment appropriations available for Horizon 2020 projects, and cancelled around EUR 44 600 000 (35 %) of the available Horizon 2020 payment appropriations (the utilisation rates for commitment and payment appropriations in 2017 were respectively 80,24 % and 67,97 %);

12. Notes the Court's observations that the low implementation and high cancellation rates for Horizon 2020 payment appropriations available in 2018 were mainly due to the Joint Undertaking 's conservative budget planning, and not fully taking account of the amount of unused payment appropriations from previous years in its budget planning and monitoring;

Performance

13. Notes the Joint Undertaking's key performance indicators in 2018, in particular, forecasted PPP-leverage values at the end of the programme:

— by interim evaluation method: 1,22,

— by refined interim evaluation method: 1,26,

— for Horizon 2020: 2,26, and

— partnership leverage: 1,74;

14. Notes that the Joint Undertaking met its key policy and operational objectives as outlined in the Single Programming Document for the period 2017-2019;

15. Reminds the Joint Undertaking of its call to take steps to meet the target leverage effect over the whole 2014-2020 period of 1,41;

16. Observes that the management cost ratio (administrative/operational budget) remains below the 5 %, thus pointing to rather lean and efficient organisational structure of the Joint Undertaking;

17. Notes that the SESAR Joint Undertaking is one among several Joint Undertakings which saw more operational synergies with Union decentralised agencies operating in their respective areas of research and innovation, in particular, the Joint Undertaking and the European Union Aviation Safety Agency collaborated on drones;

18. Notes that in the Joint Undertaking's 2018 annual activity report, the information on key performance indicators on gender balance is only given for 2017 and not for 2018; notes that the information for 2017 relates to the Joint Undertaking's calls for proposals regarding the Horizon 2020 programme in 2016, with the figures given for key performance indicators being as follows: percentage of women in Horizon 2020 projects – 15,4 %; percentage of women project coordinators – 12 %; percentage of women in the Commission's advisory and expert groups, etc. – 33,3 %;

19. Notes that the Joint Undertaking has conducted three major initiatives that have been key in setting the vision for the future of Air Traffic Management (ATM) in Europe in 2018 and that the results of these achievements, recognised by the whole ATM community, have been transferred to the Commission that will take the next steps for their inclusion in the aviation legislative and policy framework;

20. Acknowledges that in addition to its results from the Exploratory Research projects, the Joint Undertaking has proven to be a key player in innovation for aviation through the integration of new entrants beyond the traditional actors in ATM research and innovation;

Procurement and recruitment procedures

21. Notes from the Court's report that at 31 December 2018, the Joint Undertaking employed 42 staff (2017: 40);

22. Observes that in 2018 the Joint Undertaking signed 48 contracts including 37 specific contracts implementing the Joint Undertaking's framework contracts and inter-institutional agreements, and there were 12 procurement procedures: five negotiated procedures without prior publication of a contract notice, five very low, low and middle value negotiated procedures, three open calls for tender, and one prize;

23. Notes that under the DG Move delegation agreement, the Joint Undertaking launched in January 2018 an open call for proposals for studies and demonstrations on drone traffic management in Europe (U-Space Call), the maximum grant amount of EUR 9 500 000 being funded through the Commission's Connect Europe Facility (CEF) fund; notes with grave concern the Court's findings that whilst the award criteria of the call respected in general the orientations laid down in Regulation (EU) No 1316/2013 [1], there were, according to the Court, several overlaps and inconsistences among award criteria and their sub-criteria, which could put at risk the overall effectiveness of the grant evaluation process and need to be addressed at the call design and preparation phase;

Internal Control

24. Acknowledges that the *ex ante* control procedures of the Joint Undertaking are reliable, in particular, for the Seventh Framework Programme interim and final payments, the Joint Undertaking performs *ex post* audits at the beneficiaries whilst for Horizon 2020 payments the Commission's Common Audit Service is responsible for the *ex post* audits; notes that the residual error rates for the *ex-post* audits reported by the Joint Undertaking at the end of 2018 were 1,29 % for the Seventh Framework Programme and 1,33 % for Horizon 2020;

25. Acknowledges from the Joint Undertaking's follow-up of Parliament's discharge resolution for the financial year 2017 that the Joint Undertaking has taken steps to address Parliament's concerns, in particular, the Joint Undertaking has appointed a new Head of Budget and Finance team, that the team incorporates a new Finance Officer and Finance Assistant, Joint Undertaking is in process of recruiting a Chief Financial Officer, and a new budget procedure is in place, which has led to a timely preparation of detailed budget;

Internal audits

26. Notes that the Commission's Internal Audit Service (IAS) issued the final audit report on coordination between the Joint Undertaking and the Common Support Centre (CSC) and implementation of CSC tools and services, leading to three important recommendations; notes that the Joint Undertaking set up a detailed action plan to address the risks underlying these recommendations, which was expected to be implemented in the course of 2019;

27. Notes that in 2018, the Internal Audit Capability (IAC) performed activities focusing on assurance audits and consulting engagements; notes that the IAC conducted a follow-up audit on recruitment and actively participated in the Risk Assessment exercise of the Joint Undertaking, liaised with the IAS, the Court and other relevant audit actors, monitored the implementation of Joint Undertaking action plans related to past audits and followed-up on the discharge procedure;

28. Notes that the Joint Undertaking conducted a corporate risk management workshop in July 2018 to report on risk management and validate main changes linked to corporate risks;

Issues concerning the deployment phase of the SESAR project

29. Observes that in 2019, the Court published Special report no 11/2019 on the Union regulation for the modernisation of air traffic management; notes that in its special report the Court assessed how well the Commission managed the deployment of SESAR since 2011, whether the Union intervention targeted the projects in greatest need of support, and whether it added value to the management of air traffic in the Union; notes the need for effective management of air traffic in the future so as to ensure safety and efficiency;

30. Notes with concern the Court's findings that a majority of the projects audited would have been financed without Union funding support, there were weaknesses in the implementation of the funding scheme, in particular, insufficient prioritisation, and ATM performance benefits in an operational environment are still to be demonstrated;

31. Calls on the Commission to inform the discharge authority of the measures they have taken to mitigate possible conflicts of interest, particularly as regards project selection;

32. Endorses the Court's recommendations aiming to address the issues, and notes that the Commission has accepted all of the Court's recommendations; calls on the Commission to follow up on the implementation of the Courts recommendations;

[1] Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010 (OJ L 348, 20.12.2013, p. 129).

Transport and Tourism

33. Notes that the Joint Undertaking has presented its budget in two separate sections: (1) SESAR 1 and (2) SESAR 2020; notes further that SESAR 1 was co-financed from TEN-T and the Seventh Research Framework programmes and SESAR 2020 is co-financed from Horizon 2020;

34. Notes that the implementation rates were 83 % for commitment appropriations and 47 % for payment appropriations (for SESAR 1: 99 % and 5 % and for SESAR 2020: 81 % and 61 %); notes that the low overall payment implementation rate is mainly due the low rate for SESAR 1, reflecting the financial closure of its projects and winding up of the programme, and also the efforts of the Joint Undertaking to keep the running costs at the minimum necessary;

35. Stresses that both the further development of European airspace in the SES2+ framework and the incorporation of drones require sufficient financial and human resources;

36. Notes that the Joint Undertaking ran its operations in full accordance with four different frameworks: the Horizon 2020, the CEF Programme for drone U-space demonstration activities, as well as two specific frameworks for the Active Geo-fencing service call and the study to develop a proposal for the future architecture of the European airspace; recognises that these different legal frameworks mean a high degree of complexity for the Joint Undertaking and therefore commends the Joint Undertaking for successfully implementing innovation projects;

37. Highlights the importance of the work of the Joint Undertaking in helping to accelerate innovation uptake; stresses moreover its role in the significant development of U-space and the production of a blueprint to enable the safe introduction and use of drones in the low-level airspace, which is the basis for a modern and rapidly growing sector; highlights the importance of the Joint Undertaking in preparing for the update of the European ATM Master Plan toward a Digital European Sky through a holistic and passenger-centric digital transformation of aviation; believes therefore that the role of the Joint Undertaking should be recognised and strengthened within the next Multiannual Financial Framework;

38. Notes that the Joint Undertaking continued the financial and administrative closure of SESAR 1; notes that the actual overall programme execution rate is 89,9 %; notes that the Joint Undertaking has EUR 30,7 million on its virtual bank account to cover all remaining obligations of SESAR 1 and that according to payments and recoveries forecasts the Joint Undertaking should close SESAR 1 with an estimate cash surplus of EUR 30,6 million; reminds that the accumulated budget results for the SESAR 1 will be used to reimburse the surplus cash contributions of the members of the Joint Undertaking and the remaining unused amount will be paid back to the Union;

39. Notes that 2018 was the first year of SESAR 2020 without SESAR 1 projects; further notes that out of EUR 96,0 million in revenue received by SESAR 2020 in 2018, the contribution from the Union was EUR 88,2 million and from Eurocontrol EUR 5,2 million;

40. Notes that unused payment appropriations in 2018 resulted in a surplus of EUR 19,3 million that remains within the Joint Undertaking (of which EUR 0,05 million for SESAR 1 and EUR 19,25 million for the SESAR 2020) and that the cumulative surplus amounts to EUR 77,24 million (of which EUR 30,93 million for SESAR 1 and EUR 46,31 million for SESAR 2020);

41. Notes that the last audits of SESAR 1 regarding payments made in 2017 were launched in 2018 and the 4th cycle of audits consisting of 23 audit exercises in eight Members was completed; is concerned by the residual error rate for the year 2018 of 5,07 %;

42. Notes the results of the 2018 Human Resources benchmarking exercise: 61,67 % operational posts, 28,57 % administrative and 9,76 % of neutral posts;

DECISION (EU) 2020/1907 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the European Training Foundation (ETF) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Training Foundation for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0042/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), 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 ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 354, 31.12.2008, p. 82.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

— having regard to the opinion of the Committee on Employment and Social Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0047/2020),

1. Grants the Director of the European Training Foundation discharge in respect of the implementation of the Foundation's budget for the financial year 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1908 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the European Training Foundation (ETF) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Training Foundation for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0042/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), 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 ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Employment and Social Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0047/2020),

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 354, 31.12.2008, p. 82.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

1. Approves the closure of the accounts of the European Training Foundation for the financial year 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1909 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Training Foundation (ETF) for the financial year 2018

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 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Employment and Social Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0047/2020),

A. whereas, according to its statement of revenue and expenditure [1], the final budget of the European Training Foundation (the 'Foundation') for the financial year 2018 was EUR 20 144 018, representing almost the same amount as in 2017 (with a very slight decrease); whereas the budget of the Foundation derives entirely from the Union budget [2];

B. whereas the Court of Auditors (the 'Court'), in its report on the Foundation's annual accounts for the financial year 2018 (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;

Budget and financial management

1. Notes with satisfaction that budget monitoring efforts during the financial year 2018 resulted in a high budget implementation rate of 99,99 %, representing a slight increase of 0,06 % compared to 2017; notes that the payment appropriations execution rate was 98,07 %, representing an increase of 0,10 % compared to 2017;

Performance

2. Notes that the Foundation uses certain key performance indicators (KPIs) in addition to other productivity and quality indicators to assess the added value provided by its activities and to improve its budget management;

3. Notes that the Foundation achieved a 91 % activity completion rate of which 94 % were completed on time; notes that for 14 out of the 15 KPIs, the Foundation was above the target;

4. Welcomes the Foundation's agreements and annual action plans on cooperation in areas of policy overlap with the European Foundation for the Improvements of Living and Working Conditions and with the European Centre for the Development of Vocational Training; appreciates the fact that the Foundation became the leader of the inter-Agency contract for the provision of benchmarked staff engagement surveys; commends this practice as an example worth following; strongly encourages the Foundation to actively seek further and broader cooperation with all of the Union agencies;

5. Notes that the Foundation has been involved in the identification, formulation, implementation, monitoring, and evaluation of the Union external programmes in skills and human capital development and employment; appreciates the fact that the Foundation is the only Union agency with a mandate to work outside the Union in supporting the Union's external action in the area of education, vocational training, skills and labour market systems and human capital development in the Union's partner countries to improve the employability and employment prospects of their citizens;

[1] OJ C 120, 29.3.2019, p. 182.
[2] OJ C 120, 29.3.2019, p. 183.

6. Welcomes the work of the Foundation with the Union's neighbouring countries, candidate countries and Central Asian countries and its contribution to the Union's Pan-African policies and programmes with a view to promoting employability and socioeconomic inclusion and strongly supports the Foundation's objective to improve its Vocational and Educational Training (VET) policy-making globally;

7. Encourages the Foundation's work in the area of digital skills and competences, and in supporting countries to improve their qualifications and qualifications systems to modernise VET for lifelong learning, employability and future competitiveness of those regions and countries; acknowledges that 86 % of the countries where the Foundation has been active showed progress in the areas of qualifications, governance, employability, VET provision, entrepreneurial learning, and policy analysis;

8. Reiterates that lifelong learning has been identified in the UN Sustainable Development Goals (SDGs), the European Consensus on Development, and the ILO's Global Report on the future of work, as being essential to sustainable growth and an inclusive stable society and recommends that it should remain central to the Foundation's work;

9. Notes with regret from the Court's report that there was no evidence that the procurement procedure through which five interim workers worked for the Foundation led to the award of the best value for money contract; endorses the Court's observation in this regard that the Foundation should use award criteria which focus on competitive price elements;

10. Welcomes the fact that the Foundation implemented actions which led to the formal closure of all recommendations issued by the Commission's Internal Audit Service from the 2017 audit of progress monitoring in VET and that the rate of implementation of internal audits recommendations is 100 % for a third year in a row;

11. Highlights the fact that transparency and citizens' awareness of the existence of the agencies are essential for their democratic accountability; considers that usability and ease of use of agency resources and data are of paramount importance; calls therefore for an assessment of how data and resources are currently presented and made available and of the degree to which citizens find them easy to identify, recognise and use; observes that public awareness in this respect can be raised by Member States through developing a comprehensive plan to reach out to more Union citizens;

Staff policy

12. Notes that, on 31 December 2018, the establishment plan was 98,84 % executed, with 85 temporary agents appointed out of 86 temporary agents authorised under the Union budget (compared to 88 authorised posts in 2017); notes that, in addition, 39 contract agents and 1 seconded national expert worked for the Foundation in 2018;

13. Notes that further efforts are needed to achieve a better gender balance among senior managers (3 men and 1 woman); notes with satisfaction, however, that gender balance has been achieved on the management board (14 men and 14 women);

14. Notes that the Foundation has several anti-harassment measures in place and that all newcomers attend an information session presented by counsellors, whose tasks are performed in confidence;

Prevention and management of conflicts of interests and transparency

15. Notes the Foundation's existing measures on and ongoing efforts to secure transparency, the prevention and management of conflicts of interests, and the protection of whistleblowers;

16. Notes that the Foundation developed its own anti-fraud strategy, on the basis of methodology developed by OLAF, and has implemented it since 2014;

Internal controls

17. Notes that 2018 was the first full year of implementation of the Foundation's 17 Internal Control Principles, following their adoption by the governing board in November 2017 and that in January 2018 the Foundation developed a methodology and set of indicators to support and strengthen the regular monitoring and annual assessment of internal controls; calls on the Foundation to report to the discharge authority on the measures taken in order to improve the situation;

18. Notes that, according to the Court's report, an external evaluation of the Union agencies under the remit of Commission's Directorate-General for Employment, Social Affairs and Inclusion (the Foundation, EU-OSHA, Eurofound and Cedefop) was carried out in 2018 on behalf of the Commission with regard to their relevance, effectiveness, efficiency, coherence and Union value added; calls on the Foundation to report to the discharge authority on that evaluation;

19. Calls on the Foundation to focus on disseminating the results of its research to the public, and to reach out to the public via the social media and other media outlets;

20. Encourages the Foundation to make further use of innovative digital solutions, including e-procurement;

21. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 ([3]) on the performance, financial management and control of the agencies.

([3]) Texts adopted, P9_TA(2020)0121.

DECISION (EU) 2020/1910 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of Eurojust (now European Union Agency for Criminal Justice Cooperation (Eurojust)) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of Eurojust for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to Eurojust in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0041/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), and in particular Article 36 thereof,

— having regard to Regulation (EU) 2018/1727 of the European Parliament and of the Council of 14 November 2018 on the European Union Agency for Criminal Justice Cooperation (Eurojust), and replacing and repealing Council Decision 2002/187/JHA ([6]), and in particular Article 63 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 ([7]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([8]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0048/2020),

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 63, 6.3.2002, p. 1.
([6]) OJ L 295, 21.11.2018, p. 138.
([7]) OJ L 328, 7.12.2013, p. 42.
([8]) OJ L 122, 10.5.2019, p. 1.

1. Grants the Administrative Director of the European Union Agency for Criminal Justice Cooperation (Eurojust) discharge in respect of the implementation of Eurojust's budget for the financial year 2018

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 the European Union Agency for Criminal Justice Cooperation (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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1911 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of Eurojust (now European Union Agency for Criminal Justice Cooperation (Eurojust)) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of Eurojust for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to Eurojust in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0041/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), and in particular Article 36 thereof,

— having regard to Regulation (EU) 2018/1727 of the European Parliament and of the Council of 14 November 2018 on the European Union Agency for Criminal Justice Cooperation (Eurojust), and replacing and repealing Council Decision 2002/187/JHA ([6]), and in particular Article 63 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 ([7]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([8]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0048/2020),

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 63, 6.3.2002, p. 1.
([6]) OJ L 295, 21.11.2018, p. 138.
([7]) OJ L 328, 7.12.2013, p. 42.
([8]) OJ L 122, 10.5.2019, p. 1.

1. Approves the closure of the accounts of Eurojust for the financial year 2018;

2. Instructs its President to forward this decision to the Administrative Director of the European Union Agency for Criminal Justice Cooperation (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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1912 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of Eurojust (now European Union Agency for Criminal Justice Cooperation (Eurojust)) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of Eurojust for the financial year 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0048/2020),

A. whereas, according to its statement of revenue and expenditure [1], the final budget of Eurojust for the financial year 2018 was EUR 38 606 737, representing a decrease of 20,71 % compared to 2017; whereas the budget decrease relates to reduction in budgetary needs in title 2; whereas the entire budget of Eurojust derives from the Union budget [2];

B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of Eurojust for the financial year 2018 (the 'Court's report') states that it has obtained reasonable assurances that the Eurojust'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 during the financial year 2018 resulted in a budget implementation rate of 99,94 %, representing a slight decrease of 0,03 % compared to 2017; notes that the payment appropriations execution rate was 86,91 %, representing an increase of 2,96 % in comparison to 2017;

Performance

2. Notes with satisfaction that Eurojust uses quantitative and qualitative key performance indicators (KPIs) to measure the achievements of its objectives for its annual activities and impact, including outcome indicators, activity/output indicators and business/technical/operational indicators, as well as support/management/governance indicators in order to improve its budget management; notes that Eurojust was able to measure and assess the achievement of 98 of the 119 KPIs (82 %) set for 2018, of which 72 % of the initial targets were achieved or exceeded; notes that Eurojust introduced a number of new indicators in the 2018 Annual Work Programme for which a baseline figure does not exist, and that consequently 15 % of KPIs could not be assessed; calls on Eurojust to address this issue and ensure that all indicators can be properly assessed, and to report to the discharge authority on the progress achieved by June 2020;

3. Notes that Phase II of Eurojust's organisational restructuring, refining the operational function and redesigning the administrative and support services, was developed during 2018;

4. Encourages Eurojust to pursue the digitalisation of its services;

5. Welcomes the fact that Eurojust continues to develop strong operational cooperation with the European Union Agency for Law Enforcement Cooperation (Europol) and with other justice and home affairs partners as well as with third countries; notes that in 2018 Eurojust started negotiations for a cooperation agreement with the European Border and Coast Guard Agency; notes that Eurojust also cooperated with the European Anti-Fraud Office and encourages national authorities to consider involving both bodies where appropriate; and furthermore encourages Eurojust to participate in joint procurement procedures with Europol and the European Medicines Agency;

[1] OJ C 108, 22.3.2018, p. 82.
[2] OJ C 108, 22.3.2018, p. 85.

6. Calls on Eurojust to look into the possibility of sharing resources for overlapping tasks among other agencies with similar activities; strongly encourages Eurojust to actively seek further and broader cooperation with other Union agencies;

7. Recalls the fact that the number of new cases as well as the number of ongoing cases (i.e. cases requiring complex investigations that can last several years) has grown over recent years and that the workload is expected to increase further due to the new mandate which entered into force at the end of 2019, also bearing in mind the additional resources required to allow Eurojust to support the work of the European Public Prosecutor's Office; underlines that, in addition to arrests, successful prosecutions in the area of serious cross-border crime are essential for the security of citizens in the Union; further recalls that the number of coordination centres held in 2018 was 17, the same amount as in 2017, demonstrating the popularity and utility of this operational tool; stresses the essential role that Eurojust plays in the Union security chain and that its budget should match its tasks and priorities in order to enable it to fulfil its mandate; is therefore extremely concerned by the severe budgetary cuts proposed by the Commission for the 2021-2027 Multiannual Financial Framework which would undermine the work of Eurojust and therefore present security risks within Member States; calls on Parliament's Committee on Civil Liberties, Justice and Home Affairs to invite the administrative director of Eurojust to present the anticipated long-term funding needs of Eurojust, addressing the extent to which anticipated future tasks could be covered through gains in efficiency, and also addressing the operational gaps which would result from insufficient funding and their anticipated impact on the fight against cross-border crime;

8. Welcomes the adoption by the College of an updated anti-fraud strategy and action plan in November 2018;

9. Highlights the reorganisation of Eurojust's governance structure, including the clear separation of executive and operational matters, which was initiated at the end of 2018 with a view to complying with Regulation (EU) 2018/1727 of the European Parliament and of the Council [3] (the new Eurojust Regulation) that entered into force in December 2019; notes that the proposal for implementation of the revised Internal Control Framework was planned to be adopted by the end of 2019 and implemented by the end of 2020;

Staff policy

10. Appreciates the fact that, on 31 December 2018, the establishment plan was 99,04 % executed, with 207 temporary agents appointed out of 209 temporary agents authorised under the Union budget (compared to 208 authorised posts in 2017); notes that, in addition, 15 contract agents and 16 seconded national experts worked for Eurojust in 2018;

11. Notes with concern that the reported figures for gender balance within the management board for 2018 are 20 male members and 8 female members;

12. Notes with appreciation that, following the Court's suggestion from previous years, Eurojust has, since June 2019, been advertising vacancies on the website of the European Personnel Selection Office, making use of the possibility of publishing the titles of such vacancies in all of the Union's official languages with a link to the full text in the English language only; encourages Eurojust, in relation to lower-ranking staff, to consider the possibility of sharing staff and resources with other Union agencies;

13. Notes with satisfaction that, in light of the observations of the discharge authority, Eurojust will consider adopting a fundamental rights strategy, including a reference to fundamental rights in a code of conduct that could define the duties of its staff and training for staff, and that it will do so in consultation with the Commission and other Union agencies in order to ensure a coordinated approach;

[3] Regulation (EU) 2018/1727 of the European Parliament and of the Council of 14 November 2018 on the European Union Agency for Criminal Justice Cooperation (Eurojust), and replacing and repealing Council Decision 2002/187/JHA (OJ L 295, 21.11.2018, p. 138).

Procurement

14. Notes that, according to the Court's report, Eurojust signed an IT framework contract with a company which provided the same service under a previous framework contract, without prior publication of a contract notice during the negotiated procurement procedure; notes that all payments made under that framework contract and all related specific contracts are irregular and that a simplified procedure is only acceptable under specific circumstances which were not substantiated by Eurojust; acknowledges that, according to Eurojust's reply, the negotiated procedure was carried out on the basis of point (f) of the second subparagraph of Article 134(1) of Commission Delegated Regulation (EU) No 1268/2012 ([4]), which allows this procedure to be used where a change of supplier would result in incompatibility or disproportionate technical difficulties in operation and maintenance, and that, therefore, that solution was considered to be the most cost-effective; calls on Eurojust to ensure compliance with public procurement rules;

Prevention and management of conflicts of interests and transparency

15. Appreciates Eurojust's existing measures and its ongoing efforts to secure transparency, prevention and management of conflicts of interests; notes that Eurojust adopted College Decision 2019-02 in relation to Eurojust's guidelines on whistleblowing, which are applicable to all staff; notes that, according to Eurojust, training on such rules was provided during 2019, as required;

16. Welcomes the fact that, in light of the observations of the discharge authority, the publication of declarations of interests in the draft Code of Ethics for the College of Eurojust are at present being addressed by the project team on Rules of Procedure; notes that for the time being Eurojust has published declarations of absence of conflicts of interests; calls on Eurojust to also publish the CVs of the management board members and of its executive leadership; notes that Eurojust adopted the updated anti-fraud strategy through College Decision 2018-19 of 6 November 2018;

Internal Control

17. Notes that the Internal Audit Service (IAS), in the framework of its Strategic Internal Audit Plan 2018-2020 for Eurojust in 2018, issued six outstanding recommendations from the audit on 'Monitoring and Reporting/Building Blocks of Assurance', with Eurojust closing five of them; notes with satisfaction that Eurojust's risk management policy was adopted in 2018 and that the implementation plan and risk register were to be developed in 2019 and are to be implemented from 2020;

Other comments

18. Acknowledges that, following the successful completion of the move to its new premises in June 2017, the carry-over of EUR 2 339 809 predominantly concerned costs to be invoiced retroactively by the Host State in 2018; notes furthermore that in 2018 all but EUR 73 000 of those carried over commitments were delivered and paid and that the most significant part of that figure related to planned changes that were not executed by the Host State;

19. Calls on Eurojust to focus on disseminating the results of its research to the public, and to reach out to the public via social media and other media outlets;

20. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 ([5]) on the performance, financial management and control of the agencies.

([4]) 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).

([5]) Texts adopted, P9 TA(2020)0121.

DECISION (EU, Euratom) 2020/1913 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

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 2018

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 2018,

— having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2018, together with the Joint Undertakings' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2018 (05763/2019 – C9-0065/2019),

— 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70,

— having regard to Council Decision 2007/198/Euratom of 27 March 2007 establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it ([5]), 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 ([6]),

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]),

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0049/2020),

([1]) OJ C 426, 18.12.2019, p. 1.
([2]) OJ C 426, 18.12.2019, p. 24.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 90, 30.3.2007, p. 58.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

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 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1914 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2018

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 2018,

— having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2018, together with the Joint Undertakings' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2018 (05763/2019 – C9-0065/2019),

— 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70,

— having regard to Council Decision 2007/198/Euratom of 27 March 2007 establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it ([5]), 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 ([6]),

([1]) OJ C 426, 18.12.2019, p. 1.
([2]) OJ C 426, 18.12.2019, p. 24.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 90, 30.3.2007, p. 58.
([6]) OJ L 328, 7.12.2013, p. 42.

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]),

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0049/2020),

1. Approves the closure of the accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([7]) OJ L 122, 10.5.2019, p. 1.

RESOLUTION (EU) 2020/1915 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 2018

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 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0049/2020),

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 Council Decision 2007/198/Euratom ([1]);

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 to provide the Union's contribution to the ITER international fusion energy project, to implement the broader approach agreement between Euratom and Japan, and to prepare 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 2018 (the 'Court's report') finds the annual accounts to be presented fairly, in all material respects, with regard to the Joint Undertaking's financial position on 31 December 2018 and the results of its operations, its cash flows and the changes in its 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;

2. Acknowledges the fact that the transactions underlying the annual accounts of the Joint Undertaking for the financial year 2018 are, in all material respects, legal and regular;

3. Highlights the fact that the Joint Undertaking recalculated its contribution to the project construction phase EUR 12 000 000 000, up from the EUR 6 600 000 000 approved by the Council in 2010; notes that figure does not include contingencies, even though the Commission suggested that a contingency of up to 24 months in terms of schedule and 10 to 20 % in terms of budget would be appropriate;

4. Notes that in November 2016, the ITER Organization Council (ITER Council) approved a new ITER project baseline; notes that the new ITER baseline estimates the achievement of 'first plasma' and the start of the operational phase in 2025 with the completion of the construction phase in 2035, but observes that the previous 2010 baseline estimated the completion of the construction phase in 2020; however, notes that the new baseline is considered to be the earliest possible technically achievable date;

5. Notes that in March 2017, the United Kingdom notified the Council of its decision to withdraw from the Union and from Euratom; notes with concern that this may have effects on the post-2020 activities of the Joint Undertaking and the ITER project;

([1]) Council Decision 2007/198/Euratom of 27 March 2007 establishing a Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it (OJ L 90, 30.3.2007, p. 58).

6. Welcomes the fact that in April 2018 the Council mandated the Commission to approve the new ITER baseline on behalf of Euratom and reaffirmed the commitment to make resources available within the limits of the next Multiannual Financial Framework (MFF) without prejudice to any subsequent MFF negotiations, which will determine the details of the future funding ([2]);

7. Highlights the fact 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; takes note of the fact that the contribution to the deactivation and the decommissioning phases were estimated to be EUR 95 540 000 and EUR 180 200 000 respectively; notes that the ITER project will continue to operate until the expiry of the ITER Agreement in 2042 and that the Union will continue to contribute to the ITER costs until then; notes that these additional costs comprise the final year of cash contributions towards the operations and decommissioning phases and the full costs of the deactivation phase;

8. Notes that there remains a risk of further cost increases and delays in project implementation compared to the current approved baseline although positive steps have been taken to improve management and control of the Joint Undertaking's contribution to the project construction phase; calls on the Joint Undertaking not to exceed the current approved baseline for total costs of the project;

9. Notes that effective communication is an essential component of successful Union-financed projects; considers it to be important to increase the visibility of the achievements of the Joint Undertaking and to disseminate information on their added value; calls on the Joint Undertaking to pursue a proactive communication policy by disseminating the results of its research to the public, such as by means of social media or other media outlets, thus raising public awareness of the impact of Union support, with particular regard to market uptake;

10. Asks the Court to assess the soundness and reliability of the methodology for calculating and valuing in-kind contributions;

Budget and financial management

11. Notes that the final 2018 budget available for implementation included commitment appropriations of EUR 706 230 231 and payment appropriations of EUR 847 366 988; notes that the utilisation rates for commitment and payment appropriations were 98,4 % and 96,1 % respectively (compared to 99,9 % and 96,3% in 2017);

12. Notes that, due to shortcomings in the budget planning process in 2017, the payment appropriations needed in 2017 and 2018 exceeded the payment appropriations of the initial budget; observes that the additional payment appropriations needed by the Joint Undertaking amounted to EUR 160 700 000, 25 % above the initial budget; takes note of the Joint Undertaking's reply which states that the Joint Undertaking is grateful to Euratom for the additional contribution to the 2018 budget and that the Joint Undertaking would like to report that the lack of payment appropriations would have had no impact or risk, as EUR 137 000 000 were paid to the ITER Organization as advance on the 2019 in-cash contribution; notes that the payment forecasting system has been totally redesigned and integrated in the new financial management tool, and that this, together with the new organisational structure, ensures that correct budgetary planning is in place and has already been used to determine the revenue of the 2019 budget;

13. Welcomes the fact that out of EUR 706 200 000 available for commitment appropriations, 98,4 % was implemented through direct individual commitments (compared to 96,5 % in 2017);

14. Notes that in 2018 the balance of the budget outturn amounted to EUR 1 316 734 (compared to EUR 17 236 192 in 2017);

([2]) Council of the European Union 7881/18 adopted on 12 April 2018.

15. Observes that in 2018 the Joint Undertaking made a regulation payment transferring EUR 1 000 000 of authorised and verified payments relating to staff duty travel costs from the administrative budget to the operational budget; notes, however, the budget principle of specification was not respected by the regularisation payment; takes note of the Joint Undertaking's reply which states that it considers that the payment of regularisation implemented for a global amount and undifferentiated items was not the optimum tool for the assignment of expenditure due to its perceived lack of transparency; however, expects the improvements that were achieved by the Joint Undertaking's commercial department in the course of 2019 to be confirmed by the Court in its annual report for 2019;

16. Notes that in 2018 the Joint Undertaking achieved six of the milestones established by the ITER Council and governing board for that year, with a scheduled performance index of 93 % (compared to 91 % in 2017, 70 % in 2016 and 75 % in 2015); notes also the announcement of the ITER Organization in December 2018 confirming that 60 % of total scheduled construction work for the 2025 first plasma (compared to 50 % in 2017) had been completed;

Performance

17. Notes from the Court's report that the director's decision to change the place of employment of a newly recruited senior manager from Barcelona to Cadarache was not supported by adequate documentation to justify the additional salary costs due to the different correction coefficient; welcomes the fact that the Joint Undertaking recognises in its reply that the change of the place of employment was not adequately documented, as it was within the power of the appointing authority; observes that the Joint Undertaking was facing some risks in the poloidal field (PF) coils project that required attention from a senior manager; notes that the director therefore decided to ask the candidate to start in Cadarache immediately in order to fully focus on the PF crisis;

18. Notes with satisfaction that the Joint Undertaking has implemented the earned value management instead of the ITER credit system to monitor the project progress based on the ad-hoc group proposal, the results of which are now being routinely submitted;

19. Notes the progress on the ITER construction regarding the completion of the huge bio-shield encircling the tokamak pit and the instalment of the first components in the tokamak complex;

Prevention and management of conflicts of interest and transparency

20. Notes that in 2017 the Joint Undertaking's governing board continued implementing the public procurement part of the anti-fraud strategy; notes that the Joint Undertaking adopted a checklist based in its own set of procurement fraud risk indicators, namely, red flags, considered a prerequisite to the development of the anti-fraud IT tool, having developed them internally; acknowledges that the anti-fraud and ethics officer continued coordinating the implementation of Joint Undertaking's anti-fraud strategy in close cooperation with all respective units and notes with appreciation that a working group had continued to develop the anti-fraud Strategy at the end of 2018;

Staff and recruitment

21. Notes that significant shortcomings were found by the Court in relation to the recruitment of key management staff; takes note of the fact that in its reply, the Joint Undertaking's states that following the Court finding and using the six sigma methodology to analyse, identify and implement the enhancements, the Joint Undertaking enhanced the robustness of its selection process as well as the additional ongoing measures; asks the Joint Undertaking to avoid any future irregularities and shortcomings;

22. Notes that, at the end of 2018, the Joint Undertaking had 162 women and 284 men on its establishment plan, with men occupying the majority of posts in three out of the five staff categories, while over 50 % of Union contract agents and officials in assistant posts are women; notes also that 22 Member States were represented among the Joint Undertaking's staff, that most members of staff came from three Member States, and that four members of staff each came from a further four Member States; urges the Joint Undertaking to seek a more balanced geographical representation, while acknowledging that this depends on applicants for vacancies and those responding to requests for expression of interest;

Internal control

23. Notes that the Joint Undertaking has not consistently followed up on the declarations of interests from senior management; notes with appreciation that the Joint Undertaking has elaborated and put in place some documents with regard to the management of general declaration of interest of all managers and in accordance with Article 13 of the Joint Undertaking's conflicts of interests rules; furthermore, observes that in January 2019 the ethics officer gave a presentation session on this topic to all managers;

24. Observes that on 25 January 2018, the General Court delivered its judgement annulling the results of the selection procedure including the decisions to appoint successful candidates from the reserve lists of selection procedure; notes that although the Advocate General's opinion on 29 January 2019 supported the Joint Undertaking's appeal to the Court of Justice of the European Union (Court of Justice) in April 2018 and suggested that the Court of Justice overturn the General Court's judgement with regard to the annulment of decisions to appoint successful candidates but not the reserve list, the Court of Justice upheld the General Court's judgment ([3]); asks the Joint Undertaking to comply with the rules of the selection procedure in order to avoid any future litigation;

25. Notes that shortcomings in the internal communication strategies did not ensure the dissemination of appropriate information on the estimated costs of the decommissioning phase within the organisation and, therefore, the Joint Undertaking disclosed no provision for such liability in the accounts of the previous years, which have been estimated in EUR 85 200 000; however, welcomes the Joint Undertaking's reply that the shortcomings have been already addressed by two actions; that the senior management transmits to the accounting officer any relevant information and that the internal process 'PM-76 Annual Accounts-opening/closure of financial year' was updated in May 2019;

Operational procurement and grants

26. Notes that during 2018, 55 operational procurement procedures were launched, and 69 operational procurement contracts were signed, while one grant procedure was launched and two were signed.

([3]) Judgment of the Court of Justice of 8 May 2019, *European Joint Undertaking for ITER and the Development of Fusion Energy v Yosu Galocha*, C-243/18 P ECLI:EU:C:2019:378.

DECISION (EU) 2020/1916 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the Agency for Support for BEREC (before 20 December 2018: Office of the Body of European Regulators for Electronic Communications) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Agency for Support for BEREC for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 – C9-0061/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), and in particular Article 13 thereof,

— having regard to Regulation (EU) 2018/1971 of the European Parliament and of the Council of 11 December 2018 establishing the Body of European Regulators for Electronic Communications (BEREC) and the Agency for Support for BEREC (BEREC Office), amending Regulation (EU) 2015/2120 and repealing Regulation (EC) No 1211/2009 ([6]), and in particular Article 28 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 ([7]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([8]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0050/2020),

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 34.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 337, 18.12.2009, p. 1.
([6]) OJ L 321, 17.12.2018, p. 1.
([7]) OJ L 328, 7.12.2013, p. 42.
([8]) OJ L 122, 10.5.2019, p. 1.

1. Grants the Director of the Agency for Support for BEREC discharge in respect of the implementation of the Agency's budget for the financial year 2018;

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 Support for BEREC, 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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1917 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the Agency for Support for BEREC (before 20 December 2018: Office of the Body of European Regulators for Electronic Communications) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Agency for Support for BEREC for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018 for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 – C9-0061/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), and in particular Article 13 thereof,

— having regard to Regulation (EU) 2018/1971 of the European Parliament and of the Council of 11 December 2018 establishing the Body of European Regulators for Electronic Communications (BEREC) and the Agency for Support for BEREC (BEREC Office), amending Regulation (EU) 2015/2120 and repealing Regulation (EC) No 1211/2009 ([6]), and in particular Article 28 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 ([7]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([8]), and in particular Article 105 thereof,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 34.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 337, 18.12.2009, p. 1.
([6]) OJ L 321, 17.12.2018, p. 1.
([7]) OJ L 328, 7.12.2013, p. 42.
([8]) OJ L 122, 10.5.2019, p. 1.

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0050/2020),

1. Approves the closure of the accounts of the Agency for Support for BEREC for the financial year 2018;

2. Instructs its President to forward this decision to the Director of the Agency for Support for BEREC, 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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1918 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Agency for Support for BEREC (before 20 December 2018: Office of the Body of European Regulators for Electronic Communications) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the Agency for Support for BEREC for the financial year 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0050/2020),

A. whereas, according to its statement of revenue and expenditure [1], the final budget of the Agency for Support for BEREC (the 'Agency') for the financial year 2018 was EUR 4 331 000, representing an increase of 2,00 % compared to 2017, whereas the budget of the Agency derives entirely from the Union budget [2];

B. whereas the Court of Auditors (the 'Court'), in its report on the Agency's annual accounts for the financial year 2018 (the 'Court's report'), states that it has obtained reasonable assurances that the Agency's annual accounts were reliable and that the underlying transactions were legal and regular;

Budget and financial management

1. Notes that budget monitoring efforts during the financial year 2018 resulted in a budget implementation rate of 99,85 %, representing a decrease of 0,09 % compared to 2017; notes that the payment appropriations execution rate was 82,68 %, representing a decrease of 4,24 % compared to 2017;

2. Notes with concern that the Agency has been affected by a high staff turnover, which poses risk to the implementation of the Agency's work programme; notes that as part of mitigation techniques, the management committee requested the establishment of reserve list for 75 % of all job profiles with the aim of keeping the vacancy rate below 15 %; notes that, in addition, following the establishment of new posts to address the new Agency mandate established in Regulation (EU) 2018/1971, the Agency managed to ensure fast track recruitment of three additional new staff members from the existing reserve lists;

Performance

3. Notes that the Agency uses several types of measures as key performance indicators to assess the added value provided by its activities and to improve its budget management;

4. Acknowledges the fact that the Agency has been provided with improved IT support including the use of specialised information and communications technology and IT security services;

5. Notes with concern that the Agency does not share resources with other agencies due to its limited own resources; notes, however, that in 2014 the Agency signed a service level agreement with ENISA for sharing resources in the field of internal controls; notes that that agreement was terminated by ENISA from 1 January 2020 as a result of changes in the structure of ENISA due to its expanded new mandate; notes with satisfaction that the Agency started a joint project for sharing IT infrastructure and other IT projects with several joint undertakings and other Union agencies; welcomes that initiative and urges the Agency to further explore possible ways of outsourcing its tasks and collaborating on overlapping tasks with other Union institutions and bodies;

[1] OJ C 108, 22.3.2018, p. 157.
[2] OJ C 108, 22.3.2018, p. 158.

6. Notes from the Court's report that in 2018 the Agency launched a call for tender to conclude a framework contract which was awarded without requesting any explanation from the winning tenderer for the potentially abnormally low tender; acknowledges the Agency's reply that until 2018 it did not have separate guidance on abnormally low tender prices, but notes with satisfaction that the Agency introduced the definition of abnormally low tender price in its internal procurement manual; calls on the Agency to request the reasons for abnormally low tenders and analyse them in order to ensure the sustainability of potentially abnormally low tenders;

7. Encourages the Agency to pursue the digitalisation of its services;

Staff policy

8. Notes that, on 31 December 2018, the establishment plan was 100 % executed, with 14 temporary agents appointed out of 14 temporary agents authorised under the Union budget (compared to 14 authorised posts in 2017); notes that, in addition, 9 contract agents and 4 seconded national experts were working for the Agency in 2018;

9. Notes with concern that the Agency is dependent on external resources and on one company, which creates a risk to business continuity; notes with concern that the Agency does not possess the critical mass of staff and competence; calls the Commission to present appropriate resource allocation to the budgetary authority;

10. Notes with satisfaction that at the end of 2018 gender balance was almost achieved at staff level (52 % women and 48 % men) and was achieved in middle management positions (50 % women and 50 % men), and notes that a good geographical balance was achieved, with the Agency employing staff from 13 Member States; is concerned, however, that gender balance was not achieved among the members of the management board, with only 5 women among the 28 members; asks in this regard the Commission and the Member States to take into account the importance of ensuring gender balance when presenting their nominations for members of the management board;

11. Notes with concern that in 2017 the average employment period in the Agency was only 2,7 years which is reflected in a high staff turnover; understands that the Agency struggles to attract professionals, inter alia because of the low salary correction coefficient of the host country (74,9 %); stresses that the high staff turnover highlights possible problems with the Agency's revolving door policy; calls on the Agency to re-evaluate its revolving policy; expresses its concern that the reduction of the posts authorised under the Union budget in recent years together with the additional tasks acquired have increased the workload of the Agency's staff; points out that this situation may pose risks to the implementation of its work programmes; observes that the Agency works towards improving the employment conditions for its staff, and that in 2018 the Agency started the implementation of an action plan for social welfare; calls on the Agency to find further possibilities for improving the working and living conditions for the staff with the Latvian authorities aiming to conclude a new headquarters agreement;

12. notes with concern from the Court's report that on 4 May 2018 the Agency signed a framework contract with one company for the provision of clerical and secretarial support services for a duration of four years for a maximum amount of EUR 433 000 (2018 payments: EUR 27 655) and that from June 2018 on average 4 of that company's staff were working at the Agency in addition to its own 27 employees; stresses that the use of this service contract for the provision of labour does not comply with the Union's social and employment rules and exposes the Agency to legal and reputational risks; calls on the Agency to redress the situation and report back to the discharge authority;

13. Notes that the Agency signed a framework contract with one company for the provision of clerical and secretarial support services, but recalls that the loan of staff can take place only by means of contracts with authorised temporary work agencies and in accordance with Directive 2008/104/EC of the European Parliament and of the Council ([3]), and with specific rules adopted by the Member States; notes with concern that the use of this service contract does not comply with the Union's social and employment rules; takes note of the Agency's reply that following an open tender procedure, it concluded a framework contract for the provision of clerical and secretarial support services, guaranteed over the duration of the contract, which is different from the use of interim workers; notes that according to the tender specifications of the framework contract, which are annexed to it, the contractor is required to comply with the applicable Union and national legal framework;

Procurement

14. Notes from the Court's report that by the end of 2017 the Agency had introduced e-tendering for certain procedures, but had not yet implemented e-invoicing and e-submission; notes from the Agency's reply that following the signature, in 2018, of a Memorandum of Understanding on e-PRIOR between the Agency and the Commission's Directorate-General for Informatics, an e-submission module of e-PRIOR was deployed for the Agency;

Prevention and management of conflicts of interests and transparency

15. Notes the Agency's existing measures on and ongoing efforts to secure transparency and the prevention and management of conflicts of interests; points out with concern, however, that it does not publish the CVs of the board members on its website; notes that the management board has started a review of its existing policy laying down rules for the prevention and management of conflicts of interests which envisages an obligation for its members to submit with their declaration of interest their CVs, which will be published on the Agency's website;

Internal controls

16. Recognises that the Agency finally adopted its guidelines on whistleblowing on 7 December 2018;

17. Notes that in 2018 the Agency undertook an internal exercise to assess its internal control systems, concluding that they have been effectively implemented;

18. Notes that in 2018 the Commission's internal audit service issued an audit report on "Planning, Budgeting, Monitoring of Activities and Reporting in the Office", which was followed by a corrective action plan;

Other comments

19. Notes that the Agency has carried out an analysis of the likely impact of the United Kingdom's decision to withdraw from the Union and identified the necessary mitigating steps; notes that the Agency has no members of staff with only UK citizenship and that there is therefore no risk related to human resources issues;

20. Calls on the Agency to focus on disseminating the results of its research to the general public, and to reach out to public via the social media and other media outlets;

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21. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 ([4]) on the performance, financial management and control of the agencies.

([3]) Directive 2008/104/EC of the European Parliament and of the Council of 19 November 2008 on temporary agency work (OJ L 327, 5.12.2008, p. 9).

([4]) Texts adopted, P9_TA(2020)0121.

DECISION (EU) 2020/1919 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions (now European Foundation for the Improvement of Living and Working Conditions (Eurofound)) for the financial year 2018

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 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0034/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), and in particular Article 16 thereof,

— Regulation (EU) 2019/127 of the European Parliament and of the Council of 16 January 2019 establishing the European Foundation for the improvement of living and working conditions (Eurofound), and repealing Council Regulation (EEC) No 1365/75 ([6]), 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 ([7]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([8]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Employment and Social Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0051/2020),

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 139, 30.5.1975, p. 1.
([6]) OJ L 30, 31.1.2019, p. 74.
([7]) OJ L 328, 7.12.2013, p. 42.
([8]) OJ L 122, 10.5.2019, p. 1.

1. Grants the Executive Director of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) discharge in respect of the implementation of the Foundation's budget for the financial year 2018;

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 Foundation for the Improvement of Living and Working Conditions (Eurofound), 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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1920 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions (now European Foundation for the Improvement of Living and Working Conditions (Eurofound)) for the financial year 2018

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 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0034/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), and in particular Article 16 thereof,

— having regard to Regulation (EU) 2019/127 of the European Parliament and of the Council of 16 January 2019 establishing the European Foundation for the improvement of living and working conditions (Eurofound), and repealing Council Regulation (EEC) No 1365/75 ([6]), 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 ([7]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([8]), and in particular Article 105 thereof,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 139, 30.5.1975, p. 1.
([6]) OJ L 30, 31.1.2019, p. 74.
([7]) OJ L 328, 7.12.2013, p. 42.
([8]) OJ L 122, 10.5.2019, p. 1.

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Employment and Social Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0051/2020),

1. Approves the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) for the financial year 2018;

2. Instructs its President to forward this decision to the Executive Director of the European Foundation for the Improvement of Living and Working Conditions (Eurofound), 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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1921 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 (now European Foundation for the Improvement of Living and Working Conditions (Eurofound)) for the financial year 2018

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 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Employment and Social Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0051/2020),

A. 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 2018 was EUR 20 760 000 representing an increase of 1,37 % compared to 2017; whereas the budget from the Foundation derives mainly from the Union budget ([2]);

B. whereas the Court of Auditors (the 'Court') in its report on the Foundation's annual accounts for the financial year 2018 (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;

Budget and financial management

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2018 resulted in a budget implementation rate of 99,58 %, representing a slight decrease of 0,42 % compared to 2017; takes note of the fact that the payment appropriations execution rate was 82,70 %, representing an increase of 2 % compared to 2017;

Performance

2. Notes that the Foundation uses four key performance indicators (KPIs), included in its performance monitoring system, which in addition to the KPIs consists of 'metrics' (other indicators for operational processes) and qualitative assessment and evaluation, to assess the added value, including the outcome and impact, provided by its activities, and to improve its budget management;

3. Encourages the Foundation to pursue the digitalisation of its services;

4. Acknowledges the fact that the delivery of work programme outputs planned for 2018 were 83 % achieved (48 of 58 outputs), and that the Foundation contributed to 236 policy development events (41 % of them at Union level);

5. Notes that the Foundation continued cooperation with other Union agencies and implemented actions agreed in annual plans with the European Agency for Safety and Health at Work (EU-OSHA), the European Union Agency for Fundamental Rights (FRA), the European Institute for Gender Equality (EIGE), the European Training Foundation (ETF) and the European Centre for the Development of Vocational Training (Cedefop), and continued its preparations in collaboration with Cedefop on the fourth European Company Survey;

([1]) OJ C 120, 29.3.2019, p. 177.
([2]) OJ C 120, 29.3.2019, p. 179.

6. Notes that the Foundation, which was the subject of the external cross-agency evaluation, together with Cedefop, EU-OSHA and ETF, covering the period 2012 to 2016, and focused on the assessment of the agencies' work regarding relevance, effectiveness, efficiency, coherence and Union added value, as well as the future of the four Agencies, has developed an action plan to address the finding of that evaluation; calls on the Foundation to report to the discharge authority on the results of the final report, particularly as regards to the evaluation on the Union added value provided by the Foundation, and the views on the future of the Foundation;

7. Calls on the Commission to conduct a feasibility study in order to assess the possibility of merging the Foundation with Cedefop; underlines that the Foundation and Cedefop have a very similar field of operation and that such a merger would simplify the funding of the two Agencies, as well as clarify the system of Union agencies in the eyes of the public; calls on the Commission to consider at least setting up shared synergies with Cedefop; calls upon the Commission to evaluate the following alternatives: the transfer of the Foundation to the headquarters of Cedefop in Thessaloniki and the transfer of Cedefop transfer to the headquarters of the Foundation in Loughlinstown; notes that this would mean sharing corporate and support services and the management of the common premises, as well as shared ICT, telecommunications and internet-based infrastructures, saving large amounts of money which would be used on further funding of both agencies;

8. Notes that an external evaluation of the Union agencies under the remit of Commission's Directorate-General for Employment, Social Affairs and Inclusion (Eurofound, Cedefop, ETF and EU-OSHA) was carried out in 2018, on behalf of the Commission, with regard to their relevance, effectiveness, efficiency, coherence and Union value-added; calls on the Foundation to report to the discharge authority on the results of that evaluation;

9. Stresses the importance of the Foundation's high-quality work to provide scientifically sound, unbiased, timely and policy-relevant knowledge, expertise and evidence-based support for Union policy development and policymakers in the areas of living and working conditions, labour market and industrial relations across the Union, and the importance of retaining the tripartite nature of its governance model involving employers' and workers' organisations, governments from all Member States, as well as the Commission; welcomes in particular the publication of the Foundation's overview report from the most recent European quality of life survey (EQLS) and its publications related to the future of work and digitalisation, particularly in the area of platform work;

10. Stresses the importance of the Foundation's contributions for the development of forecasting tools and gathering of information in different areas such as the implementation of the European Pillar of Social Rights, work-life balance and quality of life, the future of work, manufacturing, digitalisation and platform work;

11. Notes the Foundation's increased workload and stakeholders' increased expectations and highlights the importance of ensuring adequate material and human resources allowing the Foundation to fully implement its tasks, while ensuring, in general, the agencies' pre-eminence over private contractors;

12. Welcomes the Foundation's commitment to economic, social and environmental sustainability of its operations ensuring a cost-effective and environmentally friendly work place and for using public procurement as an important instrument towards all three categories of sustainability in its operations;

13. Highlights that transparency and citizens' awareness of the existence of the agencies are essential for their democratic accountability; considers that usability and ease of use of agency resources and data are of paramount importance; calls therefore for an assessment of how data and resources are currently presented and made available and of the degree to which citizens find them easy to identify, recognise and use; recalls that public awareness in this respect can be raised by Member States through developing a comprehensive plan to reach out to more Union citizens;

Staff policy

14. Notes that on 31 December 2018, the establishment plan was 96,70 % executed, with 88 officials or temporary agents appointed out of 91 authorised under the Union budget (compared to 93 authorised posts in 2017); notes that, in addition, 11 contract agents and 1 seconded national expert worked for the Foundation in 2018;

15. Notes with satisfaction that gender balance was achieved among senior managers (1 man and 1 woman); is concerned, however that there is no gender balance at management board level (97 men and 64 women);

16. Welcomes the results of the job screening exercise carried out in December 2018, which shows a relatively high level of stability year on year;

Procurement

17. Notes from the Court's report that the Foundation did not systematically check prices and uplifts charged with the suppliers' quotes and invoices issued to the framework contractor for the acquisition of software licences; notes from the Foundation's reply that this framework contract has been replaced by a multiple framework contract in which the issues raised by the Court have been addressed; urges the Foundation to adapt *ex-ante* controls on payments under framework contracts and to ensure there is a competitive procedure for all procurements;

18. Encourages the Foundation to implement the Court's recommendations as, for instance, the e-submission process;

Prevention and management of conflicts of interests and transparency

19. Notes the Foundation's existing measures on and ongoing efforts to secure transparency, the prevention and management of conflicts of interests, and the protection of whistleblowers;

Internal controls

20. Acknowledges the fact that the Foundation adopted a revised internal control framework marking a shift from a compliance-based to a principles-based process;

21. Notes with appreciation that Commission's internal audit service finalised a performance audit on 'prioritisation of the Foundation's activities and allocation of resources' in 2018; calls on the Foundation to report the results of that audit to the discharge authority;

Other comments

22. Notes that the Foundation is working to increase the environmental sustainability of its operations, that new video conferencing facilities have been installed during 2018 and that the offsetting of CO_2 emissions is being discussed within the network of agencies;

23. Calls on the Foundation to focus on disseminating the results of its research to the public, and to reach out to the public via the social media and other media outlets;

24. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 ([3]) on the performance, financial management and control of the agencies.

([3]) Texts adopted, P9_TA(2020)0121.

DECISION (EU) 2020/1922 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the Agency for the Cooperation of Energy Regulators (now European Union Agency for the Cooperation of Energy Regulators) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 – C9-0060/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), and in particular Article 24 thereof,

— having regard to Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators ([6]), and in particular Article 35 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 ([7]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([8]), and in particular Article 105 thereof,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 34.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 211, 14.8.2009, p. 1.
([6]) OJ L 158, 14.6.2019, p. 22.
([7]) OJ L 328, 7.12.2013, p. 42.
([8]) OJ L 122, 10.5.2019, p. 1.

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0052/2020),

1. Grants the Director of the European Union Agency for the Cooperation of Energy Regulators discharge in respect of the implementation of the Agency's budget for the financial year 2018;

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 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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1923 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the Agency for the Cooperation of Energy Regulators (now European Union Agency for the Cooperation of Energy Regulators) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 – C9-0060/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), and in particular Article 24 thereof,

— having regard to Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators ([6]), and in particular Article 35 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 ([7]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([8]), and in particular Article 105 thereof,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 34.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 211, 14.8.2009, p. 1.
([6]) OJ L 158, 14.6.2019, p. 22.
([7]) OJ L 328, 7.12.2013, p. 42.
([8]) OJ L 122, 10.5.2019, p. 1.

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0052/2020),

1. Approves the closure of the accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2018;

2. Instructs its President to forward this decision to the Director of the European Union 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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1924 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 (now European Union Agency for the Cooperation of Energy Regulators) for the financial year 2018

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 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0052/2020),

A. 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 2018 was EUR 13 562 000, representing an increase of 2,18 % compared to 2017; whereas the entire budget of the Agency derives from the Union budget [2];

B. whereas the Court of Auditors (the 'Court'), in its report on the Agency's annual accounts for the financial year 2018 (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 with satisfaction that budget monitoring efforts during the financial year 2018 resulted in a budget implementation rate of 99,26 %, exceeding the Agency's planned target and representing an increase of 0,54 % compared to 2017; notes with appreciation that the payment appropriations execution rate was at 79,73 %, representing an increase of 3,92 % compared to 2017;

Performance

2. Notes that the Agency continues to use certain measures as key performance indicators to assess the added value provided by its activities, in particular to estimate the impact of network codes and guidelines, and to improve its budget management;

3. Notes the Agency's success in implementing Regulation (EU) No 1227/2011 [3] and in accompanying and monitoring the shift in the implementation of the already adopted network codes in electricity and gas;

4. Welcomes the fact that the Agency has outsourced accounting services to the Commission and shares resources with other agencies in the areas of human resources management, information and communication technology management, budget and finance, procurement and facility management; considers this initiative to be a worthwhile example for other Union institutions to follow; encourages the Agency to explore ways of resources sharing on overlapping tasks among other Union agencies with similar activities; strongly encourages the Agency to actively seek further and broader cooperation with all Union agencies;

5. Encourages the Agency to pursue the digitalisation of its services;

Staff policy

6. Notes that, on 31 December 2018, the establishment plan was 95,52 % executed, with 64 temporary agents appointed out of 67 temporary agents authorised under the Union budget (compared to 68 authorised posts in 2017); notes that in addition 22 contract agents and four seconded national experts were working for the Agency in 2018;

[1] OJ C 108, 22.3.2018, p. 167.
[2] OJ C 108, 22.3.2018, p. 168.
[3] 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).

7. Notes the concerns of the Agency about the inadequate additional resources envisaged for the implementation of the 'Clean Energy for All Europeans' package, in terms of staff numbers, timing and grades and that the allocation of staff includes a disproportionately large share of contract agent positions (14) compared to the number of temporary agents (only 4), despite the complexity of the new tasks assigned to Agency; notes that, according to the Agency, it will not, in such a situation, be able to properly fulfil its extended mandate without the assignment of additional resources;

8. Reiterates its concern about the lack of gender balance among the Agency's senior and middle management members of staff (five men and one woman); raises concerns about the geographic imbalance; asks the Agency to take measures to ensure better gender and geographic balance in its senior and middle management;

9. Regrets the lack of gender balance on the Agency's management board, with 12 out of 17 members being of the same gender;

10. Asks the Agency to report back to the discharge authority on the figures for harassment cases in total and report back on the results of closed harassment cases;

Procurement

11. Notes from the Court's report that in 2018 the Agency introduced e-submission, but had not yet introduced the e-tendering or e-invoicing tools developed by the Commission to introduce a single solution for the electronic exchange of information with third parties participating in public procurement procedures (e-procurement); calls on the Agency to introduce all of the necessary tools to manage procurement procedures and report to the discharge authority on the progress made in that field;

Prevention and management of conflicts of interests and transparency

12. Acknowledges the Agency's existing measures on and ongoing efforts to secure transparency, the prevention and management of conflicts of interests, and the protection of whistleblowers;

13. Notes the further steps taken in order to enhance the transparency of the Agency's activities by reporting the meetings that the Agency's staff have with external stakeholders, namely, the director's meeting with organisations and self-employed individuals, and their availability on the Agency's website since January 2018;

Internal controls

14. Notes that the Agency adopted its own internal control framework in December 2018; calls on the Agency to report to the discharge authority on the implementation of those internal control standards;

15. Notes that the Commission's internal audit service (IAS) conducted a full risk assessment, including with regard to IT, in 2016 resulting in a new strategic audit plan for the Agency for the period 2017 to 2019 and formulated the audit topics for the following planning period; notes that in 2018 the IAS performed an audit on IT security in the Agency and information security in the 'REMIT' domain and that the Agency prepared an action plan, scheduled for implementation in 2019, to address the recommendations contained in the final audit report; calls on the Agency to report to the discharge authority on developments in that regard;

Other comments

16. Welcomes the fact that the Agency carried out a formal analysis in 2018 of the likely impact of the United Kingdom's decision to withdraw from the Union on its organisation, operations and accounts;

17. Calls on the Agency to disseminate the results of its research to the public and to reach out to the public by means of the social media and other media outlets;

18. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 ([4]) on the performance, financial management and control of the agencies.

([4]) Texts adopted, P9_TA(2020)0121.

DECISION (EU) 2020/1925 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) (before 11 December 2018: European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0064/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), and in particular Article 33 thereof,

— having regard to Regulation (EU) 2018/1726 of the European Parliament and of the Council of 14 November 2018 on the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA), and amending Regulation (EC) No 1987/2006 and Council Decision 2007/533/JHA and repealing Regulation (EU) No 1077/2011 ([6]), and in particular Article 47 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 ([7]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([8]), and in particular Article 105 thereof,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 286, 1.11.2011, p. 1.
([6]) OJ L 295, 21.11.2018, p. 99.
([7]) OJ L 328, 7.12.2013, p. 42.
([8]) OJ L 122, 10.5.2019, p. 1.

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0053/2020),

1. Grants the Executive Director of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) discharge in respect of the implementation of the Agency's budget for the financial year 2018;

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 the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA), 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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1926 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) (before 11 December 2018: European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0064/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), and in particular Article 33 thereof,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 286, 1.11.2011, p. 1.

— having regard to Regulation (EU) 2018/1726 of the European Parliament and of the Council of 14 November 2018 on the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA), and amending Regulation (EC) No 1987/2006 and Council Decision 2007/533/JHA and repealing Regulation (EU) No 1077/2011 ([6]), and in particular Article 47 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 ([7]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([8]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0053/2020),

1. Approves the closure of the accounts of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) for the financial year 2018;

2. Instructs its President to forward this decision to the Executive Director of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA), 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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([6]) OJ L 295, 21.11.2018, p. 99.
([7]) OJ L 328, 7.12.2013, p. 42.
([8]) OJ L 122, 10.5.2019, p. 1.

RESOLUTION (EU) 2020/1927 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) (before 11 December 2018: European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) for the financial year 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0053/2020),

A. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) (the 'Agency') for the financial year 2018 was EUR 205 657 227, representing a significant increase of 32 % compared to 2017; whereas the increase was related to additional tasks and to the strengthening of the Agency's mandate, whereas the budget of the Agency derives mainly from the Union budget ([2]);

B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Agency for the financial year 2018 (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 2018 resulted in a budget implementation rate of 75,18 %; observes that the low implementation rate is due to outstanding commitments, mainly related to operational expenditure, which is subject to adoption of their legal basis; notes furthermore that the payment appropriations execution rate was 94,08 %, representing an increase of 2,55 % compared to 2017;

2. Notes that, having suffered considerable delays, the construction of the Agency's new premises in Strasbourg had a 88,17 % completion rate, according to the latest accepted works progress report from April 2018, and that the Agency protects its financial interests with a EUR 1,2 million performance guarantee; notes that the Agency registered statements of defence with the Court of First Instance in Strasburg on 15 May 2018 and on 15 February 2019, and also that the decision of the Court of First Instance has not yet been issued; notes furthermore that talks aimed at reaching an out-of-court settlement were restarted in April 2019; calls on the Agency to inform the discharge authority without delay in the event that an out-of-court settlement is reached or, alternatively, as soon as the judgement of the Court of First Instance is issued;

3. Notes with concern that, according to the Court's report, the Agency's budget implementation rate was less than planned because of the late adoption or entry into force of legal acts (a matter which is outside the Agency's control), affecting both the evolution and the development of existing and new systems; notes that, in response, the Agency returned to the Commission EUR 74 000 000 in payment appropriations and carried forward EUR 49 000 000 of commitment appropriations, thereby calling into question the planning assumptions contained in the legislative

([1]) OJ C 120, 29.3.2019, p. 161.
([2]) OJ C 120, 29.3.2019, p. 163.

financial statements prepared by the Commission; highlights that the inscription of budgetary resources in the Agency's voted budget in respect of legal acts not yet adopted introduces significant risks to sound financial management; calls on the Commission, together with the Agency, to improve the alignment of budgetary planning with the timing of adoption or entry into force of legal acts;

Performance

4. Welcomes the Agency's sustained cooperation with other Union agencies and the strengthened mandate given by the entry into force of Regulation (EU) 2018/1726 ([3]) in December 2018, which bring new opportunities to reinforce cooperation, to deliver proactive advice and additional support and assistance to the Commission, Member States and other justice and home affairs agencies, and to work more closely with international organisations;

5. Observes the possible development of a centralised router for the exchange of Advance Passenger Information and Passenger Name Records information among Member States; notes that the use of such information for checks against large-scale IT systems has been proposed as an element of interoperability of future interest; further notes the related feasibility study carried out by the Commission between April 2018 and January 2019;

6. Notes, in light of the observations and comments made in 2018 by the discharge authority, that the Agency manages three separate, non-integrated, large-scale IT systems in accordance with the respective legal instruments governing those systems, and that the different development timelines and constraints stemming from these legal frameworks have caused the IT systems to be built separately and in a non-integrated way; notes that the Agency recognises that this approach is neither sustainable nor efficient from an operational or budgetary perspective; welcomes the fact that the Agency has begun an initiative to streamline system architecture and design with the Commission's interoperability initiative as the main driver; encourages the Agency to further explore the possibilities of establishing common procedures and shared systems;

7. Recalls (particularly in view of the fact that this Agency deals with the interoperability of sensitive data) the importance of data management and processing services and the need to internalise these services; highlights in this regard the importance of the protection and confidentiality of such data, and the potential risks that the current external IT services management system involves;

8. Welcomes the new organisational structure put in place by the Agency to reinforce the capabilities needed for operational planning and associated procurement, including the provision of legal and technical input; calls, however, for further efforts to be made to ensure compliance with procurement rules and for more accurate reporting; notes the Court's observation that the Agency may consider using the methodology of the International Function Point Users Group, which is a standard methodology for determining the price of development activities;

9. Welcomes the progress made regarding the Court's recommendations from previous years; notes, however, that the Agency still does not publish vacancy notices on the website of the European Personnel Selection Office (EPSO); calls, therefore, on the Agency to take steps to ensure the publication of vacancies through the EPSO website;

10. Notes that, in relation to e-procurement procedures, the Agency has introduced e-invoicing and e-tendering for certain procedures, but notes that the introduction of e-submission remains ongoing;

11. Stresses the importance of providing gender-based data in order to be able to analyse the evolution of the gender balance within the staff of the Agency and in its governing bodies.

Staff policy

12. Notes with concern that on 31 December 2018 the establishment plan was only 89,71 % executed, with 122 temporary agents appointed out of 136 temporary agents authorised under the Union budget (compared with 131 authorised posts in 2017); notes that, in addition, 31 contract agents and 9 seconded national experts worked for the Agency in 2018; welcomes the Agency's reply that this execution rate can be attributed to the late adoption of legal acts and urges the Agency to report on future progress;

13. Notes with concern the lack of gender balance on the management board (40 men and 6 women);

([3]) Regulation (EU) 2018/1726 of the European Parliament and of the Council of 14 November 2018 on the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA), and amending Regulation (EC) No 1987/2006 and Council Decision 2007/533/JHA and repealing Regulation (EU) No 1077/2011 (OJ L 295, 21.11.2018, p. 99).

14. Notes in light of comments and observations made in 2018 by the discharge authority that the Agency acknowledges the significant risks for the continuity of its operations of having a small number of staff; highlights the fact that the Agency has requested additional staff in its programming documents; acknowledges that such staff increase is subject to approval by Parliament and Council, and that the Agency is trying to mitigate the risk through reprioritisation of tasks and speedy recruitment; points out that the current practice of recruiting the staff necessary for the implementation of a legal act only once such legal act is in force implies reliance on existing staff to conduct preparatory measures for the implementation of such legal act, stretching the Agency's core team capabilities and, therefore, carrying the risk of affecting the Agency's performance of its daily activities; calls on the Commission to allow for the front-loading of some of the staff foreseen in a proposal for a legal act in order to allow the Agency to efficiently prepare for the implementation of such legal act;

15. Notes that, according to the Court's report in relation to one particular recruitment procedure, the Agency's selection committee, to the detriment of the transparency of the procedure, deviated from the published vacancy notice and applied a higher minimum score than that published, for applicants to be placed on the reserve list; notes from the Agency's reply the commitment made to using a more stringent wording in the vacancy notices to be published in the future; welcomes the fact that the Agency has immediately re-adjusted its practice for ongoing procedures, and that the guidelines on recruitment procedures will include the principle that the threshold for the reserve list should be established *ex-ante*; calls on the Agency to ensure that published selection criteria are respected;

16. Notes the adoption in March 2018 by the Agency's management board of the new organisational structure in anticipation of the growth of the Agency due to increased tasks following adoption of new legal acts, and the additional staff granted in that respect; notes that the Agency will almost double its number of staff by the end of 2020 and that the reorganisation was expected to be fully enabled by the end of 2019;

Procurement

17. Notes with concern that, according to the Court's report, two audited payments for the provision of 'corrective maintenance in working order of the Schengen Information System' (MWS) were partly irregular in that the Agency amended one specific contract by increasing monthly maintenance charges without amending the MWS framework contract to provide for the price increase, and subsequently extended that contract by 1,5 months after the date of expiry of the MWS framework contract; stresses that the additional amount paid in respect of the monthly maintenance and the payment for maintenance after the expiry date of the framework contract are partially irregular; notes the Agency's reply that delays occurred in the launch of the successor framework contract, that additional steps taken during the award process resulted in the requirement to ensure continuity of maintenance for the Schengen Information System in line with the Agency's legal obligations, and that the process of finalising the set of checklists and templates for procurement procedures and the creation of capabilities for planning support of operational activities and underlying procurement is ongoing; calls on the Agency to ensure compliance with public procurement provisions;

18. Notes further that, according to the Court's report, the formula stipulated in the tender specifications for identifying the best quality offer for the MWS contract was different from the one communicated in the question-and-answers document for bidders, and that other shortcomings in the quality, completeness and consistency of the information provided were identified; notes that the Agency acknowledges the need to improve and document consistency checks and comparability between the tender planning and the actual contracts to allow for *ex-post* assessment (something that is currently not deployed as a function within the procurement process due to lack of human resources); calls on the Agency to strengthen procurement-related internal control;

19. Notes with concern that, according to the Court's report, in the case of a contract for the provision of telecommunication services, the Agency awarded a contract to the sole economic operator who had submitted a tender with the value of the awarded contract amounting to EUR 144 000 as published in the initial contract notice; notes, however, that the financial offer submitted by the operator was EUR 45 700 only, resulting in the award of a contract for an amount exceeding the offer, something which is not in line with public procurement rules; notes the Agency's reply that the financial offer was intended merely as a non-binding scenario for the purpose of tender evaluation and the actual monthly payments are based on actual rendering of services according to the initially offered unit prices; calls on the Agency not to award contracts for prices which exceed tenderers' offers;

20. Notes that, according to the Court's report, the Agency extended the duration of a direct contract for the provision of security and reception services from four to six years, increasing the contract value by 73 % (which is not in compliance with the Financial Regulation), thereby making payments executed after the initial period irregular; notes the Agency's reply that the situation occurred under exceptional circumstances which were reported in a timely manner and analysed in the register of exceptions; acknowledges that decisions were made in order to ensure the continuous provision of security services; calls on the Agency to ensure compliance with public procurement rules;

21. Welcomes the fact that, in light of comments and observations from the discharge authority related to the extensive use of external contractors for the development and maintenance of IT projects, the Agency is working on a sourcing strategy to ensure the best use of its own resources; highlights the fact that the Court has identified a horizontal trend across agencies in the use of external staff hired as IT consultants; stresses that the Agency's dependence on external recruitment in this area needs to be urgently addressed; acknowledges that the decision to allocate sufficient staff resources lies with Parliament and Council as budgetary authorities;

22. Urges the Agency to explore possibilities for sharing resources on overlapping tasks with other agencies with similar activities; encourages the Agency to start looking for ways of sharing non-expert staff in areas such as ITC and accounting, in particular with the Body of European Regulators for Electronic Communications based in Riga and the European Chemicals Agency based in Helsinki;

Prevention and management of conflicts of interests and transparency

23. Notes with satisfaction that in November 2018 the Agency finalised the implementation of the new rules on the prevention and management of conflicts of interest for members of the management board and of the advisory groups, which encompass annual submission of their declarations of interest and assessment of the declarations made by the chairpersons of the management board and the respective advisory groups (as applicable) with the support of the Agency; welcomes the adoption of a new model of declarations of interest, followed by their publication on the Agency's website; notes that the Agency has in place rules on the prevention and management of conflicts of interest for members of staff; notes that in 2018, all members of staff submitted declarations of interest, of which 31 declared an interest (corresponding to 20 % of the staff) which were assessed by the line managers, and that for three members of staff (corresponding to 2 % of the staff) actions were taken to mitigate the risk of potential conflict of interest; regrets, however, that the new model of declaration of interest has not been applied also to the executive leadership; notes with regret that only a declaration of absence of conflict of interest is available for the executive director; notes that in June 2018, the management board adopted the Agency's decision on guidelines on whistleblowing; notes that according to the Agency's reply there is no legal obligation to publish the CVs of the members of its management board; highlights in that respect that the Union agencies should set a model in terms of transparency and calls on the members of the management board to publish their CVs on the Agency's website;

Internal controls

24. Notes, in the light of comments and observations from the discharge authority related to open audit recommendations, that the implementation rate of action plans put in place following various audit recommendations had a descending trend in 2018, and that the Agency adopted and deployed the revised internal control framework early in 2019; notes that the internal audit service has established a strategic audit plan for the period 2019-2021, based on the results of a risk assessment exercise carried out in February 2018 at both the headquarters in Tallinn and the technical site in Strasbourg, covering the Agency's major administrative and operational processes; calls on the Agency to report to the discharge authority on the implementation of the audit recommendations;

Other comments

25. Notes, in light of comments and observations from the discharge authority related to delays in the reconstruction of the Agency's operational site in Strasburg and the construction of the new headquarters building in Tallinn, that the headquarters reconstruction project was finalised by the Estonian government in accordance with the original plan, and that the Agency was moved to its permanent location in July 2018; notes that reconstruction works at the operational site in Strasbourg were contractually finalised in June 2018, that the delay was attributed to the changes in design agreed with the contractor, and that the Agency is working closely with the contractor to remedy technical inefficiencies spotted and to progress with the acceptance of works;

26. Calls on the Agency to focus on disseminating the results of its research to the public, and to reach out to the public via social media and other media outlets;

27. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 ([4]) on the performance, financial management and control of the agencies.

([4]) Texts adopted, P9_TA(2020)0121.

DECISION (EU) 2020/1928 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the European Institute of Innovation and Technology (EIT) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Institute of Innovation and Technology for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Institute in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0062/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), 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 ([6]), and in particular Article 108 thereof,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 34.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 97, 9.4.2008, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council [7], and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0054/2020),

1. Grants the Director of the European Institute of Innovation and Technology discharge in respect of the implementation of the Institute's budget for the financial year 2018;

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 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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

[7] OJ L 122, 10.5.2019, p. 1.

DECISION (EU) 2020/1929 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the European Institute of Innovation and Technology (EIT) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Institute of Innovation and Technology for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Institute in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0062/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), 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 ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 34.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 97, 9.4.2008, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0054/2020),

1. Approves the closure of the accounts of the European Institute of Innovation and Technology for the financial year 2018;

2. Instructs its President to forward this decision to the Director of the European Institute of Innovation and Technology, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1930 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 (EIT) for the financial year 2018

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 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0054/2020),

A. 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 2018 was EUR 458 057 031,54, representing an increase of 35,33 % compared to 2017, mainly due to the increasing importance of Knowledge and Innovation Communities (KICs), in particular those on EIT Health, EIT Raw Materials and EIT Food, in their education, innovation and business creation activities; whereas the overall contribution of the Union to the Institute's budget for 2018 amounted to EUR 312 886 716 [2];

B. whereas the Court of Auditors (the 'Court'), in its report on the Institute's annual accounts for the financial year 2018 (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;

Budget and financial management

1. Notes that the budget monitoring efforts during the financial year 2018 resulted in a budget implementation rate of 92,05 %, representing an increase of 0,82 % compared to 2017; notes that the payment appropriations execution rate was 97,80 %, representing a decrease of 1,72 % compared to 2017; observes that this slight increase in the commitment implementation rate is mainly owing to an increase in commitment execution in operational expenditure and, in particular, grants to the Institute's KICs;

2. Notes the Institute's reply to the 2017 discharge that the move to multi-annual grant agreement with the Institute's KICs in the post-2020 period is dependent on the budgetary allocations for 2021 to 2027 and that the Institute's future legal basis is still under negotiation;

3. Notes with concern from the Court's report that the Institute was late in paying the agreed pre-financing to two KICs; calls on the Institute to manage, with the Commission, cash needs in a timely manner and to avoid any risk of late payment interest and of reputational damage; notes from the Institute's reply that the late payment of the pre-financing to KICs was caused by the non-availability of cash on the Institute's bank account and that it planned and initiated the request of the Commission subsidy in line with the relevant procedures but this resulted in a payment delay, which was beyond the Institute's control;

Performance

4. Acknowledges that the Institute uses key performance indicators (KPIs) at the Institute-level and KIC-level, as well as management-oriented Horizon 2020 KPIs and that it also uses specific indicators set out in the single programming document; notes, furthermore, that it uses additional KPIs to enhance its budget management; notes that, following the mid-term evaluation by the Commission and the Institute Impact Study of 2017, the Institute is working on establishing an Impact Framework to measure the socioeconomic impact of its KIC activities;

[1] OJ C 120, 29.3.2019, p. 213.
[2] OJ C 120, 29.3.2019, p. 214.

5. Notes the fact that the Institute has outsourced accounting services to the Commission in October 2019; strongly encourages the Institute to actively seek further and broader cooperation with all of the Union agencies; urges the Institute to explore possibilities of resources sharing on overlapping tasks among other agencies with similar activities;

6. Notes the results from the Commission's mid-term report published in October 2017 that the Institute is the only Union body that fully integrates business, research and education, that the Institute's community delivers ground-breaking results, and that its existing KICs bring innovative solutions;

7. Notes with concern from the Court's report that actual progress towards sustainability remains limited for KICs, that the three first-wave KICs are a cause for concern due to their low financial sustainability indicators, displaying only modest growth, with a higher concern with regard to the Climate-KIC, which has the lowest score; notes the Institute's reply that the revenues generated by KICs have increased from EUR 23,7 million in 2017 to EUR 38,4 million in 2018, that assets are being built by the KICs ensuring future revenues, and that substantial co-financing for the cost of KICs activities is borne by KICs and KIC partners, that ceilings for the Institute's management cost of KICs are in place at both KIC and individual staff members level; calls on the Institute to concentrate on lean management structures, review the portfolio of activities pursued and promote alternative revenue sources;

8. Notes that the EIT Community also reached another major milestone in 2018, growing to eight KICs, as provided for in the EIT Strategic Innovation Agenda for 2014 to 2020, including the designation of EIT Manufacturing and EIT Urban Mobility in December 2018;

9. Encourages the Institute to pursue the digitalisation of its services;

Staff policy

10. Notes that, on 31 December 2018, the establishment plan was 97,73 % executed, with 43 temporary agents appointed out of 44 temporary agents authorised under the Union budget (compared to 41 authorised posts in 2017); notes that, in addition, 20 contract agents and one seconded national expert have been working for the Institute in 2018;

11. Notes with regard to gender balance on the management board for 2018 that there are 4 men and 8 women;

12. Reiterates its concern based on the Court's report that the limited staff resources do not correspond to the increase in the budget of the Institute and in the number of KICs which create a risk for the Institute to deal with the expanded workload and to achieve its strategic objectives;

13. Notes that the Institute decided to adopt a manual for informal procedures for cases of harassment and that the decision of the director of the Institute on the appointment of confidential counsellors will be adopted by end of 2019; welcomes the fact that the Institute provides members of staff with annual training sessions on ethics and integrity, with a part of that training devoted to harassment;

14. Notes that the Institute requested the Commission to grant it seven additional posts from 2020 onwards to address the structural understaffing of the Institute, and to be able to fully implement the Institute's work programme planned for 2020; notes with concern that the Commission did not grant the requested additional posts;

15. Notes from the Court's report that, according to the Institute's statutes, it can only offer TAs contracts for a maximum of five years, extendable for a further five years, and given that there are key staff members that will reach the maximum 10 years in 2020; expresses concerns that the continuity of the operations could be potentially hampered; notes that the Institute's requests to solve these contract issues under the current statute were not met by the Commission, and that, as a result, the Institute could not offer contract extensions to 10 members of staff, and that it has taken the necessary steps to launch calls for expressions of interest for those key positions to ensure the continuity of operations;

16. Welcomes the fact that, according to the Institute's reply, the new director was appointed by the Institute's governing board decision of 19 August 2019;

17. Notes with concern that the Institute paid nearly EUR 3 000 as allowances to five staff members for whom the Institute was already paying tuition fees to the school directly, which resulted in an irregular double financing of education costs; welcomes the fact that the Institute has regularised the situation by means of a thorough review of pre-school allowance payments, has established the amounts to be recovered from each staff member and has put in place additional control measures for staff entitlements, notes that the amounts unduly paid are planned to be recovered in the course of 2019; calls on the Institute to report to the Court and the discharge authority on the amount recovered;

Procurement

18. Notes from the Court's report that in 2014 the Commission signed, on behalf of the Institute and other Union institutions and bodies, a framework contract for the acquisition of software, licences and the provision of related IT maintenance and consultancy, and that the Institute in the *ex ante* control did not systematically check the framework contractor's prices and uplifts charged with the suppliers' quotes; stresses that total payments to the framework contractor amounted to EUR 64 000;. notes the Institute's reply that it followed the mechanism prescribed in the framework contract and that the framework contract in question has expired and has been replaced by a new one requiring that each quotation shall provide a split between the original pricing and the uplift; highlights the fact that the framework contract itself may restrict competition, as there is no evidence that the framework contractor chooses suppliers on a competitive basis; calls on the Commission to report on the competitiveness of the framework contracts; calls on the Institute to adapt *ex ante* controls on payments under such contracts and to ensure there is a competitive procedure for all procurements;

19. Welcomes the fact that the Institute has introduced e-tendering and e-submission in 2018 and has processed several calls for tender via e-procurement tools in 2019;

20. Notes the Institute's reply to the findings of the Court in 2016 relating to procurement procedures of the KIC legal entities (LEs), and observes that the Institute contracted external experts to review the procurement policies and procedures in 2016 to 2017; notes that the Institute introduced new provisions in the KICs' specific grant agreements for 2018 to ensure the alignment of the KIC LEs procurement policies with the main requirements of the Union public procurement law; notes that in 2019 the Institute launched a new monitoring activity on the procurement policies and procedures of the KIC LEs and their co-location centres;

Prevention and management of conflicts of interests and transparency

21. Acknowledges the Institute's existing measures and ongoing efforts to secure transparency, to prevent and manage conflicts of interests, and to protect whistleblowers; takes note of the fact that in 2018 several potential conflicts of interests cases were identified and assessed and adequate measures were taken, including exclusion from relevant activities where a conflict of interests was identified;

22. Welcomes the fact that the EIT publishes a list of external experts together with the remuneration paid on an annual basis; calls on the Institute to put in place a requirement that external experts declare conflicts of interests;

Internal controls

23. Notes that in 2018, the Commission's internal audit service (IAS) carried out an audit on *ex ante* verification of payments to the KICs, concluding that very significant weaknesses exist in the area of prevention and detection of fraud, although procedures for the *ex ante* verification of payments to the KICs are overall generally effective and in line with Horizon 2020 legal requirements; notes that the IAS has issued three findings out of which the Institute has accepted only one but that the Institute has drawn up an adequate action plan for the implementation of all recommendations, including the two rejected findings;

24. Notes that the 2018 assessment on the KICs' implementation of good governance principles, addressing the recommendations of the IAS, was finalised in September 2018; notes that the 2019 assessment, as a part of the 2018 performance assessment of the KICs, was finalised in July 2019; notes that five out of six KICs generally address the good governance principles well;

25. Regrets the number of outstanding issues and ongoing corrective measures in response to the Court's comments in 2014, 2015, 2016 and 2017 related in particular to funding condition, funding from public, grants and private sources; notes that the Institute's reply states that it has continued to take corrective measures and completed most of the open actions addressing the Court's comments, and acknowledges that a number of the remaining open actions are beyond the Institute's control and that some comments remaining open require a long-term perspective to become fully addressed;

26. Notes with grave concern from the Court's report that the Institute paid the remuneration of a member of the governing board to the wrong person over a period of one and a half year, and that it became aware of this error only after the person contacted the Institute; notes the Institute's reply that this error was due to a one-off misunderstanding and that appropriate controls are in place to prevent similar situations from arising; strongly urges the Institute to put in place measures that will prevent such significant errors in the future;

Other comments

27. Notes that throughout 2018, the Institute actively engaged with key stakeholders, including in the context of the Union's next Multiannual Financial Framework and its Framework Programme for Research and Innovation; notes that the Commission proposed a budget of EUR 100 billion for Horizon Europe, including a EUR 3 billion budget for the Institute;

28. Calls on the Institute to focus on disseminating the results of its research to the public, and to reach out to the public via social media and other media outlets;

29. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 on the performance, financial management and control of the agencies ([3]).

([3]) Texts adopted, P9_TA(2020)0121.

DECISION (EU, Euratom) 2020/1931 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the Euratom Supply Agency (ESA) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Euratom Supply Agency for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0054/2020),

— 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 68 thereof,

— having regard to Council Decision 2008/114/EC, Euratom of 12 February 2008 establishing Statutes for the Euratom Supply Agency ([5]), and in particular Article 8 of the Annex thereto,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0056/2020),

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 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 34.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 41, 15.2.2008, p. 15.

DECISION (EU, Euratom) 2020/1932 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the Euratom Supply Agency (ESA) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Euratom Supply Agency for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0054/2020),

— 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 68 thereof,

— having regard to Council Decision 2008/114/EC, Euratom of 12 February 2008 establishing Statutes for the Euratom Supply Agency ([5]), and in particular Article 8 of the Annex thereto,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0056/2020),

1. Approves the closure of the accounts of the Euratom Supply Agency for the financial year 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 34.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 41, 15.2.2008, p. 15.

RESOLUTION (EU) 2020/1933 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Euratom Supply Agency (ESA) for the financial year 2018

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 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0056/2020),

A. whereas, according to its financial statements of revenue and expenditure, the final budget of the Euratom Supply Agency (the 'Agency') for the financial year 2018 was EUR 123 000, representing the same amount as in 2017; whereas the entire budget of the Agency derives from the Union budget;

B. whereas the Court of Auditors (the 'Court'), in its report on the Agency's annual accounts for the financial year 2018 (the 'Court's report'), stated that it had 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 2018 resulted in a commitment appropriations implementation rate of 97,84 % representing a decrease of 1,04 % compared to 2017; notes with concern, however, that the payment appropriation execution rate was 72,90 % representing a decrease of 1,73 % compared to 2017;

Cancellation of carryovers

2. Raises concerns that the cancellation rate of budget appropriations carried over from 2017 to 2018 is high, at 21 %, demonstrating unjustified commitments in the previous year; calls on the Agency to carry over budget appropriations only when justified;

Performance

3. Notes that in 2018 the Agency processed 331 transactions, including contracts, amendments and notifications, and continued to take responsibility for the Union common nuclear supply policy in line with its statutory mandate, in order to ensure the security of the supply of nuclear materials; acknowledges the Agency's continuing efforts on the diversification of sources of supply;

4. Encourages the Agency to pursue the digitalisation of its services;

Staff policy

5. Notes that the Agency had 16 members of staff at the end of 2018, all being Commission officials, out of 25 authorised by the establishment plan, the same number as were authorised in 2017;

Other comments

6. Notes that the United Kingdom has withdrawn from the Union, including Euratom; calls on the Agency to ensure that it remain aware of the effects of the United Kingdom's withdrawal and that it report to the discharge authority of any developments in that regard;

7. Calls on the Agency to focus on disseminating the results of its research to the public, and to reach out to public via the social media and other media outlets;

8. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P9_TA(2020)0121.

DECISION (EU) 2020/1934 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2018

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 2018 (COM(2019) 317 — C9-0060/2019),

— having regard to the financial information on the European Development Funds (COM(2019) 258),

— 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 2018, 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendations of 18 February 2020 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 2018 (05324/2020 — C9-0029/2020, 05325/2020 — C9-0030/2020, 05327/2020 — C9-0031/2020, 05328/2020 — C9-0032/2020),

— having regard to the Commission's reports on the follow-up to the discharge for the 2017 financial year (COM(2019) 334),

— 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]),

([1]) OJ C 340, 8.10.2019, p. 269.
([2]) OJ C 340, 8.10.2019, p. 278.
([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.

— 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]),

— 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 ([10]),

— having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the 9th European Development Fund ([11]),

— having regard to Article 50 of Council Regulation (EC) No 215/2008 of 18 February 2008 on the Financial Regulation applicable to the 10th European Development Fund ([12]),

— having regard to Article 48 of Council Regulation (EU) 2015/323 of 2 March 2015 on the financial regulation applicable to the 11th European Development Fund ([13]),

— having regard to Rule 99 and the third indent of Rule 100 of, and Annex V to, its Rules of Procedure,

— having regard to the opinion of the Committee on Development,

— having regard to the report of the Committee on Budgetary Control (A9-0057/2020),

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 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([9]) OJ L 210, 6.8.2013, p. 1.
([10]) OJ L 191, 7.7.1998, p. 53.
([11]) OJ L 83, 1.4.2003, p. 1.
([12]) OJ L 78, 19.3.2008, p. 1.
([13]) OJ L 58, 3.3.2015, p. 17.

DECISION (EU) 2020/1935 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2018

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 2018 (COM(2019) 317 — C9-0060/2019),

— having regard to the financial information on the European Development Funds (COM(2019) 258),

— 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 2018, 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendations of 18 February 2020 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 2018 (05324/2020 — C9-0029/2020, 05325/2020 — C9-0030/2020, 05327/2020 — C9-0031/2020, 05328/2020 — C9-0032/2020),

— having regard to the Commission's reports on the follow-up to the discharge for the 2017 financial year (COM(2019) 334),

— 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]),

([1]) OJ C 340, 8.10.2019, p. 269.
([2]) OJ C 340, 8.10.2019, p. 278.
([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.

— 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]),

— 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 ([10]),

— having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the 9th European Development Fund ([11]),

— having regard to Article 50 of Council Regulation (EC) No 215/2008 of 18 February 2008 on the Financial Regulation applicable to the 10th European Development Fund ([12]),

— having regard to Article 48 of Council Regulation (EU) 2015/323 of 2 March 2015 on the financial regulation applicable to the 11th European Development Fund ([13]),

— having regard to Rule 99 and the third indent of Rule 100 of, and Annex V to, its Rules of Procedure,

— having regard to the opinion of the Committee on Development,

— having regard to the report of the Committee on Budgetary Control (A9-0057/2020),

1. Approves the closure of the accounts of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([8]) OJ L 247, 9.9.2006, p. 32.
([9]) OJ L 210, 6.8.2013, p. 1.
([10]) OJ L 191, 7.7.1998, p. 53.
([11]) OJ L 83, 1.4.2003, p. 1.
([12]) OJ L 78, 19.3.2008, p. 1.
([13]) OJ L 58, 3.3.2015, p. 17.

RESOLUTION (EU) 2020/1936 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 2018

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 2018,

— having regard to the answers provided by the Commission to the written questions to then Commissioner for International Cooperation and Development, Neven Mimica, for the hearing before the Committee on Budgetary Control on 28 November 2019;

— having regard to Rule 99 and the third indent of Rule 100 of, and Annex V to, its Rules of Procedure,

— having regard to the opinion of the Committee on Development,

— having regard to the report of the Committee on Budgetary Control (A9-0057/2020),

A. whereas the primary objective of development cooperation is to reduce poverty and, in the long term, eradicate it as set out in Articles 208 to 210 of the Treaty on the Functioning of the European Union (TFEU);

B. whereas the Union must put maximum efforts in assuring that, especially in cases when investing in countries governed by non-democratic regimes, its funds and actions always benefit the people in need and not the governing structures;

C. whereas the overall objective remains to reach 0,7 % of gross national income to official development assistance (ODA) and to leverage private funding;

D. whereas integrating the Sustainable Development Goals and implementing the Paris Agreement on Climate are core objectives to be pursued in cooperation instruments;

E. whereas sustainability is crucial for achieving the set goals and results and especially the long-term impacts of development aid;

F. whereas the principle of 'leaving no one behind' is key in the 2030 Agenda for Sustainable Development;

G. whereas the European Consensus on Development adopted in 2017 provides a common development policy framework for Union institutions and Member States;

H. whereas the alignment of Union development cooperation with the partner countries' own development priorities is the key element of the 2030 Agenda for Sustainable Development;

I. whereas policy coherence and complementarity of various external policies should be steadily looked at, especially when several policies are being implemented in a single partner country, with the view to promoting synergies, reducing trade-offs between those existing policies and avoiding as much as possible unnecessary administrative burdens;

J. whereas good cooperation and coordination with other donors and international financial institutions is of paramount importance for avoiding duplication, ensuring efficient controls, risk sharing, results ownership that reflects true input and aid effectiveness and fostering the capacity to build development aid in beneficiary countries;

K. whereas the Commission is ultimately responsible for the legality and regularity of the transactions underlying the accounts of the European Development Funds (EDFs) and for overseeing the EDFs' financial monitoring and reporting process;

L. whereas transparency, accountability and human rights due diligence are prerequisites for democratic scrutiny and effective development aid;

M. whereas the Union's external interventions are channelled through international organisations which either implement Union funds or co-finance projects together with the Union, which involves challenges in terms of oversight and governance;

N. whereas a wide range of implementation methods, reflecting the intergovernmental nature of the EDFs, are used in 79 countries with complex rules and procedures with regard to tendering and awarding contracts;

O. whereas budget support, while playing a key role in driving change and addressing the main development challenges, carries a considerable fiduciary risk and should be granted only if the beneficiary state is able to demonstrate a sufficient level of transparency, traceability, accountability, respect for the rule of law and human rights and effectiveness prior to receiving budget support assistance;

P. whereas fostering transparency and fighting corruption and fraud are key for the success of the Union's budget support operations;

Q. whereas EDFs activities are implemented in challenging contexts by facing recurrent high-risk exposure of either a geo-political or institutional nature;

R. whereas external factors to the proper implementation of the EDFs may mitigate or annihilate the efforts made in terms of development;

S. whereas Union governance support is a key component of development aid to generate effective governance reforms;

T. whereas the current migratory crises must not overshadow migration waves that are linked to demographic upheavals and call for different responses in the long term;

U. whereas the simplification of implementation processes is a driver for enhancing the effectiveness of the delivery of aid;

V. whereas it is of fundamental importance to promote Union visibility, to ensure a strategic use of Union external financial aid instrument, to communicate on Union funding and to project Union values in all forms of development aid.

Statement of assurance

Financial and project implementation of the EDFs (Eight to eleventh EDF) in 2018

1. Observes that the eleventh EDF represents 65 % of portfolio of the Commission's Directorate-General for International Cooperation and Development (DG DEVCO); notes that EDF commitments reached EUR 4 959 million in 2018, exceeding the annual target of EUR 4 537 million (or 109,3 % of the initial target compared to 95 % in 2017) while EDF payments amounted to EUR 4 124 million (i.e. an execution rate of 98,2 % of the annual target of EUR 4 200 million compared to 98,89 % in 2017); notes in addition that European Investment Bank (EIB) commitments were EUR 880 million (EUR 800 million of which concerned the Investment Facility) while EIB payments amounted to EUR 555 million in 2018 (out of which EUR 525 million was made via the Investment Facility);

2. Welcomes the regular efforts of DG DEVCO to reduce old pre-financing and old unspent commitments with a target of 25 %; notes that DG DEVCO exceeded its 25 % target by reducing old EDF pre-financing by 40,33 % (43,79 % for other domains of aid) and old EDF unspent commitments by 37,10 % (39,71 % for other aid areas);

3. Encourages DG DEVCO to pursue its efforts with regard to EDF old expired contracts as the target value below 15 % was not achieved like in 2017 regardless of the new procedure set up by DG DEVCO (with 17,27 %, a slight but unsatisfactory improvement compared to 18,75 % in 2017); notes that this key performance indicator (KPI) target value below 15 % was achieved for the rest of DG DEVCO's operation with 13,88 %;

4. Regrets in general that the reduction exercise is less performing, with reduction levels that are lower for old EDF pre-financing and unspent commitments or were not achieved for old EDF expired contracts compared to other areas of intervention and responsibility of DG DEVCO; acknowledges, however, that the operational complexity of the EDFs can hamper the achievement of KPI target values, in particular for closing procedures, thereby making it more difficult to issue recovery orders;

5. Calls on DG DEVCO as a matter of priority to close in the short term the remaining operations from the eighth and ninth EDF;

Reliability of the accounts

6. Welcomes the fact that the Court of Auditors (the 'Court'), in its annual report on the activities funded by the eighth, ninth, tenth and eleventh EDFs for the financial year 2018, found that the final annual accounts present fairly, in all material respects, the EDFs' financial position at 31 December 2018 and that the results of their operations, their cash flows and the changes in their 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;

Legality and regularity of the transactions underlying the accounts

7. Welcomes the Court's opinion according to which the revenue underlying the accounts for the year 2018 is legal and regular in all material aspects;

8. Expresses its growing concern over the adverse opinion of the Court as to the legality and regularity of expenditure insofar as the expenditure underlying the accounts is materially affected by an increasing level of error;

9. Is deeply concerned that the estimated level of error increased again for a second year in a raw to 5,2 % for expenditure accepted in the accounts for the eighth, ninth, tenth and eleventh EDF (compared to 4,5 % in 2017, 3,3 % in 2016, 3,8 % in 2014 and 2015, 3,4 % in 2013 and 3 % in 2012); expects the Commission to reflect on the reasons and to take the necessary steps to reverse the trend of growing error rate;

10. Notes, that part of the error rates estimated by the Court could be the consequence of very high workload for insufficient staff numbers, in particular in hardship Delegations;

11. Believes it is crucial, when reaching such level of estimated errors, to further invest in the staff awareness and training; calls upon the Commission to find the ways to solve the problem of understaffing, in particular in hardship Delegations;

12. Observes that the United Kingdom's withdrawal from the Union has had no impact on the 2018 EDF financial management and that the 2018 EDF accounts correctly reflect the state of the withdrawal process;

13. Notes with grave concern the fact that out of 125 payment transactions reviewed by the Court, 51 (or 41 %) were affected by errors and, in particular, of the 39 payments with quantifiable errors, nine (23 %) were final transactions authorised after all *ex ante* checks had been performed; calls on the Commission to substantially improve the legality and regularity of the transactions and make sure that the *ex ante* checks are properly followed up;

14. Observes that the de-committed funds from projects under the tenth EDF that are transferred to the performance reserve of the eleventh EDF will not create any treasury issues in view of the United Kingdom's withdrawal from the Union, and that the impact on the contribution of each Member State will be calculated in proportion to their initial contribution to the EDF;

15. Is deeply concerned that, despite the successive corrective action plans implemented by DG DEVCO, the typology of errors identified is, to a large extent, similar to previous years, namely a lack of essential supporting documents (36,6 %), serious failure to comply with public procurement rules (27,1 %), expenditure not incurred (22,7 %), residual error rate (RER) adapted from DG DEVCO's RER study (5,4 %), ineligible expenditure (4,3 %) and other types of error (3,9 %), non-compliance by beneficiaries with procurement provisions and ineligible expenditure;

16. Observes that errors mainly related to transactions linked to programme estimates, grants and contribution agreements with international organisations and delegation agreements with Union national cooperation agencies rather than to other aid instruments;

17. Is deeply concerned about this recurrent situation, despite the successive corrective action plans set up by DG DEVCO, especially when quantifiable errors point to shortcomings in the checks by international organisations; urges the Commission not to under-estimate the seriousness of such errors which could indicate irregularities such as fraud and to address the aforementioned recurrent shortcomings as a matter of urgency, to report clearly on the specific difficulties encountered in the implementation of the action plan and to duly cooperate with both the Court and the European Anti-Fraud Office (OLAF) when necessary;

Effectiveness of the monitoring and assurance systems

18. Is deeply concerned that the Commission had sufficient information to prevent, detect and correct the quantifiable errors before validating and accepting the expenditure, and that using the information available would have reduced the estimated level of error rate by 1,3 percentage points lower; stresses also that certain transactions with errors were not detected by external auditors, representing 1,1 percentage points;

19. Expects DG DEVCO to be more rigorous in its use of the management information available and in the consistent running of its overall control system (*exante* checks and external audit or expenditure verification); stresses the importance of and calls on DG DEVCO's continuous efforts to improve the implementation of its preventive controls, 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;

20. Notes the DG DEVCO's seventh RER study resulting in an RER of 0,85 % below the 2 % materiality threshold fixed by the Commission; notes, however, that the methodology used has been based for several years on very few on-the-spot checks on transactions and incomplete checks on public procurement procedures and calls on DG DEVCO to work closely with the Court to improve on the reliability of assessing the error rates;

21. Observes, however, that the results of external audits for operations implemented in the 'grants in direct management' and 'indirect management with beneficiaries countries' domains show that 4,64 % and 3,77 %, respectively, of the total amount audited was identified as non-eligible and that this situation has not led to the issuance of differentiated reservations; asks DG DEVCO to provide a further detailed explanation of the underlying rationale used in those two cases;

22. Recalls that reservation is a keystone in the accountability construction and therefore constitutes a preventive and transparency instrument within the building of the DG DEVCO assurance chain reflecting ongoing challenges or remaining and occurred weaknesses faced at Headquarters or within Union delegations;

23. Calls on DG DEVCO to progressively reinforce its assurance chain in line with the new set of internal control standards putting a greater emphasis both on individual competences and accountability for their roles in materialising controls and on the risk of fraud;

24. Notes that the RER study has become a building block of the DG DEVCO risk assessment, control and auditing strategy, and assurance chain, but invites DG DEVCO to ensure better consistency in the methodological standards used in its RER assessment and, when needed, consult the Court on such issues;

25. Notes the different approaches used by the Court and DG DEVCO, with the Court focusing on ongoing operations or provisional error rates at payment level and DG DEVCO dealing with closed operations; considers and underlines the fact that this duality of estimation methodology should not lead to an equivocal vision of the regularity and legality of operations, which would also prevent the comparability of results over several years;

26. Expects all stakeholders to avoid competing justifications on methodologies of assessing estimated error levels in order to present a reliable and more realistic picture of the situation and to increase confidence and fairness both in the control work performed and in the general control systems; underlines also the fact that the concept of estimated amounts at risk at closure used in various forms of reporting such as DG DEVCO's annual activity report or the Commission's annual management performance report should be duly reconsidered;

27. Calls on DG DEVCO to continue its efforts to improve the efficient implementation of its control framework and KPIs, in particular KPI 21 on undue payments prevented by *ex ante* controls and KPI 25 on ineligible amounts identified by external audits; notes that recovery orders were issued for an amount of EUR 18,22 million for the reimbursement of undue payments;

28. Believes that the targeting of high-risk areas related to funds under indirect management through international organisations and national development agencies and grants under direct management is key and that the level of risks associated to these two domains of operation should be upgraded;

29. Notes that two reservations were issued in 2018, in particular the reconduction of the reservation on the African Peace Facility (APF) initially issued in 2015 and reflecting the ongoing institutional and management weaknesses, the APF not being sufficiently effective for protecting the legality and regularity of EDF expenditure;

30. Notes that 19 fraud investigations were ongoing in 2018;

Cooperation with international organisations, Union development agencies and non-governmental organisations

31. Notes that the payments in 2018 from EDFs for projects implemented via indirect management with international organisations and development agencies amounted respectively to EUR 1,074 million and EUR 201 million (out of which EUR 347 million was through the United Nations); notes that EUR 2,6 billion came from the general budget;

32. Notes with concern that for the operations with international organisations 33 out of 61 transactions audited (or 54 %) have quantifiable errors, representing 62,5 % of the 2018 estimated level of errors;

33. Expresses its deep concern over the fact that international organisations once again did not provide supporting documentation on time, which prevented the Commission and the Court from carrying out rigorous audits; calls on the Commission in that regard to strengthen its efforts in ensuring that information is received in a timely manner from the international organisations concerned in order for the Court to be able to present full and accurate data;

34. Notes with concern that the large number of EDF contracts are awarded to a very limited number of national development agencies, with the attendant risk of renationalisation of Union policy contrary to the interests of greater integration of Union external policy;

35. Calls on the Commission to strengthen and consolidate the monitoring of the tendering and contracting procedures to avoid any risk that very few number of public or semi-private Agencies monopolising substantial shares of the EDF projects implemented in developing countries and gain a growing influence on Union development, cooperation and neighbourhood policies, which might endanger the independence of Union policy; calls on the Commission to strengthen and broaden its cooperation also with other public and private entities, such as several NGOs working in the field of development;

36. Recommends that the Commission place a greater emphasis on the promotion of the EDFs' cooperative work with international organisations, Union development agencies and NGOs; expresses concern about the inadequate and insufficient visibility of the EDFs' work to the public;

37. Recalls the fact that entities entrusted with the implementation of Union funds must as a general principle respect the principles of sound financial management and transparency; stresses that any entity must fully cooperate in the protection of the financial interests of the Union and must, as a condition for receiving funds, grant the authorising officer responsible, the Court and OLAF with the necessary rights and access required;

38. Calls on the Commission to:

(i) strictly respect and make applicable in contributions and framework agreements the aforementioned responsibilities of entities implementing Union funds and the obligation to provide the Court and OLAF with any requested document needed for audit completion;

(ii) pay regular attention to the pillar assessment requirements and reports of the international organisations and NGOs concerned by this lack of cooperation to review the appropriateness of their accountability tools; to reconsider related provisions or terms of reference when pillar assessment methodology is to be reviewed to comply with the EDF Financial Regulation; calls for an adaptation, where necessary, of the existing delegation agreements in force with those international entities;

(iii) notes that there is still a need for a more systematic approach to the communication of the Union's grant-funded activities to enhance the Union's visibility, and to strengthen transparency, accountability and human rights due-diligence along the chain of funding; calls on the Commission to introduce in the framework agreements the obligation for the leading agency to ensure the visibility of the Union in multi-donor projects; calls on the Commission to carry out sample-based on-the-spot controls some years after the completion of the co-financed projects to check the continued impact of EDF interventions and to take the necessary steps to ensure the long-term impact of their operations;

Union budget support

39. Notes that the EDF contribution to budget support activities reached EUR 881,9 million in 2018 out of which EUR 858,6 million amounted to new commitments (with a geographical coverage of 56 partner countries representing 96 budget support contracts); observes that for overseas countries and territories (OCTs) EUR 92,9 million was disbursed through the EDFs for 14 countries, representing 18 budget support contracts;

40. Notes with appreciation that sub-Saharan Africa is the largest recipient of budget support with a share of 41 % and that related contracts concerned state resilience and building contracts; observes also that the share of low income countries increased to 38 % compared to 31 % in 2015 and that lower middle income countries, with 47 % of the total ongoing commitments, are the largest beneficiaries of budget support;

41. Recalls that budget support is an investment in the Union partner countries' public policies and systems and that its core principles are to implement reforms and contribute to the achievement of the Sustainable Development Goals; notes that Union budget support is to be guided by the internationally agreed Busan effectiveness principles such as ownership by partner countries, results focus, inclusiveness and accountability;

42. Notes that in the African, Caribbean and Pacific (ACP) countries and OCTs disbursements are mainly made by fixed tranches; considers, however, that variable tranches might provide a better leverage for deepening the policy and political dialogue with partner countries on the main reforms to be carried out; believes that the disbursement modalities via fixed and variables tranches should be results based and rely on sufficient qualitative data to evaluate the progress achieved; considers the disbursement performance criteria to be a core factor in the management of budget support activities;

43. Calls for a close monitoring and thorough policy dialogue with partner countries regarding objectives, progress towards agreed results and performance indicators; calls once again on the Commission to better define and measure the expected development impact and, in particular, to improve the control mechanism with regard to the conduct of the beneficiary state in the areas of corruption, respect of human rights, rule of law and democracy; remains deeply concerned about the use that can be made of Union budget support in recipient countries where there is limited or no democratic control;

44. Observes a slight overall decrease in risk perception related to budget support in 2018; stresses, however, that corruption, public finance and developmental risks remain the most significant risks while there has been an increasing trend in the macroeconomic risk;

45. Supports the focus on progress achieved in public finance management, budgetary transparency and democratic control and oversight bodies and macro conditionality in partner countries in order to optimise capacity development; calls on the Commission to systematically monitor the reforms undertaken and results achieved, demonstrating that Union budget support has effectively contributed to the recipient countries' own development agenda and strengthened its democratic ownership;

46. Points out that appropriate monitoring tools have to be reinforced to assess the way in which budget support has contributed to improving domestic revenue mobilisation and related reforms; notes with appreciation that domestic revenue mobilisation accounted in 2018 for 19 % of the value of variable tranches (compared to 3 % in 2014); encourages DG DEVCO to continue providing regular information in its budget support reports concerning the use of budget support contracts for domestic revenue mobilisation;

47. Calls on DG DEVCO, however, to strictly assess in its policy dialogue the risks related to corporate tax avoidance, tax evasion and illicit financial flows affecting, in particular, developing countries; encourages DG DEVCO to assess the fiscal impact and to help with the definition of oriented investment objectives;

Risks and challenges related to EDF aid implementation

48. Expresses great concern about the risk that EDF will be pushed into responding to agendas that distance them from their primary objective of poverty alleviation, that are irreconcilable with the EDF's core values and carry a risk of compromising what was previously done well; notes with concern the risk of diversion and invites the Commission to take this into account in the generation of projects and programmes in line with policy coherence for development; calls on the Commission to select future aid programmes in accordance with the EDF's core values and consider withdrawing subsidy to programmes diverting from those values;

49. Underlines the fact that the EDFs should not go beyond their scope and that the new nexus to face new challenges should not undermine the achievement of other development goals;

50. Appeals to the Commission to put greater emphasis and focus on improving and maintaining well-functioning aid programmes; calls on the Commission to secure greater media coverage and visibility of best practice and success stories;

51. Stresses the significance of the risks to sustainability, transparency and good coordination that the Union aims to address with its development aid funding in the face of a significant increase of emerging donors and new actors such as Russia and China in Africa; calls on the Commission to work towards a better alignment of international cooperation with partner countries' own development priorities;

52. Considers that the relation between the issue of migration and development aid is one of the most important nexuses to manage alongside the security-development and humanitarian-development nexuses; acknowledges, however, that peace building and addressing the root causes of migration are fundamental aspects of sustainable development;

53. Recalls that the effectiveness of aid, the partner country's ownership of development results and the reliance on partner countries' governance frameworks are guiding principles to be regularly refined; highlights further that good governance, the rule of law and the respect for human rights are unavoidable preconditions concurring to the effectiveness of aid; calls upon the Commission to set the rule of law and the respect for human rights as the ultimate precondition for approving financial aid;

54. Stresses that sustainability is crucial for increasing the overall effectiveness of development aid by steadily tracking impacts through all aid delivery modes; recalls the fact that the 2030 Agenda and Sustainable Development Goals place much emphasis on data and indicators, considering that robust monitoring is key for an effective and operational strategy;

55. Reiterates its call on the Commission to include in the next annual activity report a structured assessment of the impact of the activities of the EDFs, with a particular focus on human rights;

56. Asks the Commission to carry out an evaluation on a country-by-country basis of the long-term on-going EDF financed projects in order to demonstrate the true impact of decades-long Union investment on the ground and how it has effectively helped beneficiary countries' economic, social and sustainable development; consequently appeals to the Commission to reflect on the result of the evaluation and limit and/or terminate further funding of ineffective projects;

57. Believes that a better focus on local SMEs, private sector and civil society organisations should be a core axis of cooperation in the management of the Union delegations' pipelines of projects; stresses that, given the funding gap required to reach the ambitious Sustainable Development Goals, strategic dialogue with the private sector and civil society organisations must play a crucial role for the development of local economies;

58. Believes that financial inclusion and microfinance are key factors of economic and social progress, having a proven impact on local economic activity and job creation; notes with satisfaction that the EDFs support financial inclusion in Africa through a number of instruments (the European Fund for Sustainable Development (EFSD) Guarantee Fund, the Nasira Risk-Sharing Facility, the Huruma Fund, Boost Africa and the African Guarantee Fund), aiming, inter alia, to provide microloans to underserved farmers in Africa; discourages the Commission and other Union institutions from setting up new financial aid instruments and, instead, encourages them to ensure greater visibility of the financial aid instruments in their respective areas of operation and in the Union;

59. Notes the Internal Audit Service's audit on 'EC-EEAS coordination' and notes with appreciation the audit conclusion that the coordination activities between the Commission services (DG DEVCO, the Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR) and the Service for Foreign Policy Instruments) and the European External Action Service (EEAS) are effective and efficient overall; strongly emphasises, however, the need for establishing a non-fragmented view of the overall Union external assistance to a given country and the need to reinforce, in coordination with DG DEVCO and DG NEAR, risk assessment and management in order to develop a common view on uncertainty and mitigating strategies;

Effectiveness of the European Union Trust Fund for Africa

60. Notes that the resources allocated to the European Union Trust Fund (EUTF) by the end of 2018 reached EUR 4,2 billion, of which EUR 3,7 billion came from EDFs and EUR 489,5 million from Member States and other donors (Switzerland and Norway); notes that 187 projects were implemented in 2018; notes the enlargement of the EU-IOM Joint Initiative for Migration Protection and Reintegration Development from 14 to 26 African countries by the end of 2018;

61. Recalls Parliament's regular stance that the Commission should ensure that any trust fund established as a new development tool must always be in line with the Union's overall strategy and development policy objectives, i.e. the reduction and eradication of poverty, and must, in particular, ensure that the security interests of European countries do not override the needs of the recipient populations; encourages the Commission to consider limiting financial aid to EUTF projects that deflect from this centreline;

62. Stresses that the EUTF must address the root causes of destabilisation, forced displacement and irregular migration by promoting resilience, economic opportunities, equal opportunities, security of populations, and human and social development; notes that the concept and characteristics of the root causes of irregular migration are protean and should be thoroughly adapted and analysed to better design the rationale and added value of project interventions and to better present the results achieved;

63. Notes that the Court concluded that the EUTF for Africa is a flexible tool for providing assistance in areas such as food, education, health, security and sustainable development, but considering the unprecedented challenges that it faces, its design should have been more focused in terms of objectives considered as too broad to efficiently steer action across the African regions and for measuring impact;

64. Notes with concern that the numerous concerns of the Court ([1]) and the authors of the eleventh EDF mid-term evaluation on the implementation of the EUTF are largely unaddressed; reiterates its concerns regarding:

— the absence of a documented criteria for selecting project proposals for the Northern Africa and Horn of Africa windows,

— the absence of a specific risk assessment framework,

— serious flaws in the measurement of the performance of EUTF projects,

— the effectiveness and sustainability of EUTF projects and the ability of the Union to closely monitor their implementation;

— the absence of a constructive strategy regarding dissemination and media coverage of best practice and successful aid programmes;

considers that given such findings, the added value of the EUTF is highly questionable;

65. Recalls the fact that a majority of EUTF funding comes from the EDFs which inevitably implies that development aid is put at the service not of the Union partner countries' development plans but of the short-term objectives of the Union's migration policy, which is contrary to the Lisbon Treaty and the Paris Declaration on Aid Effectiveness; points out that the EUTF was more an instrument focusing on quick-fix projects aiming at stemming migratory mix-flows instead of tackling long-term drivers of migration in line with the principles of development aid;

([1]) Special report 32/2018, *'European Union Emergency Trust Fund: Flexible but lacking focus'*.

66. Points out that pooling resources from the EDFs, the Union budget and other donors in trust funds should not have as a consequence that money flagged for development and cooperation policy does not reach the normal beneficiaries or pursues their original objectives; deplores in that regard the fact that while the Union contribution to the EUTF will be made mostly using ODA resources, the EUTF is not focused exclusively on development-oriented objectives; points out that the migration management thematic window received the biggest share of funds in 2018, rising from 17,3 % in 2016 to 30,8 % of EUTF funds in 2018;

67. Notes that not only did migration management increase as a share in all EUTF-approved projects but funds have also increasingly prioritised North African countries, from 23 % of total migration management funds in 2016 to 52 % in 2018; deplores the fact that while the Union aims to support 'vulnerable and marginalised populations' at the forefront of the EUTF, 55 % of the funding from the migration management window went to projects that aimed to 'restrict and discourage irregular migration through migration containment and control' in 2017; warns that using development aid as a means of addressing migration and security not only undermines Union development priorities but can create more poverty and instability that forces people to leave their communities; encourages the Commission in that regard to consider limiting and/or cancelling financial aid provisions to EUTF projects that disrespect the long-term Union development policies;

68. Recalls the fact that regional and local authorities, civil society organisations and NGOs and the private sector are partners for an effective development policy, and that a constant dialogue with national authorities and local communities is essential in order to establish common strategies and priorities; calls on the Commission to ensure that the EDFs and the Union budget do not finance projects through the EUTF implemented by governmental and local forces (militias) that are involved in serious human rights violations, especially in countries such as Libya and Sudan;

69. Recalls that EUTF funding coming from development budget lines must not be used for security measures jeopardising migrants' rights; calls on the Commission to put in place tangible guarantees that migration-related EUTF projects are not used by the implementing authorities to violate migrants' basic human rights, and that in the long term the EUTF migration-related projects do not contribute to the destabilisation of countries and sub-regions, as has been pointed out more and more by the NGOs and local people in northern Niger; stresses that EUTF projects must integrate human rights at the core of programming and contribute to the realisation of human rights in the countries concerned;

70. Calls on the Commission to include clear and transparent human rights clauses in the contribution agreements it concludes with implementing partners (UN agencies, Member State development agencies) in order to avoid situations whereby the Union could indirectly finance projects that violate human rights; points in that regard to the 'Reconnecting Eritrea and Ethiopia through rehabilitation of the main arterial roads in Eritrea' project, funded by the EUTF and managed by the United Nations Office for Project Services, which finances Eritrean national construction companies using forced labour via national service;

71. Calls on the Commission to ensure that no forced labour and conditions of slavery are used at the working sites of Union co-funded projects, in accordance with international and Union legal frameworks; recommends that the Commission implement a transparent and rigid monitoring system for Union co-funded projects, which should include an anonymous complaints procedure and follow-up;

72. Is concerned by the fact that the Court found examples of projects addressing similar needs to those of other Union instruments with the risk of duplicating other forms of Union support; calls on the Commission to take particular care to ensure that its actions are consistent and coordinated with Regional Development Programmes and to maximise the impact and effectiveness of global aid in order ensure that the main focus is on development and not on border control and security to the detriment of migrants;

73. Notes that the Commission recognises the need to further enhance the common monitoring system; welcomes the adoption of a set of 41 common output indicators during the second quarter of 2018 and that technical assistance has been put in place; notes that the three operational windows of the EUTF for Africa are working to better identify specific objectives and baselines at project level;

74. Considers that due care is needed to ensure better communication among the Commission, Parliament and Member States concerning the implementation of the EUTF and sufficient public reporting, oversight and audit of their operations and performance; invites the Court to consider an audit of the impact of the implementation of the EUTF for Africa on Union development policy both from a budgetary and results point of view; calls therefore on the Commission to draw conclusions from the audit and ensure that EUTF projects that have been inefficiently implemented are terminated or greatly limited in funding;

The African Peace and Security Architecture

75. Notes with concern that the African Peace and Security Architecture (APSA) suffers from a strong dependency on external financial sources due to the low contribution of Member States to the Peace Fund and limited additional funding that the APSA attracts from alternative sources of finance;

76. Acknowledges that the EEAS and the Commission are facing highly complex situations in Africa with numerous political and operational challenges and constraints in many domains, in particular the cooperation of main stakeholders, the funding and shortcomings of the institutions and the political willingness to intervene, prevent and manage conflicts;

77. Regrets the fact that the shortage of African ownership and financial sustainability with a high dependency on donors and international partners leads to operational shortcomings; invites the Commission to foster African Union ownership of the APSA in order to achieve greater financial independence and refocus Union support away from supporting operational costs towards supporting capacity-building measures.

78. Regrets both the fact that Union support for the APSA has had a poor effect and has required refocusing and that Union support had mainly been focusing on contributing to the APSA's basic operational costs and that the APSA has been heavily dependent on donor support for many years;

79. Is seriously concerned by the insufficiencies in the monitoring system with regard to its capability to provide adequate data on the results of activities; asks the Commission to increase the evaluation system's capability of activities and performance to clearly show that Union contributions can be mostly linked to tangible and positive effects on peace and security on the ground; asks the Commission's services to launch a 'Results-Oriented Monitoring' mission and to report to Parliament as soon as possible;

80. Based on the abovementioned concerns, recommends that the Commission consider cancelling all the financial funding to the APSA;

External Investment Plan and the EFSD

81. Recalls the target financial objective to leverage EUR 44 billion in investments; notes that the Union allocated EUR 2,2 billion for 94 blending projects under the EFSD (Pillar 1 of the External Investment Plan) and EUR 1,54 billion for EFSD guarantees to 28 investment programmes;

82. Encourages DG DEVCO to further increase the awareness of the leverage possibilities offered by the External Investment Plan by attracting private sector investment in development partnerships; recalls, however, that specific attention should be given not only to the additionality of the External Investment Plan but also to the criteria applied in its management in order to avoid any diversion of development funding to private investors or to interest or profit outcomes;

83. Observes that through 21 blending projects, the Union also allocated EUR 547 million in sub-Saharan Africa expected to unlock EUR 4 billion for transport, energy, private sector and agriculture; expresses its support for fostering the local dimension of blended finance;

84. Points out that Union regional cooperation was the main financial contributor to biodiversity and forest resource management projects and played a key role in preserving the 16 protected areas in the Central and West Africa Region;

85. Calls on the Commission to place greater focus on the dissemination of successfully implemented projects and to raise public awareness about the Union's investments in global sustainable development;

EIB-ACP investment facility

86. Encourages the EIB to further support local private sector development as a key driver of sustainability and resilience, to support basic social and economic infrastructure of immediate interest for the beneficiaries as well as the search for new local and regional partners in the specific domain of microfinance; invites the EIB to increase additionality through better justification of the use of the funds;

87. Encourages the EIB to increase efforts and take the appropriate measures in order to advertise better EIB instruments in countries where the impact of EIB investments will be higher;

88. Welcomes the Union contribution through the ACP Investment Facility towards microfinance credit lines of EUR 139 million that should result in around 26 300 loans to microenterprises and individuals;

89. Believes that it is crucial for the EIB to continuously invest time in due diligence policy combined with results assessment tools in order to obtain better knowledge of the profile of financial intermediaries and beneficiaries and to also better evaluate the impact of projects on final beneficiaries;

Future of Union-Africa relations

90. Notes the ongoing reflection on the upcoming long-term Union-Africa strategy and partnership while considering this opportunity to bring forward more efficiency in aid delivery modes; considers there is a need to move beyond a traditional aid-centred relationship towards one that is more strategic and integrated;

91. Calls on the Commission to develop a 'more is more approach' with our partners allowing for the possibility to adjust our aid to the respect by third countries of democratic rights, rule of law, respect of the international conventions etc.;

92. Stresses that the EDFs should be incorporated into the Union budget, as previously stated in Parliament's resolutions and in the new 2021-2027 multiannual financial framework proposal, in order to avoid budget fragmentation; points out that including the EDFs will enhance the discharge authority's ability to scrutinise how the Union budget is spent outside the Union.

DECISION (EU) 2020/1937 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the European Institute for Gender Equality (EIGE) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Institute for Gender Equality for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Institute in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0056/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), 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 ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Women's Rights and Gender Equality,

— having regard to the report of the Committee on Budgetary Control (A9-0058/2020),

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 128.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 403, 30.12.2006, p. 9.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

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 2018/;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1938 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the European Institute for Gender Equality (EIGE) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Institute for Gender Equality for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Institute in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0056/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), 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 ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Women's Rights and Gender Equality,

— having regard to the report of the Committee on Budgetary Control (A9-0058/2020),

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 128.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 403, 30.12.2006, p. 9.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

1. Approves the closure of the accounts of the European Institute for Gender Equality for the financial year 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1939 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 (EIGE) for the financial year 2018

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 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Women's Rights and Gender Equality,

— having regard to the report of the Committee on Budgetary Control (A9-0058/2020),

A. 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 2018 was EUR 7 981 001,45, representing an increase of 3,34 % compared to 2017; whereas the entire budget of the Institute derives from the Union budget [2];

B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Institute for the financial year 2018 (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;

Budget and financial management

1. Notes with appreciation that the budget monitoring efforts during the financial year 2018 resulted in a budget implementation rate of 99,38 %, representing an increase of 0,46 % compared to 2017; notes that the payment appropriations execution rate was 81,15 %, representing an increase of 0,20 % compared to the previous year;

Performance

2. Notes the fact that the Institute uses certain key performance indicators in relation to operational objectives and management of financial and human resources to assess the added value provided by its activities and to improve its budget management; further notes that the Institute completed 98,80 % of the single programming document activities in 2018;

3. Notes that the Institute chaired the Justice and Home Affairs agencies' network and coordinated regular updates and information sharing among agencies; notes that at the end of 2018 the Institute, with other agencies, agreed to explore possibilities for enhanced interagency cooperation in implementing joint capacity-building projects with third countries; commends this cooperation as an example for other agencies worth following; encourages the Institute to seek further and broader cooperation with Union agencies; encourages the Institute to initiate discussions on the topic of resource sharing on overlapping tasks among other agencies with similar activities;

4. Calls on the Commission to conduct a feasibility study in order to assess the possibility of, at the very, least setting up shared synergies with the European Union Agency for Fundamental Rights (FRA), if not fully merging them; calls on the Commission to evaluate two scenarios: the transfer of the Institute to FRA' headquarters in Vienna and the transfer of FRA's headquarters to the Institute's headquarters in Vilnius; notes that such an act would mean sharing corporate and support services and the management of the common premises, as well as shared ICT, telecommunications and internet-based infrastructures, saving huge amounts of money which would be used to fund the Institution and FRA further;

5. Encourages the Institute to implement the Court's recommendations;

6. Encourages the Institute to pursue the digitalisation of its services;

[1] OJ C 128, 5.4.2019, p. 16.
[2] OJ C 128, 5.4.2019, p. 18.

7. Recalls that the Institute was established in order to contribute and to strengthen the promotion of gender equality in the Union, including gender mainstreaming in all Union policies and the resulting national policies, the fight against discrimination based on gender, and raising Union citizens' awareness of gender equality;

8. Welcomes the ongoing cooperation between the Institute and Parliament's Committee on Women's Rights and Gender Equality (the 'FEMM Committee') and welcomes the Institute's contribution to the ongoing efforts of the FEMM Committee, including on the issues of the gender digital gap, work-life balance, the gender pay and pension gap, gender budgeting, combating violence against women, women's health, including sexual and reproductive health and rights, women's rights and the development of a gender-sensitive parliament tool; notes the valuable contribution the Institute can make to all of Parliament's committees in order to better integrate the gender perspective horizontally and better realise gender mainstreaming in policies and actions in Union policy making by, for example, providing other committees with training and data;

9. Notes the new Knowledge Management and Communication Strategy 2019-2021, which is aimed at engaging gender equality stakeholders and monitoring the Institute's communication channels;

10. Strongly supports the work of the Institute, which, by means of studies and research, enables the FEMM Committee to obtain data that is indispensable in order for it to do its work properly by providing official, high-quality and objective data;

11. Welcomes the Institute's achievements in 2018 and asks it to update the Gender Equality Index 2017 on an annual basis from 2020 onwards; calls for more methodological tools to be developed to better ensure gender mainstreaming in all policies and actions;

12. Insists on the role of the Institute, as the Union centre of expertise on gender equality, to monitor the implementation of the Istanbul Convention;

13. Raises concerns over claims made by former temporary agency workers and over the rulings of the Vilnius City District Court and Vilnius Regional Court; calls for a clear process of recruitment and asks the Institute to adopt measures to solve the situation.

Staff policy

14. Notes that, on 31 December 2018, the establishment plan was 100 % executed, with 27 temporary agents appointed out of 27 temporary agents authorised under the Union budget (compared with 27 authorised posts in 2017); notes that, in addition, 14 contract agents and four seconded national experts worked for the Institute in 2018;

15. Notes the ruling of the Vilnius City District Court in February 2019 in favour of five former employees of the Institute who had accused the Institute of exploiting the 'temporary employee' status for a period of five years in order to pay them less than staff with long-term employment statuses; calls on the Commission to carry out an overview analysis of the ways in which agencies employ their staff and of the Institute itself and to inform the discharge authority of the final outcome of the analysis;

16. Notes that, according to the Court's report, as one of the main obligation under Directive 2008/104/EC of the European Parliament and of the Council [3] and Lithuanian labour law, interim workers should work under the same working conditions as workers employed directly by the user undertaking; notes, however, that the contracts did not require the temporary work agencies explicitly to respect those conditions and that there is no evidence that the Institute itself carried out any comparison between the working conditions for its own and interim staff, which causes litigation and reputational risks; calls on the Institute to analyse the working conditions of its interim workers and ensure they are in line with Union and national labour law;

17. Notes with concern the unbalanced representation of men (seven members) and women (23 members) on the management board;

18. Notes that the Institute publishes vacancy notices on its own website and social media in order to increase publicity, but not on the website of the European Personnel Selection Office;

[3] Directive 2008/104/EC of the European Parliament and of the Council of 19 November 2008 on temporary agency work (OJ L 327, 5.12.2008, p. 9).

Procurement

19. Notes with concern that, at the end of 2017, the Institute was a defendant in four cases related to three procurement procedures which were brought before the Court of Justice of the European Union (the 'Court of Justice') by unsuccessful tenderers; notes that in 2018 the Court of Justice ruled on two of the four cases and dismissed the actions of the claimants, finding that the Institute was not liable, and that in 2019 the Court of Justice ruled on the two remaining cases linked to the same award decision and contract; notes that, according to the Institute's reply, it further improved procurement procedures in order to minimise the risk of potential dissatisfaction among unsuccessful tenderers and of future legal cases;

Prevention and management of conflicts of interests and transparency

20. Notes the Institute's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interests, and whistleblower protection; welcomes the publication of the CVs of the Institute's senior management on its website;

Internal audit

21. Notes that the final audit report, issued on 17 October 2017, of the Internal Audit Service audit on stakeholder management and external communication did not identify any critical or very important issues; notes, however, that the audit report recommended further improvements in a number of areas including knowledge management and communication strategy, key performance indicators, monitoring and reporting, management of main stakeholder projects and external communication; notes that the Institute developed an action plan on all recommendations and sub-recommendations to be implemented during 2017-2018 and that several sub-recommendations were implemented in 2017 and the rest during 2018;

22. Notes the Institute's efforts to ensure a cost-effective and environmentally friendly working place; observes that while the Institute does not have any specific measures in place to reduce or offset CO_2 emissions, it participates in meetings, consultations and presentations to that end and that it also has parking spaces for bicycles;

23. Calls on the Institute to focus on disseminating the results of its research to the public and to reach out to the public via social media and other media outlets;

24. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 ([4]) on the performance, financial management and control of the agencies.

([4]) Texts Adopted, P9_TA(2020)0121.

DECISION (EU) 2020/1940 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the European Securities and Markets Authority (ESMA) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Securities and Markets Authority for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0059/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), 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 ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 34.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 331, 15.12.2010, p. 84.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Economic and Monetary Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0059/2020),

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 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1941 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the European Securities and Markets Authority (ESMA) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Securities and Markets Authority for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0059/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), 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 ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 34.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 331, 15.12.2010, p. 84.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Economic and Monetary Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0059/2020),

1. Approves the closure of the accounts of the European Securities and Markets Authority for the financial year 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1942 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 (ESMA) for the financial year 2018

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 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard the opinion of the Committee on Economic and Monetary Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0059/2020),

A. 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 2018 was EUR 44 191 067, representing an increase of 5,02 % compared to 2017; whereas the Authority is financed by a contribution from the Union (26,59 %), contributions from national supervisory authorities of the Member States (46,44 %) and fees received from supervised entities (25,78 %) [2];

B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Authority for the financial year 2018 (the 'Court's report'), states 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 2018 resulted in a budget implementation rate of 99,99 %, representing a slight decrease of 0,01 % compared to 2017; notes that the payment appropriations execution rate was 88,87 %, representing a decrease of 0,89 % compared to the previous year;

2. Notes that, according to the Court's report, the Authority, in accordance with the related fees regulation, charges fees to credit rating agencies and that such fees should only cover the Authority's expenditure related to the registration, certification and supervision of credit rating agencies; notes that, in 2017, the fees that the Authority charged credit rating agencies exceeded that expenditure by EUR 853 950 and the Authority spent that surplus on other activities, while in 2018, that expenditure exceeded the fees charged to credit rating agencies by EUR 224 664; notes that the cumulated deviation for the period from 2015 to 2018 amounts to EUR 540 412; observes, furthermore, that the Authority charges fees to trade repositories in accordance with the related fees regulation, and that such fees should only cover expenditure related to the registration and supervision of trade repositories; notes that, in 2017, the Authority's expenditure related to the registration and supervision of trade repositories exceeded the related fees charged by EUR 452 466, and that, in 2018, the Authority's expenditure in that same field exceeded the related fees charged by EUR 30 882; notes that the cumulated deviation for the period from 2015 to 2018 amounts to EUR 545 735 (or 6 %); observes that, although the Authority followed the guidance provided by the Commission, surpluses and deficits can lead to an annual cross-financing of activities; notes the Authority's reply that in 2017, it had to reallocate resources to work on a particular risk related to trade repositories, resulting in a gap between the collected fees and the actual expenditure, while always using the Commission's guidance on the budgeting model for its fees, and that any short-term imbalance has to be offset in the long term; calls on the Authority to continue limiting such cross-financing as long as significant deviations are not recurrent in the Authority's budget;

3. Observes that the cumulated surpluses over the period 2015 to 2018 resulting from fees paid by credit rating agencies in relation to registration, certification and supervision of these entities amounts to EUR 0,5 million; is of the opinion that those surpluses should be temporary and should not be used to permanently cross-finance other activities;

[1] OJ C 19, 15.1.2019, p. 1.
[2] OJ C 19, 15.1.2019, p. 3.

Performance

4. Notes that the Authority completed 90 % of the activities included in its annual work programme;

5. Notes that the implementation of MiFID II was the biggest project the Authority delivered in 2018; notes furthermore that one of the Authority's main challenges and objectives was the preparation for an orderly process to deal with the withdrawal of the United Kingdom from the Union without a deal, where higher efforts were needed in the context of uncertainty;

6. Notes that the Authority's workload is constantly evolving and includes both regulatory tasks and the enforcement and application of Union law;

7. Notes that the Authority, together with the European Banking Authority (EBA) and the European Insurance and Occupational Pensions Authority (EIOPA), forms part of a joint committee which aims to ensure cross-sector consistency and joint positions in the area of supervision of financial conglomerates and on other cross-sector issues, and that it shares an accounting officer with the European Union Agency for Railways and has taken part in many joint procurements with other agencies, always seeking efficiencies through cooperation; strongly encourages the Authority to actively seek further and broader cooperation with all Union agencies;

8. Notes, in light of the comments made by the discharge authority related to the external evaluation of the three European Supervisory Authorities (ESAs) carried out in 2017, the successful conclusion of the legislative process on the ESAs review in the spring of 2019, and notes that the changes to both Regulation (EU) No 1095/2010 of the European Parliament and of the Council [3] and the relevant sectoral legislation of the Union are now being implemented accordingly;

9. Welcomes the Authority's inquiry into dividend arbitrage trading schemes such as cum-ex and cum-cum; encourages the Authority to draw concrete conclusions from that inquiry in order to stop ongoing and prevent future practices threatening the integrity of Union financial markets;

10. Welcomes the Authority's Report of July 2019 on Preliminary findings on multiple withholding tax reclaim schemes to respond to the European Parliament resolution of 29 November 2018 on the cum-ex scandal: financial crime and loopholes in the current legal framework (2018/2900(RSP)), whereby Parliament requested the Authority to conduct an inquiry into schemes such as cum-ex and cum-cum; welcomes further that the Authority's board of supervisors has approved the launch of a formal inquiry under Article 22(4) of Regulation (EU) No 1095/2010; encourages the Authority to draw concrete conclusions from that inquiry in order to stop ongoing and prevent future practices threatening the integrity of Union financial markets;

11. Emphasises that the Authority's role in promoting a common supervisory and regulatory regime across the European financial system is essential in order to ensure financial stability, a better integrated, more efficient and safer financial market, as well as a high degree of consumer protection in the Union by promoting fairness and transparency on the product and financial services market;

12. Underlines that the Authority, when carrying out its activities, needs to pay particular attention to ensuring compatibility with Union law, to respecting the principle of proportionality and to complying with the fundamental principles of the internal market;

13. Is concerned that the implementation of supervisory provisions of Regulation (EC) No 1060/2009 of the European Parliament and of the Council [4] in the form of guidelines and questions and answers might overburden smaller actors and thereby reduce competition in the market [5];

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[3] 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 (OJ L 331, 15.12.2010, p. 84).

[4] Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (OJ L 302, 17.11.2009, p. 1).

[5] Based on feedback received by Creditreform Rating AG.

14. Stresses that, while making sure that all assignments are carried out in full and within deadline, the Authority should adhere to and make full use of the tasks and the mandate assigned to it by Parliament and the Council and that the Authority must never attempt to go beyond its mandate; points out that focussing on the mandate assigned by Parliament and the Council will lead to a more effective and efficient use of resources;

Staff policy

15. Notes that, on 31 December 2018, the establishment plan was 95,51 % executed, with 149 temporary agents appointed out of 156 temporary agents authorised under the Union budget (compared with 150 authorised posts in 2017); notes that, in addition, 68 contract agents and 14 seconded national experts worked for the Authority in 2018;

16. Questions whether the resources allocated to the Authority are sufficient to enable it to fulfil its increasing tasks, for example in the fields of securitisation, Prospectus 3 and money market funds where the workload has increased but no new staff have been allocated;

17. Notes with satisfaction the even gender balance reported by the Authority with regard to senior management (one man and one woman) and the management board (three men and three women);

18. Notes that the staff turnover rate of the Authority was 6,9 %, meeting the Authority's target of less than 10 %;

19. Notes that the Authority adopted a policy on protecting the dignity of the person and preventing harassment and has updated its previous rules by means of a decision adopted by the management board in December 2018, in line with the Commission model; notes that the Authority appoints confidential counsellors and organises regular awareness sessions;

20. Questions whether the use of temporary workers and external consultancies rather than increasing the number of its own staff is the best use of resources in the long-term;

21. Notes that the Court has identified a horizontal trend across agencies in the use of external staff hired in IT consultancy roles; calls for the dependency on external recruitment in that important and sensitive area to be reduced as much as possible to limit any potential risks;

Procurement

22. Notes that, according to the Court's report, the Authority uses contracts with IT companies that are formulated in a way that could imply the assignment of interim workers instead of the provision of clearly defined IT services or products, while specific rules should apply in accordance with Directive 2008/104/EC of the European Parliament and of the Council ([6]), and the provision of interim workers can only be done through contracts with authorised temporary work agencies; notes that the use of IT service contracts for the provision of labour would not be compliant with the Union social and employment rules and would expose the Authority to legal and reputational risks; calls on the Authority to ensure that contracts avoid any confusion between the procurement of IT services and the assignment of interim workers;

23. Notes that, according to the Court's report, in 2018, the Authority launched the procurement procedure for the renting of new office space in Paris; notes that initially the Authority had planned a joint procurement procedure with other Union bodies, such as EBA, which was, at the time, preparing for its relocation from London to Paris; notes that the Authority and EBA came to the conclusion that the envisaged advantages of a joint procurement procedure would not materialise and that the Authority and EBA carried out separate procurement procedures for the renting of their office space and other related services, missing the opportunity for economies of scale and efficiency; calls on the Authority to strengthen its cooperation with the other agencies and use joint procurement procedures wherever possible, in order not to miss opportunities for economies of scale and efficiency gains;

24. Notes that while the Authority has made significant efforts as regards the preparation of tender documents for the renting of new office space and as regards its tender evaluation methodology, it still needs to improve the documentation and traceability of tender evaluations; in particular, as evaluation reports serve as the main reference for the different stages of procurement procedures, their content should be exhaustive and provide all the relevant details;

([6]) Directive 2008/104/EC of the European Parliament and of the Council of 19 November 2008 on temporary agency work (OJ L 327, 5.12.2008, p. 9).

Prevention and management of conflicts of interests and transparency

25. Notes that 28 % of the Authority's budget came from fees charged to the entities it supervises; notes that measures have been implemented in order to mitigate any conflicts of interests and that those measures have been audited; calls on the Authority to continue reporting to the discharge authority on the measures it has taken to ensure that no conflict of interests occurs; furthermore notes that the Authority believes that if the Commission collected the fees, inefficiencies would arise and the risks of inaccuracy and miscalculation, with consequent reputational damage, would increase;

26. Welcomes the publication of records on stakeholder meetings, as requested by the European Ombudsman; calls on the Authority to follow the European Ombudsman's suggestion to include in its information for the public an indication of whether detailed records of a specific meeting with stakeholders exist and could therefore be subject to a request for public access to documents, provided that the contents of those records are not commercially sensitive;

27. Underlines the importance of an open, efficient and independent administration for all Union agencies and the Union as a whole; recalls the problem of conflicts of interest arising from 'revolving door' situations and stresses the need for a unified legal framework to address such issues;

Internal controls

28. Notes, in light of comments and observations from the discharge authority related to the audit of the Commission's Internal Audit Service (IAS) on Peer Reviews of National Competent Authorities, that related actions have all been closed;

29. Notes that, according to the Court's report, in 2018 the IAS issued an audit report on 'Revenues and Activity Based Management in the European Securities and Markets Authority' and that the Authority has prepared an action plan to address the areas for improvement; calls on the Authority to report to the discharge authority on the measures taken in that regard;

Other comments

30. Notes that during 2018, the expected withdrawal of the United Kingdom from the Union had a significant impact on the Authority's planned work and deliverables, and generated a lot of preparatory work, particularly in the areas of supervisory convergence, prevention of fragmentation and regulatory arbitrage and direct supervision and risk assessment; notes that the Authority analysed in detail what operational impact the expected withdrawal of the United Kingdom from the Union would have on its organisation, and that it has allocated dedicated staff to provide advice and regularly report on those issues;

31. Calls on the Authority to focus on disseminating the results of its research to the public, and to reach out to the public via social media and other media outlets;

32. Underlines the responsibility of the financial system in meeting sustainability challenges and ensuring that the Union meets its obligations undertaken in the framework of the Paris Agreement under the United Nations Framework Convention on Climate Change; highlights the crucial role of the Authority in integrating environmental, social and governance related factors into the regulatory and supervisory framework and in mobilising and guiding private capital flows towards sustainable investments; therefore stresses the need for sufficient resources to monitor the implementation of that framework by financial institutions and national competent authorities;

33. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 ([7]) on the performance, financial management and control of the agencies.

([7]) Texts adopted, P9_TA(2020)0121.

DECISION (EU) 2020/1943 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the European Banking Authority (EBA) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Banking Authority for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0057/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), 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 ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Economic and Monetary Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0060/2020),

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 34.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 331, 15.12.2010, p. 12.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

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 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1944 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the European Banking Authority (EBA) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Banking Authority for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0057/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), 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 ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Economic and Monetary Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0060/2020),

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 34.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 331, 15.12.2010, p. 12.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

1. Approves the closure of the accounts of the European Banking Authority for the financial year 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1945 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Banking Authority (EBA) for the financial year 2018

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 2018,

— having regard to its resolution of 16 January 2020 on institutions and bodies of the Economic and Monetary Union: preventing post-public employment conflicts of interest [1],

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Economic and Monetary Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0060/2020),

A. whereas, according to its statement of revenue and expenditure [2], the final budget of the European Banking Authority (the 'Authority') for the financial year 2018 was EUR 42 584 409, representing an increase of 10,84 % compared to 2017; whereas the increase was related to the relocation process of the Authority to Paris; whereas the Authority is financed by a contribution from the Union (EUR 16 142 578, representing 37,91 %), and contributions from national supervisory authorities of the Member States and observers (EUR 26 441 831, representing 62,09 %) [3];

B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the European Banking Authority for the financial year 2018 (the 'Court's report'), states 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 2018 resulted in a budget implementation rate of 99,85 %, representing an increase of 3,94 % compared to 2017; notes that the rate of execution of payment appropriations was 88,23 %, representing a slight increase of 0,96 % compared to the previous year;

Performance

2. Notes that the Authority uses fourteen key performance indicators to assess, to the extent that results are within the control of the Authority, the results of its activities, and to improve its budget management;

3. Notes with satisfaction that the Authority delivered the bulk of its regulatory products in line with its work programme and achieved all the targets stated in the applications of the Authority's service level agreements;

4. Welcomes the fact that the Authority shares practices, initiatives and templates with the European Securities and Markets Authority (ESMA) and the European Insurance and Occupational Pensions Authority, with which the Authority holds regular meetings; strongly encourages the Authority to actively seek further and broader cooperation with all Union agencies;

5. Recalls the Authority's new role, tasks and resources in the fight against money laundering and terrorist financing; believes that the effective performance of that role and those tasks depends on the support of the Board of Supervisors; regrets in that context the rejection of a proposal to investigate the Danske Bank money-laundering case;

[1] Texts adopted, P9_TA(2020)0017.
[2] OJ C 419, 19.11.2018, p. 1.
[3] OJ C 419, 19.11.2018, p. 2.

6. Recalls that the Authority has to date not opened an inquiry into dividend arbitrage trading schemes such as cum-ex or cum-cum as called for by Parliament; encourages the Authority to inquire, together with ESMA, into dividend arbitrage schemes in order to stop ongoing and prevent future practices that threaten the integrity of Union financial markets;

7. Regrets that cooperation between the Authority and ESMA for the preparation of a joint procurement procedure for the renting of office space in Paris was stopped and that the Authority and ESMA carried out separate procurement procedures, not only for office space but also for other related services; calls on the Authority to report to the discharge authority on the reasons behind that missed opportunity for economies of scale and efficiency gains; urges the Authority to consider the idea of joint procurement procedures and the sharing of resources on overlapping tasks among other agencies with similar activities or situated in the proximity of the Authority's headquarters;

8. Calls on the Authority to improve and intensify its communication with Member States; urges the Authority to improve and intensify its cooperation with Member States and Member States' national banks and commercial banking bodies; stresses the importance of such smooth collaboration to the Authority's goal of creating a single banking rulebook;

9. Emphasises that the Authority's role in promoting a common supervisory regime across the European financial system is essential in order to ensure financial stability, a better integrated, more efficient and safer financial market, as well as a high degree of consumer protection in the Union by promoting fairness and transparency on the product and financial services market;

10. Recalls the importance of supervising the financial sector, which is a necessary and truly effective instrument in combating tax fraud and money laundering;

11. Notes that the Authority will see its role, powers and resources in the field of anti-money laundering and combating the financing of terrorism (AML/CFT) reinforced in the context of the new legislative proposals on which political agreement was reached in March 2019 ([4]); stresses that the Authority should take a leading role in the prevention of money laundering, taking advantage of the new competences and the creation of a new internal AML/CFT committee, and should therefore be provided with increased capacity in human and material resources to contribute effectively to the consistent and efficient prevention of the use of the financial system for the purposes of money laundering and the financing of terrorism;

12. Underlines that the Authority, when carrying out its activities, needs to pay particular attention to ensuring compatibility with Union law, to respecting the principle of proportionality and to complying with the fundamental principles of the internal market;

13. Urges the Authority to deliver its proposals for reducing the supervisory reporting burden for small and non-complex institutions within the timeframe set by Parliament and the Council in order to achieve more proportionality ([5]); asks the Authority to ensure the consistent use of definitions in all regulatory and non-regulatory documents ([6]);

14. Notes that the Authority's workload is constantly evolving and includes both regulatory tasks and the enforcement and application of Union law; notes that in order to facilitate that evolution, budgetary and personnel resources have been reallocated internally; stresses that the Authority must never attempt to go beyond its mandate; points out that focussing on the mandate assigned by Parliament and the Council will lead to a more effective and efficient use of resources;

15. Requests that the Authority conduct an inquiry into dividend arbitrage trading schemes such as cum-ex in order to assess potential threats to the integrity of financial markets and to national budgets, to establish the nature and magnitude of actors in such schemes, to assess whether there were breaches of either Union or national law, to assess the actions taken by financial supervisors in Member States, and to make appropriate recommendations for reform and for action to the competent authorities concerned;

([4]) https://ec.europa.eu/commission/presscorner/detail/en/IP_19_1655
([5]) Based on input provided by IHK München and Genossenschaftsverband Bayern.
([6]) Based on input provided by Michael Ikrath, Member of the European Economic and Social Committee.

Staff policy

16. Notes that, on 31 December 2018, the establishment plan was 97,93 % executed, with 145 temporary agents authorised under the Union budget (compared with 134 authorised posts in 2017); notes that, in addition, 42 contract agents and 16 seconded national experts worked for the Authority in 2018;

17. Notes that the Authority publishes vacancy notices on its website and on the website of the European Personnel Selection Office and through other related channels in order to increase publicity;

18. Notes with concern that in 2018, according to the Court's report, the Authority, in addition to its own staff, used 42 interim workers of which 27 were for IT-related functions, with only 13 of the Authority's own staff working in IT, causing a critical dependency on the interim agency in an area that is key for the Authority's operations; urges the Authority to address that considerable risk to business continuity with Parliament and the Council when discussing allocation of staff for the Authority;

19. Notes with concern that an uneven gender balance is reported for 2018 with regard to the senior managers (five men and one woman) and that there is no female member of the management board (five men).

Procurement

20. Notes that the Authority has participated in several inter-institutional procurement procedures with Commission directorates-general and with other agencies;

21. Welcomes the fact that, according to the Court's report, the Authority made significant efforts in the preparation of tender documents and in tender evaluation methodology; notes, however, that there is still scope to apply more meaningful award criteria and that for the procurement procedure for the Authority's future premises, tenderers received extra evaluation points if they declared that they could also offer space sufficient to host ESMA in the same building and that the winning tenderer had received those points, but finally did not take part in the procurement procedure for ESMA's premises;

Prevention and management of conflicts of interests and transparency

22. Acknowledges the measures the Authority already has in place and its ongoing efforts to secure transparency, to prevent and manage conflicts of interests, and to protect whistleblowers; notes that further steps are needed in order to prevent and manage conflicts of interest, and to enhance the transparency of the Authority's activities by reporting on the meetings that the Authority's staff have with external stakeholders and making such reports available on the Authority's website;

23. Recalls that in its resolution of 16 January 2020 on Institutions and bodies of the Economic and Monetary Union: preventing post-public employment conflicts of interest, Parliament noted its concern about the conflict of interest that has arisen as a consequence of the appointment of the Authority's executive director as chief executive of the Association for Financial Markets in Europe (AFME) from 1 February 2020, which was insufficiently addressed by the restrictions imposed by the Board of Supervisors; expresses its concern that the Authority's Board of Supervisors have also nominated a candidate for the position of executive director who was formerly employed as managing director for advocacy at the AFME; underlines that post-public employment and 'revolving door' conflict-of-interest situations are a problem common to many bodies and agencies across the Union which affects their reputations; encourages the Authority to enhance its policy regarding conflict of interest;

24. Notes that following the development of the Authority's anti-fraud strategy for the period 2015–2017, the anti-fraud team has continued to coordinate and implement that strategy;

Internal controls

25. Notes that, according to the Court's report, one of the main obligations resulting from Directive 2008/104/EC of the European Parliament and of the Council ([7]) and UK labour law is that interim workers work under the same working conditions as workers employed directly by the user undertaking; notes, however, that the contracts did not require the temporary work agencies to explicitly respect those conditions and that there is no evidence that the Authority itself carried out any comparison between the working conditions of its own staff and of interim staff, which caused litigation and reputational risks; calls on the Authority to analyse the working conditions of its interim workers and to ensure they are in line with Union and national labour law;

26. Notes that, following the Commission's Internal Audit Service audit report in 2018 on The Single Rulebook – Questions & Answers in the European Banking Authority, the Authority prepared an action plan to address some potential areas for improvement; calls on the Authority to report to the discharge authority on the developments in that regard;

Other Comments

27. Notes that due to the United Kingdom's decision to withdraw from the Union, the seat of the Authority has gradually been moved to Paris, France, as of March 2019; notes that the Authority's accounts include provisions for related costs amounting to EUR 4,7 million and disclose that EUR 10,4 million remains in future contractual payments for the offices in London;

28. Underlines the responsibility of the financial system to meet sustainability challenges and ensure that the Union meets the obligations undertaken in the framework of the Paris Agreement under the United Nations Framework Convention on Climate Change; highlights the crucial role of the Authority in integrating environmental, social and governance related factors into the regulatory and supervisory framework and in mobilising and guiding private capital flows towards sustainable investments; therefore stresses the need for sufficient resources to monitor the implementation of that framework by financial institutions and national competent authorities;

29. Is of the opinion that the Court should carry out an audit on the efficiency and cost-effectiveness of the Authority's relocation once all the costs of the move are clear, in order to identify best practices and address areas for improvement;

30. Calls on the Authority to focus on disseminating the results of its research to the public, and to reach out to the public via social media and other media outlets;

31. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 ([8]) on the performance, financial management and control of the agencies.

([7]) Directive 2008/104/EC of the European Parliament and of the Council of 19 November 2008 on temporary agency work (OJ L 327, 5.12.2008, p. 9).

([8]) Texts adopted, P9_TA(2020)0121.

DECISION (EU) 2020/1946 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the European Union Agency for Law Enforcement Training (CEPOL) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Law Enforcement Training (CEPOL) for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 – C9-0049/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 319, 4.12.2015, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

— having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0062/2020),

1. Grants the Executive Director of the European Union Agency for Law Enforcement Training (CEPOL) discharge in respect of the implementation of the Agency's budget for the financial year 2018;

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 (CEPOL), 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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1947 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the European Union Agency for Law Enforcement Training (CEPOL) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Law Enforcement Training (CEPOL) for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 – C9-0049/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 319, 4.12.2015, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

— having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0062/2020),

1. Approves the closure of the accounts of the European Union Agency for Law Enforcement Training (CEPOL) for the financial year 2018;

2. Instructs its President to forward this decision to the Executive Director of the European Union Agency for Law Enforcement Training (CEPOL), 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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1948 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 (CEPOL) for the financial year 2018

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 (CEPOL) for the financial year 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0062/2020),

A. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Union Agency for Law Enforcement Training (CEPOL or the 'Agency') for the financial year 2018 was EUR 10 416 720 representing a decrease of 1.02 % compared to 2017; whereas the Agency is financed mainly by a contribution from the Union ([2]);

B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Agency for the financial year 2018 (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 with satisfaction that the budget monitoring efforts during the financial year 2018 resulted in a budget implementation rate of 97.97 %, representing an increase of 0.88 % compared to 2017; notes that the payment appropriations execution rate was 76.51 %, representing a decrease of 7.51 % compared to the previous year;

Performance

2. Notes that the Agency uses key performance indicators to measure its training activities and their impact, in particular the satisfaction level of the participants, in order to assess the added value provided by those activities, and uses performance indicators to improve its budget management;

3. Notes with satisfaction that the Agency successfully delivered its mandate throughout 2018, and that in some cases it exceeded objectives set in its working programme for 2018;

4. Observes that the Agency started two new Union-funded projects, the EU/MENA Counter-Terrorism Training Partnership 2 and the Financial Investigation In-Service Training Western Balkan project, both of which demonstrate the Agency's increasing recognition as a key Union actor contributing to European security through external action;

5. Notes that in 2018, the Agency conducted the pilot EU-Strategic Training Needs Assessment (EU-STNA) and that more than 87 % of the Agency's residential and online training events (residential activities, webinars, online courses) addressed gaps in capability in relation to critical security threats stemming from the European Agenda on Security.

6. Welcomes the fact that the Agency continues to cooperate closely with the Justice and Home Affairs agencies' network, and the nine agencies which comprise it (including in particular the European Union Agency for Law Enforcement Cooperation (Europol) and the European Border and Coast Guard Agency); notes that those agencies share training and organise courses; strongly encourages the Agency to actively seek further and broader cooperation with all of the Union agencies; urges the Agency to explore the possibilities of sharing of resources on overlapping tasks (such as IT and other services) with agencies in the Agency's proximity, notably the European Union Agency for Fundamental Rights in Vienna and the European Labour Authority in Bratislava;

([1]) OJ C 7, 9.1.2019, p. 1.
([2]) OJ C 7, 9.1.2019, p. 2.

7. Calls on the Commission to conduct a feasibility study in order to assess the possibility of (if not fully merging) at the very least setting up shared synergies with Europol; calls upon the Commission to evaluate both scenarios, namely the transfer of the Agency to the Europol headquarters in The Hague, and the transfer of the Europol headquarters to the Agency's headquarters in Budapest; notes that such an act would mean sharing corporate and support services and the management of common premises, as well as shared ICT, telecommunications and internet-based infrastructures, thereby saving huge amounts of money which would be used to fund both agencies further;

8. Observes that, following the five year periodical external evaluation which was concluded in January 2016, and for which the Agency had to implement corrective actions by the end of 2018, the evaluation report was adopted by the Agency and incorporated 17 recommendations covering five areas relating to the Agency's structure and working practices; notes that since the adoption of the action plan, 24 activities have been completed, 3 activities relating to further development of E-net are still ongoing, 4 activities are no longer considered relevant and 1 activity has been put on hold;

9. Encourages the Agency to pursue the digitalisation of its services;

10. Welcomes the fact that the Court has declared the transactions underlying the annual accounts of CEPOL for the financial year 2018 to be legal and regular in all material respects and that its financial position on 31 December 2018 is fairly represented; recalls that the budget of the Agency increased from EUR 9 to 10 million (+11 %) while its staff decreased from 53 to 51 (-4 %) compared to 2017; deplores however the fact that CEPOL had to refuse numerous valid and legitimate training requests from Member States in crucial areas of law enforcement because of budgetary restraints; is concerned that CEPOL currently cannot sufficiently cover the demand from Member States regarding education and training for law enforcement communities in the Union and its neighbourhood;

Staff policy

11. Notes that, on 31 December 2018, the establishment plan was 100 % executed, with 32 temporary agents appointed out of 32 temporary agents authorised under the Union budget (compared with 31 authorised posts in 2017); notes that, in addition, 18 contract agents and 4 seconded national experts worked for the Agency in 2018;

12. Observes that, as a consequence of its relocation from the United Kingdom to Hungary and the lower correction coefficient applied to staff salaries as a result, the staff turnover has been high and geographical balance has not always been maintained as applications from Member States other than the host country have decreased; notes that in 2018, the Agency continued to receive a significant number of applications from Hungarian citizens and host Member State nationals continued to be overrepresented in the total number of staff; observes that the legal dispute regarding the relocation was closed by the judgment of the General Court in 2018 ([3]), and the initial judgment was confirmed; highlights that a low correction coefficient applied to staff salaries may create difficult situations which may hamper an agency's ability to effectively perform its daily duties; stresses that agencies located in countries where a low correction coefficient is applied should receive further support from the Commission for implementing complementary measures in order to make them more attractive to current and prospective staff; calls on the Commission to assess the impact and viability of applying salary correction coefficients in the future;

13. Recalls the suggestion of the Court that vacancy notices be published on the website of the European Personnel Selection Office in order to increase publicity; understands the Agency's reply concerning the high translation costs triggered by such publication; furthermore acknowledges that the Agency in 2018 also published all vacancies on the interagency job board developed by the EU Agencies Network; reiterates however, that (to avoid incurring high translation costs) the Agency should take a first step in this direction and make use of the capability to publish titles of such vacancies in all the official languages of the Union with a link to the full text in the English language only;

14. Notes with satisfaction that an even gender balance was achieved in 2018 with respect to senior management positions (3 men and 3 women), but is concerned that at management board level there is an imbalance in the participation of men (17 members) and women (9 members);

([3]) Judgment of the General Court of 25 October 2018, *FN and Others v CEPOL*, T-334/16 P, ECLI:EU:T:2018:723.

Procurement

15. Recalls, from the Court's report, that by the end of 2017 the Agency had not yet introduced all the tools launched by the Commission which aimed to introduce a single solution for the electronic exchange of information with third parties participating in public procurement procedures (e-procurement); notes that, according to the Agency's reply, it has introduced e-invoicing and e-tendering, and it intends to adopt e-submission; calls on the Agency to report to the discharge authority on the progress made in this regard by June 2020;

16. Notes with concern that the Agency awarded a framework contract for travel arrangements for its own staff and for participants in training, without requesting an explanation from the winning tenderer for its potentially abnormally low tender; notes that according to the Agency's reply, the evaluation committee did not proceed in seeking clarifications because, in the course of their daily work, they were already aware of the prices charged by the company holding the previous contract; acknowledges that the Agency accepts the Court's observation that this assessment was not formalised in the evaluation report; calls on the Agency to request and analyse the reasons behind potentially abnormally low tenders, and to ensure that all assessments are adequately formalised in future evaluation reports;

Prevention and management of conflicts of interest and transparency

17. Appreciates the existing measures taken by the Agency, and its ongoing efforts in relation to securing transparency, in relation to prevention and management of conflicts of interests, and in relation to whistleblower protection; expresses satisfaction that the Agency has set up and implemented internal rules on whistleblowing and that it has published CVs and declarations of interest for members of the management board and of the executive director;

Other comments

18. Welcomes the fact that, in February 2017, the Agency successfully concluded ISO 9001:2015 certification of the Agency's management system in order to improve and better demonstrate its commitment to quality; observes that, based on the positive results of surveillance audits implemented in 2018 as well as in the beginning of 2019, the Agency has maintained its certification;

19. Notes with concern that, unlike most of the other agencies, the Agency did not carry out a comprehensive analysis of the likely impact of the United Kingdom's decision to withdraw from the European Union on its organisation, operations and accounts; notes that according to the Agency's reply, the United Kingdom's decision to withdraw from the European Union has been discussed in management meetings, in discussions in the inter-agency network for procurement officers and in the inter-agency legal network, and also that the communications received from the Commission have been followed closely, and that the corresponding risks have been evaluated as limited;

20. Notes the Agency's efforts to ensure a cost-effective and environment-friendly work-place; regrets that the Agency does not have a carbon off-setting scheme in place but acknowledges on the basis of the Agency's reply that the cost of participating in such a scheme cannot be covered from its limited financial resources; and acknowledges that the Agency encourages its staff to make use of public transportation to reduce emissions;

21. Calls upon the Agency to direct its focus at disseminating the results of its research to the general public, and to reach out to public via social media and other media outlets;

22. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 ([4]) on the performance, financial management and control of the agencies.

([4]) Texts adopted, P9_TA(2020)0121.

DECISION (EU) 2020/1949 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the European Agency for Safety and Health at Work (now European Agency for Safety and Health at Work (EU-OSHA)) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0038/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 thereof,

— having regard to Council Regulation (EC) No 2062/94 of 18 July 1994 establishing a European Agency for Safety and Health at Work ([5]), and in particular Article 14 thereof,

— having regard to Regulation (EU) 2019/126 of the European Parliament and of the Council of 16 January 2019 establishing the European Agency for Safety and Health at Work (EU-OSHA), and repealing Council Regulation (EC) No 2062/94 ([6]), 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 ([7]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([8]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 216, 20.8.1994, p. 1.
([6]) OJ L 30, 31.1.2019, p. 58.
([7]) OJ L 328, 7.12.2013, p. 42.
([8]) OJ L 122, 10.5.2019, p. 1.

— having regard to the opinion of the Committee on Employment and Social Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0033/2020),

1. Grants the Executive Director of the European Agency for Safety and Health at Work (EU-OSHA) discharge in respect of the implementation of the Agency's budget for the financial year 2018;

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 Safety and Health at Work (EU-OSHA), 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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1950 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the European Agency for Safety and Health at Work (now European Agency for Safety and Health at Work (EU-OSHA)) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0038/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 thereof,

— having regard to Council Regulation (EC) No 2062/94 of 18 July 1994 establishing a European Agency for Safety and Health at Work ([5]), and in particular Article 14 thereof,

— having regard to Regulation (EU) 2019/126 of the European Parliament and of the Council of 16 January 2019 establishing the European Agency for Safety and Health at Work (EU-OSHA), and repealing Council Regulation (EC) No 2062/94 ([6]), 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 ([7]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([8]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 216, 20.8.1994, p. 1.
([6]) OJ L 30, 31.1.2019, p. 58.
([7]) OJ L 328, 7.12.2013, p. 42.
([8]) OJ L 122, 10.5.2019, p. 1.

— having regard to the opinion of the Committee on Employment and Social Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0033/2020),

1. Approves the closure of the accounts of the European Agency for Safety and Health at Work for the financial year 2018;

2. Instructs its President to forward this decision to the Executive Director of the European Agency for Safety and Health at Work (EU-OSHA), 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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1951 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 (now European Agency for Safety and Health at Work (EU-OSHA)) for the financial year 2018

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 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Employment and Social Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0033/2020),

A. 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 2018 was EUR 15 425 700, representing a decrease of 1,47 % compared to 2017; whereas the budget of the Agency derives mainly from the Union budget [2];

B. whereas the Court of Auditors (the 'Court') in its report on the Agency's annual accounts for the financial year 2018 (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 with satisfaction that the budget monitoring efforts during the financial year 2018 resulted in a budget implementation rate of 99,58 %, representing an increase of 3,55 % compared to 2017; notes with concern that the payment appropriations execution rate was at 67,81 %, representing a decrease of 4,42 % compared to 2017;

Performance

2. Notes that the Agency uses certain key performance indicators (KPIs) to measure its performance and to enhance its budget management; notes, furthermore, that the Agency adopted in 2018 a new framework for its KPIs; notes that during 2019 the Agency has undertaken together with the European Foundation for the Improvement of Living and Working Conditions (Eurofound), the European Centre for the Development of Vocational Training (Cedefop) and the European Training Foundation (ETF) a review of the methodology for administrative indicators with a view to look into possible streamlining; encourages the Agency to further explore the possibilities of interinstitutional collaboration and streamlining of best practices;

3. Notes that the EU-OSHA multi-annual strategic Programme 2014-2020 has been extended to 2023; appreciates the Agency's progress in achieving its strategic objectives and notes that these are aligned to wider Union policy objectives on occupational safety and health (OSH); notes, furthermore, that the Agency has implemented 93 % of its annual work programme;

4. Welcomes the fact that in 2018 the Agency initiated an *ex post* evaluation for its activity 'large-scale foresight'; recognises that the outcome of this evaluation will be particularly useful to feed in the new foresight cycle and the 2022 to 2024/5 Healthy Workplaces Campaign on OSH and Digitalisation; encourages the Agency to continue exploring possible ways of task-sharing among other agencies, with a particular emphasis on sharing of resources on overlapping tasks among other agencies with similar activities;

[1] OJ C 120, 29.3.2019, p. 191.
[2] OJ C 120, 29.3.2019, p. 192.

5. Welcomes the fact that the Agency proactively shares tasks with other agencies in subjects such as security, facilities management or banking services, and that it joined an inter-institutional call for tender for evaluation and stakeholders' feedback services launched by Eurofound;

6. Acknowledges the Agency's contributions to the fight against occupational cancer and in running the world's largest occupational safety and health campaign and welcomes the initial success of the 'Healthy Workplaces Campaign on Dangerous Substances' launched in 2018 and already running in over 30 countries;

7. Welcomes the Agency's work on its 'Rehabilitation and return to work after cancer' project, which was completed in 2018 with the aim of giving recommendations to address the difficulties that cancer survivors face when returning to work after completing cancer treatment and the OSH challenges that their employers can encounter;

8. Appreciates the Agency's contributions in the consultation meetings on the revision of the carcinogens and mutagens directives and for its membership of the advisory group set up by the Commission in view of the establishment of the European Labour Authority;

9. Notes with regret that, according to the Court's report, the carry-overs to 2019 for Title II (administrative expenditure) stood at 35 % (compared to 40 % in 2017), while for Title III (operational expenditure) they were as high as 46 % (compared to 40 % in 2017), which was in contradiction with the budgetary principle of annuality; recalls that such high carry-overs were also reported for the financial years 2016 and 2017 and calls on the Agency to analyse the underlying reasons and to improve the budget planning accordingly; notes the Agency's reply specifying the possibility of adding and justifying a list of potential additional IT purchases regarding carry-overs for Title II and pointing to the planned nature of carry-overs regarding the programming of large-scale research projects, running over two years, for Title III in order to achieve more significant impact for the given resources;

10. Highlights that transparency and citizens' awareness of the existence of the agencies are essential for their democratic accountability; considers that usability and ease of use of agency resources and data are of paramount importance; calls therefore for an assessment of how data and resources are currently presented and made available and of the degree to which Union citizens find them easy to identify, recognise and use; recalls that public awareness in this respect can be raised by Member States through the development of a comprehensive plan to reach out to more Union citizens;

11. Supports the Agency's policies in ensuring cost-effective and environmentally friendly measures to reduce its carbon footprint at the workplace through its public procurement procedures and the implementation of teleworking and the e-culture awareness and development;

Staff policy

12. Notes that, on 31 December 2018, the establishment plan was 100 % executed, with 40 temporary agents (TAs) appointed out of 40 TAs authorised under the Union budget (compared to 40 authorised posts in 2017); notes that, in addition, 25 contract agents worked for the Agency in 2018;

13. Notes that further efforts are needed to achieve a gender balance among senior managers (three men and one woman) and on the management board (42 men and 35 women);

14. Notes that the Agency has a policy on the protection of the dignity of the person and the prevention of harassment in place; notes that following the case of the investigation of harassment initiated in 2016 and concluded in 2017, the Agency has implemented several actions including, in particular, regular awareness-raising sessions for its staff and the establishment of a confidential counsellors network, as mitigating measures;

Procurement

15. Notes that the Agency is embracing digitalisation in procurement and started implementing e-procurement in November 2018 with the launch of its first e-tender and that during 2019, the Agency has also started to use a new module of the e-procurement suite, e-submission; also notes that the Agency intends to explore further use of the whole e-procurement suite during the course of 2019 and 2020;

16. Notes that, following the Court's report, the Agency signed a framework contract for the provision of IT consultancy services from 2014 to 2017 for which prices were set contingent to the time spent on the projects and not linked to the delivery, and over which the Agency has limited monitoring possibilities, the Agency has been applying the Court's advice to its current ICT and consultancy framework contracts by making use of quoted times and means-specific contracts when appropriate;

Prevention and management of conflicts of interests and transparency

17. Acknowledges the Agency's existing measures and ongoing efforts to secure transparency and the prevention and management of conflicts of interest; notes furthermore that the Agency has adopted both the model decision on whistleblowing for which the Commission has given an *ex ante* agreement in 2018 and also, by analogy in 2019, the Commission decision on outside activities and assignment and on occupational activities after leaving the service;

Internal control

18. Notes that the Agency is preparing an action plan to address some potential areas for improvement addressed in the 2018 Commission's internal audit service (IAS) audit report on 'Healthy Workplaces Campaigns and IT support in EU-OSHA'; notes that in this regard, the IAS issued four recommendations, none of them critical or very important, and that at the end of 2018, the IAS had closed three recommendations with the fourth on track for being completed in 2019;

19. Notes that an external evaluation of the Union agencies under the remit of the Commission's Directorate-General for Employment, Social Affairs and Inclusion (EU-OSHA, Eurofound, Cedefop and ETF) was carried out in 2018 on behalf of the Commission on the Agency's relevance, effectiveness, efficiency, coherence andadded value for the Union; notes that the overall stakeholders' feedback collected confirmed the Agency's responsiveness to the general and specific needs of the partners and its intermediaries and a near consensus that its communication, networking and stakeholders' engagement activities are highly effective, efficient and coherent;

20. Calls on the Agency to focus on disseminating the results of its research to the general public, and to reach out to public via the social media and other media outlets;

21. Notes that with the proclamation of the European pillar on social rights at the end of 2017, the Agency is given an important role in implementing its principles;

Other comments

22. Notes that the Agency carried out an analysis of the likely impact of the United Kingdom's withdrawal of the Union on its organisation, operations and accounts and that a thorough analysis has been conducted on all key functions of the Agency; notes furthermore that the result of the analysis has shown a low impact on Agency's operations irrespective of the type of future agreement between the United Kingdom and the Union;

23. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 ([3]) on the performance, financial management and control of the agencies.

([3]) Texts adopted, P9_TA(2020)0121.

DECISION (EU) 2020/1952 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the European Chemicals Agency (ECHA) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Chemicals Agency for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0053/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), 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 ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 57.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 396, 30.12.2006, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

— having regard to the opinion of the Committee on the Environment, Public Health and Food Safety,

— having regard to the report of the Committee on Budgetary Control (A9-0063/2020),

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 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1953 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the European Chemicals Agency (ECHA) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Chemicals Agency for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0053/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), and in particular Article 97 thereof,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 57.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 396, 30.12.2006, p. 1.

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on the Environment, Public Health and Food Safety,

— having regard to the report of the Committee on Budgetary Control (A9-0063/2020),

1. Approves the closure of the accounts of the European Chemicals Agency for the financial year 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

RESOLUTION (EU) 2020/1954 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Chemicals Agency (ECHA) for the financial year 2018

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 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on the Environment, Public Health and Food Safety,

— having regard to the report of the Committee on Budgetary Control (A9-0063/2020),

A. whereas, according to its statement of revenue and expenditure [1], the final budget of the European Chemicals Agency (the 'Agency') for the financial year 2018 was EUR 118 760 709, representing an increase of 7,45 % compared to 2017; whereas approximately 72,47 % of the Agency's budget derives from fees and charges and 26,18 % from the Union and third countries [2];

B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Agency for the financial year 2018 (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. Calls for funding to be granted to the Agency, as one of the Union agencies responsible for assessing regulated products, that is sufficient to allow it to carry out its tasks;

2. Notes with satisfaction that budget monitoring efforts during the financial year 2018 resulted in a budget implementation rate of 99,92 %, representing an increase of 1,25 % compared to 2017; notes moreover that the payment appropriations execution rate was 87,04 %, representing a decrease of 0,59 % in comparison to 2017;

3. Emphasises that the Agency is partly financed from the fees it receives from companies that request the registration of chemicals as required under Regulation (EC) No 1907/2006 of the European Parliament and of the Council [3]; notes that the fees applicable depend on the size of the companies and the volume of chemicals registered; notes that the Agency has identified that some 52 % of the companies had incorrectly declared their size, resulting in lower fees; stresses that this finding demonstrates the limitations of a system that relies excessively on self-declarations made by applicants; notes that the Agency has, over the years, invoiced fee corrections and administrative charges amounting to EUR 17,9 million and that the Agency has made considerable progress in recovering undue fee reductions and collecting overdue administrative charges; notes, however, that there is still a considerable verification workload ahead and that the remaining amount of necessary fee corrections was unknown at the end of 2018; urges the Agency to put in place similarly thorough ex-ante verifications to minimise the risk of fraudulent self-declarations; furthermore, urges the national enforcement authorities to enhance the verification systems used to

[1] OJ C 120, 29.3.2019, p. 209.
[2] OJ C 120, 29.3.2019, p. 212.
[3] 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).

check and publish the volumes of chemicals declared by the companies; calls on the Agency to report to the discharge authority on its efforts, and on the results achieved, to continue to reduce the considerable verification backlog and to implement the fee corrections and the recovery of unpaid fees; calls on the Commission to propose measures to resolve this situation in order to avoid fraud in declarations of the size of applicants and to allow the Agency to plan its budget on a more stable basis;

4. Notes that the fees paid by industry vary substantially year by year, and that it is therefore not possible for the Agency to make a reasonable estimate of the need for a balancing subsidy from the Union budget, which complicates budgetary planning; calls for a dialogue on how to reform the financing mechanism of the Agency, with the aim of putting it on a sustainable basis;

5. Notes that the Agency has revenues coming from both fees and charges payable by industry and a balancing subsidy from the Union budget; notes with concern that, according to the Court's report, as the third registration deadline under Regulation (EC) No 1907/2006 expired in May 2018, income from fees and charges is expected to drop significantly from 2019 onwards; points out that there is a risk that relatively stable expenditure and much less predictable revenue may have a negative effect on the Agency's operations and budget implementation; stresses the necessity of putting in place a new, viable and thorough financing model, in relation to which, according to the Agency's reply, the Agency has initiated discussions with the Commission; calls on the Agency to keep the discharge authority updated on developments in this regard;

Performance

6. Observes, in light of comments and observations from the discharge authority related to the need to develop more outcome- and impact-focused key performance indicators that assess the added value provided by the Agency's activities in the revision of the overall performance management system, that the Agency reworked its performance management model during 2018 for the Work Programme 2019, with a view to indicating the impact and outcome of its work better; notes that the Work Programme 2019 now indicates the type of indicator (impact, outcome, output, input) and no longer uses the same type of indicators for different types of work but contains key performance indicators that suit the business process concerned;

7. Notes that, despite the risks and constraints in some areas, the Agency reached 58 out of 69 of its key performance indicator targets; urges the Agency to strive to achieve 100 % fulfilment of its key performance indicators targets;

8. Notes that the Agency completed the registration phase under Regulation (EC) No 1907/2006 without causing market disruption and that it provided support to companies in the preparation and registration of 28 357 dossiers;

9. Notes that the Agency continues to share its internal audit capability with the European Global Navigation Satellite Systems Agency and closely collaborates with other agencies, including by way of sharing services in the context of an inter-agency network and by way of sharing resources through memoranda of understanding; commends this cooperation as an example for other agencies worth following; encourages the Agency to seek further and broader cooperation with the Union agencies; encourages the Agency to initiate discussions on the topic of resources-sharing on overlapping tasks among other agencies with similar activities;

10. Observes from the Court's report that in a procurement procedure for a framework contract for the provision of IT infrastructure service, five companies presented tenders in a range from EUR 10 to 38,2 million and that the Agency awarded the framework contract for a value of EUR 30 million to the tenderer who had submitted a EUR 12 million offer; notes, however, that the significant difference between the value of the contract and the actual offer raises concerns in terms of sound financial management; notes, according to the Agency's reply, that it initially estimated the value in accordance with the Commission's Vade-mecum on Public Procurement; notes that the Agency selected the competitive procedure with negotiation to encourage the widest possible competition in order to obtain best value for money; calls on the Agency to apply a rigorous system of financial management of IT contracts;

11. Encourages the Agency to pursue the digitalisation of its services;

12. Recalls that the Agency is the driving force among regulatory authorities in implementing the Union's chemicals legislation for the benefit of human health and the environment as well as for innovation and competitiveness; notes that the Agency helps companies to comply with the Union's chemicals legislation, promotes the safe use of chemicals and provides information on chemicals and addresses chemicals of concern;

13. Calls for the Agency, as one of the Union agencies responsible for assessing regulated products, to receive sufficient funding to carry out its tasks;

14. Recalls that 2018 was the year of the final registration deadline under Regulation (EC) No 1907/2006; stresses that the Agency received 37 400 dossiers in that year, which represents an increase of 135 % compared to 2017; notes with satisfaction the way in which the Agency has coped with the dramatic increase in registrations over the past year;

15. Welcomes the efforts that were made to streamline the organisational structure in 2018, which is aimed at achieving further efficiencies through better linking and coordination across tasks; notes that the Agency has managed to meet the vast majority of its objectives;

16. Calls on the Agency to report to the discharge authority on the measures taken to respond to the recommendations from the second review of Regulation (EC) No 1907/2006 and to ensure that registration dossiers are compliant;

17. Calls for information to be provided on the state of preparations for a prototype database under Directive 2008/98/EC of the European Parliament and of the Council [4], which is to be presented in early 2020;

18. Calls for details of the steps the Agency has taken in response to the Commission's Synthesis Report on the implementation of REACH, and the actions proposed to be taken by the Agency in that report;

Staff policy

19. Notes that, on 31 December 2018, the establishment plan was 96,29 % executed, with 441 temporary agents appointed out of 458 temporary agents authorised under the Union budget (compared with 460 authorised posts in 2017); notes that, in addition, 122 contract agents and 14 seconded national experts worked for the Agency in 2018;

20. Notes that the Agency has an anti-harassment policy and related guidelines in place that were updated in 2018; acknowledges that it organised training sessions and made confidential counselling available;

21. Notes the publication of the Agency's vacancy notices on its website, on social media and on the EU Agencies Network's dedicated website, in order to publicise further such notices; calls on the Agency to publish vacancy notices on the website of the European Personnel Selection Office;

22. Welcomes the fact that the Agency publishes on its website the CVs of all members of the management board and its committees, including those of its chairs who are members of staff of the Agency, the executive director and all members of the board of appeal;

23. Notes with satisfaction that a good gender balance was achieved in 2018 with regard to the senior management positions (4 men and 3 women), notes, however, that balance was not achieved to the same extent with regard to the management board (15 men and 21 women);

Prevention and management of conflicts of interests and transparency

24. According to the Agency, its budgeted fee income for 2018 represents circa 73 % of its total income; notes the Agency's exemplary system for monitoring and preventing any conflicts of interest, and its view that there is no danger of such conflicts arising, due to the cost-covering purpose of the fees and the regular assessment of the Agency staff involved in opinion-making to ensure that there is independence; notes that the Agency would welcome a solution whereby the Commission would collect the fees on behalf of the Agency, thereby facilitating the Agency's financial management and helping to mitigate the risk of shortfalls;

25. Welcomes the fact that the Agency collects annually-updated declarations of interest from all staff and external experts, each of which is published on the website of the Agency;

[4] Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives (OJ L 312, 22.11.2008, p. 3).

26. Notes the further steps taken in order to enhance transparency and whistleblower protection; according to the Agency, all meetings of its senior management with stakeholders are registered and published on its website to ensure full transparency;

Internal audit

27. Notes that the Agency adopted and started implementing a policy on sensitive functions in September 2019, which would identify sensitive functions, keep them up to date and define appropriate measures to mitigate the risk of vested interests;

28. Notes that in 2018, the Commission's Internal Audit Service issued an audit report on "Conflict of Interest and Ethics in ECHA" and that, in September 2018, the Agency prepared and discussed an action plan to address some potential areas for improvement, and that as of mid-2019 all actions were implemented;

Other comments

29. Notes that, having selected the new building and having signed a lease contract in 2017 due to the expiry of the previous lease contract on 31 December 2019, the Agency had planned to move to new premises in Helsinki in January 2020; notes that the move to the new premises was completed on 7 January 2020;

30. Encourages the Agency to continue measuring the possible future decrease of part of its revenues resulting from the United Kingdom's decision to withdraw from the European Union; observes that the impact appears to remain limited, due to the fact that the registration requirement provided for in Regulation (EC) No 1907/2006 and which generated significant fee income has ended;

31. Calls on the Agency to focus on disseminating the results of its research to the public, and to reach out to the public via social media and other media outlets;

32. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 ([5]) on the performance, financial management and control of the agencies.

([5]) Texts adopted, P9_TA(2020)0121.

DECISION (EU) 2020/1955 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the European Centre for Disease Prevention and Control (ECDC) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0046/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), 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 ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 142, 30.4.2004, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

— having regard to the opinion of the Committee on the Environment, Public Health and Food Safety,

— having regard to the report of the Committee on Budgetary Control (A9-0065/2020),

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 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1956 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the European Centre for Disease Prevention and Control (ECDC) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0046/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), 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 ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on the Environment, Public Health and Food Safety,

— having regard to the report of the Committee on Budgetary Control (A9-0065/2020),

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 142, 30.4.2004, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

1. Approves the closure of the accounts of the European Centre for Disease Prevention and Control for the financial year 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1957 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 (ECDC) for the financial year 2018

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 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on the Environment, Public Health and Food Safety,

— having regard to the report of the Committee on Budgetary Control (A9-0065/2020),

A. 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 2018 was EUR 58 030 000, representing a slight decrease of 0,02 % compared to 2017; whereas 97,82 % of the Centre's budget derives from the Union budget [2];

B. whereas the Court of Auditors (the 'Court'), in its report on the Centre's annual accounts for the financial year 2018 (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;

Budget and financial management

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2018 resulted in a budget implementation rate of 98,53 %, representing a decrease of 1,25 % compared to 2017; notes that the payment appropriations execution rate was 81,21 %, representing a slight decrease of 0,50 % compared to the previous year;

Performance

2. Notes that the Centre uses several of the key performance indicators (KPIs) in its Single Programming Document 2019-2021 in order to evaluate the added value provided by its activities, and the list of KPIs contained in the Commission Staff Working Document of 2015, among others, to improve its budget management; notes that in 2018 the Centre added 7 KPIs and 12 multiannual KPIs, and that, as part of its long-term strategy 2021-2027, it was to review indicators systematically in 2019;

3. Notes that, in 2018, the Centre implemented 89 % of the key outputs indicated in its work programme (above the target of 85 %);

4. Observes that, in 2018, the Centre started the reengineering of its disease surveillance systems, the outsourcing of IT capacity, and the redesign of the Early Warning and Response System, and strengthened collaboration with its external partners and other Union agencies;

5. Welcomes the fact that the Centre continues to share best practices and regularly works with other agencies, most notably the European Food Safety Authority, the European Medicines Agency and the European Monitoring Centre for Drugs and Drug Addiction; notes, furthermore, that the Centre participates in inter-institutional procurements organised by other agencies; strongly encourages the Centre to actively seek further and broader cooperation with all of the Union agencies;

6. Notes that an external evaluation for the period 2013-2017 was carried out between 2018 and 2019 and that the final report on that evaluation was expected in July 2019 and has to be forwarded to Parliament once approved by the Centre's management board; calls on the Centre to report to the discharge authority on the outcome of that external evaluation;

[1] OJ C 160, 10.5.2019, p. 6.
[2] OJ C 160, 10.5.2019, p. 7.

7. Recalls that the Centre's mission is to identify, assess and communicate on current and emerging threats to human health from communicable diseases; stresses that, in 2018, the Centre responded to 31 formal scientific requests from the Commission (of which 10 were from Members), and published a total of 214 reports, including 35 rapid risk assessments addressing disease threats; points out that its role will become ever more important in the context of climate change, as the breeding grounds for various pathogens are changing and diseases are spreading to areas which have not been affected by them before;

8. Notes that, in 2018, the management board adopted a revised independence policy for non-staff and endorsed a corresponding internal procedure;

9. Regrets, concerning the implementation of the independence policy of the Centre, that not all the required annual declarations of interest were submitted, particularly by management board members (96 %) and advisory forum members (89 %); calls, therefore, for strict adherence to the rules and internal procedures; recalls that independence and transparency are crucial, given the important tasks of the Centre; calls for a mechanism to ensure that all outstanding and future declarations of interest are submitted without delay, and calls on the Centre to consider not allowing members to take up their roles before this crucial information has been provided and checked;

10. Stresses that the Centre launched its third external evaluation, which was coordinated by a steering committee comprised of management board members, and that the result of the evaluation was expected for mid-2019;

11. Draws attention to the Centre's role in developing tools for the digitisation of healthcare in the Union, in particular in the context of tackling a pandemic;

12. Recalls that, as a Union agency, the Centre has a budget which is denominated in euro; however, since its seat is outside the Euro-zone (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;

Staff policy

13. Notes that, on 31 December 2018, the establishment plan was 96,11 % executed, with 173 temporary agents appointed out of 180 temporary agents authorised under the Union budget (compared with 182 authorised posts in 2017); notes that, in addition, 92 contract agents and two seconded national experts worked for the Centre in 2018;

14. Notes that the Centre has reported a relatively good gender balance for 2018 with regard to senior managers (four men and two women) and its management board (12 men and 15 women);

Procurement

15. Acknowledges that the use of electronic workflows for procurement, based on the Commission's DG DIGIT application e-PRIOR, helped to complete 142 procurement procedures in 2018, and that the Centre put in place four new internal electronic workflows in other areas to ensure faster and more efficient processes;

16. Notes that, according to the Court's report, the Commission signed an interinstitutional framework contract with one contractor for the acquisition of software, licences and the provision of the related IT consultancy services in 2014, and the Centre did not systematically check the prices and uplifts the framework contractor charged against suppliers' quotes and invoices; notes that, according to the Centre's reply, in practice it was difficult for the Centre to enforce such checks, as there was no contractual obligation requiring the original price and the uplift to be presented separately; calls on the Centre to adapt *ex ante* controls under framework contracts and ensure that there is competition in all procurements;

17. Notes that, according to the Court's report, similar control weaknesses were found regarding the implementation of a framework contract for the provision of conference and multimedia equipment and services, and that the Centre did not sufficiently check whether the provision of a contractual discount rate had been applied to the product price list of the contractor's major suppliers before placing order forms in relation to that framework contract; notes that the Centre decided not to renew the contract after the expiry date in October 2019, and that that contract will be replaced by a new interinstitutional framework contract managed by the Commission; calls on the Centre to adapt *ex ante* controls on order forms;

18. Notes that, according to the Court's report, for two payments for meeting events, weaknesses were found in the structure and documentation of checks and reconciliations on order forms, deliverables and invoices; notes that, according to the Centre's reply, no errors were found in the two audited payments, and that the Centre will review the structure and the documentation of checks and reconciliations in place concerning meetings;

Prevention and management of conflicts of interest, and transparency

19. Notes, in light of observations and comments from the discharge authority related to the absence of some declarations of interest and CVs of the management board and of the advisory forum, that all members/alternates who physically attended meetings of the management board and the advisory forum, and/or exercised the right to vote, have submitted a declaration of interest; notes that further improvements were made in 2018 in the independence policy for staff and non-staff including external experts; notes that the Centre publishes the CVs of management board members, senior management staff and external experts;

20. Notes the Centre's existing measures and ongoing efforts to secure transparency, prevent and manage conflicts of interest, and provide whistleblower protection; notes that 10 relevant potential conflicts of interest were identified and further investigated in 2018, 5 of which were identified as arising in relation to an agenda point of a meeting and that the persons concerned were asked to abstain from discussing and voting on that agenda point; notes that the Centre registered meetings with lobbyists;

Internal controls

21. Notes that, in light of last year's observations and comments from the discharge authority, two of the three actions in the action plan to reduce the number of overrides of controls and deviations from processes and procedures have been implemented, and that for the remaining action, regarding open-access fees for publication of articles in non-Union countries, a permanent solution is being looked into;

22. Notes that, in light of last year's comments and observations from the discharge authority, draft procedures and templates have been prepared regarding meetings with the pharmaceutical industry and the conclusion of memoranda of understanding and collaboration agreements with third parties have been adopted, and furthermore, that an internal procedure on meetings with commercial organisations is currently in the process of being formally adopted internally;

Other comments

23. Notes that the Centre moved to its new premises in April 2018, which provide staff and visiting stakeholders with a safe, environmentally friendly and cost-effective workspace, and represented a smooth transition that went according to schedule;

24. Calls on the Centre to focus on disseminating the results of its research to the public, and to reach out to the public via the social media and other media outlets;

25. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 ([3]) on the performance, financial management and control of the agencies.

([3]) Texts adopted, P9_TA(2020)0121.

DECISION (EU) 2020/1958 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the European Food Safety Authority (EFSA) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Food Safety Authority for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0045/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), 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 ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 124.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 31, 1.2.2002, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on the Environment, Public Health and Food Safety,

— having regard to the report of the Committee on Budgetary Control (A9-0068/2020),

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 2018;

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 its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1959 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the European Food Safety Authority (EFSA) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Food Safety Authority for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0045/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), 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 ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on the Environment, Public Health and Food Safety,

— having regard to the report of the Committee on Budgetary Control (A9-0068/2020),

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 124.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 31, 1.2.2002, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

1. Approves the closure of the accounts of the European Food Safety Authority for the financial year 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1960 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 (EFSA) for the financial year 2018

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 2018,

— having regard to its resolution of 16 January 2019 on the Union's authorisation procedure for pesticides ([1]),

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on the Environment, Public Health and Food Safety,

— having regard to the report of the Committee on Budgetary Control (A9-0068/2020),

A. whereas, according to its statement of revenue and expenditure ([2]), the final budget of the European Food Safety Authority (the 'Authority') for the financial year 2018 was EUR 79 183 814,25, representing a slight decrease of 0,47 % compared to 2017; whereas the budget of the Authority derives mainly from the Union budget ([3]);

B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Authority for the financial year 2018 (the 'Court's report'), states 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 2018 resulted in a budget implementation rate of 100 %, representing a slight increase of 0,02 % compared to 2017; notes, furthermore, that the payment appropriations execution rate was at 91,31 %, representing a decrease of 1 % compared to 2017;

Performance

2. Notes that the Authority has introduced several impact and outcome key performance indicators (KPIs) in its comprehensive performance based management approach to measure the added value provided by its activities; notes furthermore that the Authority uses other KPIs to enhance its budget management;

3. Acknowledges that 2018 was the second year of the comprehensive performance-based management approach, of the measurement of the Authority's performance based on new KPIs and of the implementation of the Authority's Strategy 2020 plan;

4. Notes with satisfaction the good results achieved by the Authority in terms of compliance with the scientific production deadlines; notes further that in the one area where 83,6 % of the outputs were closed on time, below the target of 90 %, the delay was limited to a few areas where a significantly high workload was experienced;

5. Notes that, following the Authority's external evaluation started in 2017, the Authority adopted a series of recommendations at its meeting in October 2018; notes that areas of progress referred to in the evaluation report included, notably, the Authority's new mechanisms for engagement with stakeholders, its cooperation with Member State authorities and its strengthened independence; notes that areas of improvement highlighted in the evaluation relate to the Authority's approach to prioritising resources, the economic visibility of its system for recruiting experts, and the need to tailor its communication materials more closely to the needs of different audiences;

([1]) Texts adopted, P8_TA(2019)0023.
([2]) OJ C 202, 12.6.2018, p. 1.
([3]) OJ C 202, 12.6.2018, p. 3.

6. Notes with satisfaction that the Authority shares resources and activities with the European Chemicals Agency, the European Medicines Agency and the European Centre for Disease Prevention and Control in the areas of risk assessment, data, and research; notes that the Authority has been increasing its resources and activity-sharing with the Joint Research Centre particularly in the sphere of environmental data and maps; strongly encourages the Authority to actively seek further and broader cooperation with all of the Union agencies;

7. Encourages the Authority to pursue the digitalisation of its services;

8. 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;

9. Highlights that, in 2018, the Authority finalised 788 questions through scientific opinions, technical reports and supporting publications;

10. Believes that the Authority should continue paying special attention to public opinion, and commit itself to openness and transparency; stresses, in that connection, that Regulation (EU) 2019/1381 of the European Parliament and of the Council [4] gives the Authority additional tasks relating to safety assessment and public communications, all of which will generate additional costs;

Staff policy

11. Notes that, on 31 December 2018, the establishment plan was 97,49 % executed, with 5 officials and 306 temporary agents appointed out of 319 posts authorised under the Union budget (compared with 323 authorised posts in 2017); notes that, in addition, 122 contract agents and 14 seconded national experts worked for the Authority in 2018;

12. Notes with concern that the Authority, as one of the Union's regulatory agencies responsible for risk assessment of regulated products, does not receive sufficient resources to effectively carry out its responsibilities; insists that the Authority be granted sufficient resources to carry out its tasks;

13. Notes that the Court has identified a horizontal trend across agencies in the use of external staff hired in IT consultancy roles; calls for the dependency on external recruitment in this important and sensitive area to be reduced as much as possible to limit any potential risks;

14. Notes that the Authority has adopted the Commission's model decision on the policy on protecting the dignity of the person and preventing harassment; further notes that it organised obligatory training courses both for staff and managers and made confidential counselling available, as well as organising the publication on its intranet of a report on harassment, showing statistics and formal procedures for the 2014-2018 period; asks the Authority to report back to the discharge authority on the measures taken after the investigation of harassment cases;

15. Acknowledges that the gender balance within the Authority's senior management is satisfactory, as 2 out of 5 are male, and 3 female; raises concerns, though, about the geographical imbalance, as within the senior management no one is a citizen of the states that acceded to the Union in 2004; asks the Authority to take measures ensuring that there is better geographical balance within its senior management;

16. Regrets that, in relation to the two-year cooling off period, the 2017 independence policy includes the obligation to screen experts' interests only in relation to the mandate of the scientific group that the expert is applying to; calls for the policy to be updated without delay in order to ensure that experts' interests are viewed within the context of the overall remit of the Authority, as repeatedly called for by the Parliament;

[4] Regulation (EU) 2019/1381 of the European Parliament and of the Council of 20 June 2019 on the transparency and sustainability of the EU risk assessment in the food chain and amending Regulations (EC) No 178/2002, (EC) No 1829/2003, (EC) No 1831/2003, (EC) No 2065/2003, (EC) No 1935/2004, (EC) No 1331/2008, (EC) No 1107/2009, (EU) 2015/2283 and Directive 2001/18/EC (OJ L 231, 6.9.2019, p. 1).

17. Regrets that the research funding from companies falling under the Authority's remit is not considered relevant to the cooling-off period, as long as amounts at stake do not rise above 25% of the total research budget managed by the expert and/or their research team, and that the threshold is applied to individual sources as opposed to all private sources combined; calls for the funding threshold to be removed from the Authority's independence policy, in line with the Parliament's repeated requests on the matter;

Prevention and management of conflicts of interest and transparency

18. Notes with concern that the Authority has been hit by conflicts of interest problems and that surveys have shown that the proportion of experts with a financial conflict of interest has varied from 59 % in to 2013 to 49 % in 2017; notes that the Court has identified a need to strengthen the accounting officer's independence, but gives no judgment about the independence of experts; calls on the Authority to adopt a strict cooling-off period as regards financial conflicts of interest and clear policy guidelines on the use of experts, which fence off the Authority's scientific opinions from undue influence;

19. Regrets the fact that external experts, such as experts attending hearings or members of the advisory forum, focal points or scientific networks, are not subject to a conflict of interest screening, and that any potential conflict of interest in this area might go unnoticed;

20. Recalls the recommendations of Parliament's resolution of 16 January 2019 on the Union's authorisation procedure for pesticides, and in particular its call on the Authority to improve its risk communication, update its guidance documents in line with the most recent developments in all relevant fields, increase the user-friendliness of the information provided on its website and facilitate data mining, publish its opinion in peer-reviewed journals and encourage more independent national experts and other scientists to participate in its work and to exclude the participation of experts with conflicts of interest from all stages of the peer review process; notes from its reply that the Authority has taken up several of the recommendations in the revised Regulation (EC) No 178/2002 of the European Parliament and of the Council ([5]), particularly with regard to increased transparency and more accessible risk communications;

21. Recalls that the revised Regulation (EC) No 178/2002 will require the Authority to pro-actively make regulatory data submitted by applicants available to be downloaded, printed and consulted in an electronic format; whereas that will allow the Authority to benefit from extended peer review by the scientific community; recalls that this transparency requirement is indispensable for industry-sponsored research, but that it cannot be used as an argument to refuse the use by academics of data kept confidential for legitimate reasons, such as patients' personal medical records;

Internal controls

22. Welcomes the fact that in 2018 a fitness-check was carried out with the aim of assessing how to revise the Authority's Anti-Fraud Strategy in 2019 and during the reporting year, and that the Authority did not have to transmit or follow-up on any suspicions of fraud cases to OLAF;

23. Notes that, according to the Court's report, the Internal Audit Service issued an audit report "Human Resources Management & Ethics in EFSA" and the Authority is preparing a corresponding action plan to address some potential areas for improvement; calls on the Authority to report back to the discharge authority on the measures implemented;

24. Calls on the Authority to focus on disseminating the results of its research to the public, and to reach out to the public via social media and other media outlets;

25. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 ([6]) on the performance, financial management and control of the agencies.

([5]) 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 (OJ L 31, 1.2.2002, p. 1).

([6]) Texts adopted, P9_TA-PROV(2020)0121.

DECISION (EU, Euratom) 2020/1961 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2018, Section III — Commission and executive agencies

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2018 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2018 (COM(2019) 316 — C9-0050/2019) ([2]),

— having regard to the Commission's report on the follow-up to the discharge for the 2017 financial year (COM(2019) 334),

— having regard to the Commission's 2018 Annual Management and Performance Report for the EU Budget (COM(2019) 299),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2018 (COM(2019) 350), and to the accompanying Commission staff working document (SWD(2019) 300),

— having regard to its resolution of 18 December 2019 on the rule of law in Malta following the recent revelations surrounding the murder of Daphne Caruana Galizia ([3]),

— having regard to the Court of Auditors' Special Report No 15/2019: Implementation of the 2014 staff reform package at the Commission — Big savings but not without consequences for staff,

— having regard to the working document on Court of Auditors' Special Report No 15/2019: Implementation of the 2014 staff reform package at the Commission — Big savings but not without consequences for staff issued by the Parliament's Committee on Budgetary Control,

— having regard to its resolution of 16 January 2020 on ongoing hearings under Article 7(1) of the Treaty on European Union regarding Poland and Hungary ([4]),

— having regard to the Court of Auditors' annual report on the implementation of the budget for the financial year 2018, together with the institutions' replies ([5]), and to the Court of Auditors' special reports,

— having regard to the statement of assurance ([6]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on the discharge to be given to the Commission in respect of the implementation of the general budget of the European Union for the financial year 2018 (05760/1/2020 — C9-0018/2020),

— 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,

([1]) OJ L 57, 28.2.2018, p. 1.
([2]) OJ C 327, 30.9.2019, p. 1.
([3]) Texts adopted, P9_TA(2019)0103.
([4]) Texts adopted, P9_TA(2020)0014.
([5]) OJ C 340, 8.10.2019, p. 1.
([6]) OJ C 340, 8.10.2019, p. 9.

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([7]), and in particular Articles 62, 164, 165 and 166 thereof,

— having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([8]), and in particular Articles 69, 260, 261 and 262 thereof,

— having regard to Rule 99 of and Annex V to its Rules of Procedure,

— having regard to the opinions of the Committee on Foreign Affairs; the Committee on Development; the Committee on Employment and Social Affairs; the Committee on the Environment, Public Health and Food Safety; the Committee on Transport and Tourism; the Committee on Regional Development; the Committee on Agriculture and Rural Development; the Committee on Culture and Education; the Committee on Civil Liberties, Justice and Home Affairs and the Committee on Women's Rights and Gender Equality,

— having regard to the report of the Committee on Budgetary Control (A9-0069/2020),

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 2018;

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 2018, Section III — Commission and executive agencies;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([7]) OJ L 298, 26.10.2012, p. 1.
([8]) OJ L 193, 30.7.2018, p. 1.

DECISION (EU, Euratom) 2020/1962 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the Education, Audiovisual and Culture Executive Agency (EACEA) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2018 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2018 (COM(2019) 316 — C9-0050/2019) ([2]),

— having regard to the final annual accounts of the Education, Audiovisual and Culture Executive Agency for the financial year 2018 ([3]),

— having regard to the Commission's report on the follow-up to the discharge for the 2017 financial year (COM(2019) 334),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2018 (COM(2019) 350), and to the accompanying Commission staff working document (SWD(2019) 300),

— having regard to the Court of Auditors' report on the annual accounts of the Education, Audiovisual and Culture Executive Agency for the financial year 2018, 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on the discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2018 (05762/2020 — C9-0019/2020),

— 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([7]), and in particular Articles 69, 260, 261 and 262 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 ([8]), and in particular Article 14(3) thereof,

([1]) OJ L 57, 28.2.2018, p. 1.
([2]) OJ C 327, 30.9.2019, p. 1.
([3]) OJ C 376, 6.11.2019, p. 10.
([4]) OJ C 417, 11.12.2019, p. 1.
([5]) OJ C 417, 11.12.2019, p. 34.
([6]) OJ L 298, 26.10.2012, p. 1.
([7]) OJ L 193, 30.7.2018, p. 1.
([8]) OJ L 11, 16.1.2003, p. 1.

— having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ([9]), 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 ([10]),

— having regard to Rule 99 of and Annex V to its Rules of Procedure,

— having regard to the opinions of the Committee on Foreign Affairs; the Committee on Development; the Committee on Employment and Social Affairs; the Committee on the Environment, Public Health and Food Safety; the Committee on Transport and Tourism; the Committee on Regional Development; the Committee on Agriculture and Rural Development; the Committee on Culture and Education; the Committee on Civil Liberties, Justice and Home Affairs and the Committee on Women's Rights and Gender Equality,

— having regard to the report of the Committee on Budgetary Control (A9-0069/2020),

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 2018;

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 2018, Section III — Commission and executive agencies;

3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2018, 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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([9]) OJ L 297, 22.9.2004, p. 6.
([10]) OJ L 343, 19.12.2013, p. 46.

DECISION (EU, Euratom) 2020/1963 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the Executive Agency for Small and Medium-sized Enterprises (EASME) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2018 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2018 (COM(2019) 316 – C9-0050/2019) ([2]),

— having regard to the final annual accounts of the Executive Agency for Small and Medium-sized Enterprises for the financial year 2018 ([3]),

— having regard to the Commission's report on the follow-up to the discharge for the 2017 financial year (COM(2019) 334),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2018 (COM(2019) 350), and to the accompanying Commission staff working document (SWD(2019) 300),

— 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 2018, 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on the discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2018 (05762/2020 – C9-0019/2020),

— 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([7]), and in particular Articles 69, 260, 261 and 262 thereof,

([1]) OJ L 57, 28.2.2018, p. 1.
([2]) OJ C 327, 30.9.2019, p. 1.
([3]) OJ C 376, 6.11.2019, p. 12.
([4]) OJ C 417, 11.12.2019, p. 1.
([5]) OJ C 417, 11.12.2019, p. 34.
([6]) OJ L 298, 26.10.2012, p. 1.
([7]) OJ L 193, 30.7.2018, p. 1.

— having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ([8]), 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 ([9]), 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 ([10]),

— having regard to Rule 99 of and Annex V to its Rules of Procedure,

— having regard to the opinions of the Committee on Foreign Affairs; the Committee on Development; the Committee on Employment and Social Affairs; the Committee on the Environment, Public Health and Food Safety; the Committee on Transport and Tourism; the Committee on Regional Development; the Committee on Agriculture and Rural Development; the Committee on Culture and Education; the Committee on Civil Liberties, Justice and Home Affairs and the Committee on Women's Rights and Gender Equality,

— having regard to the report of the Committee on Budgetary Control (A9-0069/2020),

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 2018;

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 2018, Section III – Commission and executive agencies;

3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2018, 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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([8]) OJ L 11, 16.1.2003, p. 1.
([9]) OJ L 297, 22.9.2004, p. 6.
([10]) OJ L 341, 18.12.2013, p. 73.

DECISION (EU, Euratom) 2020/1964 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the Consumers, Health, Agriculture and Food Executive Agency (Chafea) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2018 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2018 (COM(2019) 316 — C9-0050/2019) ([2]),

— having regard to the final annual accounts of the Consumers, Health, Agriculture and Food Executive Agency for the financial year 2018 ([3]),

— having regard to the Commission's report on the follow-up to the discharge for the 2017 financial year (COM(2019) 334),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2018 (COM(2019) 350), and to the accompanying Commission staff working document (SWD(2019) 300),

— 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 2018, 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on the discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2018 (05762/2020 — C9-0019/2020),

— 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([7]), and in particular Articles 69, 260, 261 and 262 thereof,

([1]) OJ L 57, 28.2.2018, p. 1.
([2]) OJ C 327, 30.9.2019, p. 1.
([3]) OJ C 376, 6.11.2019, p. 7.
([4]) OJ C 417, 11.12.2019, p. 1.
([5]) OJ C 417, 11.12.2019, p. 34.
([6]) OJ L 298, 26.10.2012, p. 1.
([7]) OJ L 193, 30.7.2018, p. 1.

— having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ([8]), 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 ([9]), 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 ([10]),

— 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' ([11]),

— having regard to Rule 99 of and Annex V to its Rules of Procedure,

— having regard to the opinions of the Committee on Foreign Affairs; the Committee on Development; the Committee on Employment and Social Affairs; the Committee on the Environment, Public Health and Food Safety; the Committee on Transport and Tourism; the Committee on Regional Development; the Committee on Agriculture and Rural Development; the Committee on Culture and Education; the Committee on Civil Liberties, Justice and Home Affairs and the Committee on Women's Rights and Gender Equality,

— having regard to the report of the Committee on Budgetary Control (A9-0069/2020),

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 2018;

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 2018, Section III – Commission and executive agencies;

3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2018, 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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([8]) OJ L 11, 16.1.2003, p. 1.
([9]) OJ L 297, 22.9.2004, p. 6.
([10]) OJ L 341, 18.12.2013, p. 69.
([11]) OJ L 363, 18.12.2014, p. 183.

DECISION (EU, Euratom) 2020/1965 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the European Research Council Executive Agency (ERCEA) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2018 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2018 (COM(2019) 316 — C9-0050/2019) ([2]),

— having regard to the final annual accounts of the European Research Council Executive Agency for the financial year 2018 ([3]),

— having regard to the Commission's report on the follow-up to the discharge for the 2017 financial year (COM(2019) 334),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2018 (COM(2019) 350), and to the accompanying Commission staff working document (SWD(2019) 300),

— having regard to the Court of Auditors' report on the annual accounts of the European Research Council Executive Agency for the financial year 2018, 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on the discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2018 (05762/2020 — C9-0019/2020),

— 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([7]), and in particular Articles 69, 260, 261 and 262 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 ([8]), and in particular Article 14(3) thereof,

([1]) OJ L 57, 28.2.2018, p. 1.
([2]) OJ C 327, 30.9.2019, p. 1.
([3]) OJ C 376, 6.11.2019, p. 30.
([4]) OJ C 417, 11.12.2019, p. 1.
([5]) OJ C 417, 11.12.2019, p. 34.
([6]) OJ L 298, 26.10.2012, p. 1.
([7]) OJ L 193, 30.7.2018, p. 1.
([8]) OJ L 11, 16.1.2003, p. 1.

— having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ([9]), 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 ([10]),

— having regard to Rule 99 of and Annex V to its Rules of Procedure,

— having regard to the opinions of the Committee on Foreign Affairs; the Committee on Development; the Committee on Employment and Social Affairs; the Committee on the Environment, Public Health and Food Safety; the Committee on Transport and Tourism; the Committee on Regional Development; the Committee on Agriculture and Rural Development; the Committee on Culture and Education; the Committee on Civil Liberties, Justice and Home Affairs and the Committee on Women's Rights and Gender Equality,

— having regard to the report of the Committee on Budgetary Control (A9-0069/2020),

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 2018;

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 2018, Section III – Commission and executive agencies;

3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2018, 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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([9]) OJ L 297, 22.9.2004, p. 6.
([10]) OJ L 346, 20.12.2013, p. 58.

DECISION (EU, Euratom) 2020/1966 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the Research Executive Agency (REA) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2018 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2018 (COM(2019) 316 — C9-0050/2019) ([2]),

— having regard to the final annual accounts of the Research Executive Agency for the financial year 2018 ([3]),

— having regard to the Commission's report on the follow-up to the discharge for the 2017 financial year (COM(2019) 334),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2018 (COM(2019) 350), and to the accompanying Commission staff working document (SWD(2019) 300),

— having regard to the Court of Auditors' report on the annual accounts of the Research Executive Agency for the financial year 2018, 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on the discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2018 (05762/2020 — C9-0019/2020),

— 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([7]), and in particular Articles 69, 260, 261 and 262 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 ([8]), and in particular Article 14(3) thereof,

([1]) OJ L 57, 28.2.2018, p. 1.
([2]) OJ C 327, 30.9.2019, p. 1.
([3]) OJ C 376, 6.11.2019, p. 47.
([4]) OJ C 417, 11.12.2019, p. 1.
([5]) OJ C 417, 11.12.2019, p. 34.
([6]) OJ L 298, 26.10.2012, p. 1.
([7]) OJ L 193, 30.7.2018, p. 1.
([8]) OJ L 11, 16.1.2003, p. 1.

— having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ([9]), 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 ([10]),

— having regard to Rule 99 of and Annex V to its Rules of Procedure,

— having regard to the opinions of the Committee on Foreign Affairs; the Committee on Development; the Committee on Employment and Social Affairs; the Committee on the Environment, Public Health and Food Safety; the Committee on Transport and Tourism; the Committee on Regional Development; the Committee on Agriculture and Rural Development; the Committee on Culture and Education; the Committee on Civil Liberties, Justice and Home Affairs and the Committee on Women's Rights and Gender Equality,

— having regard to the report of the Committee on Budgetary Control (A9-0069/2020),

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 2018;

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 2018, Section III — Commission and executive agencies;

3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2018, 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 of the European Union and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([9]) OJ L 297, 22.9.2004, p. 6.
([10]) OJ L 346, 20.12.2013, p. 54.

DECISION (EU, Euratom) 2020/1967 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the Innovation and Networks Executive Agency (INEA) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2018 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2018 (COM(2019) 316 — C9-0050/2019) ([2]),

— having regard to the final annual accounts of the Innovation and Networks Executive Agency for the financial year 2018 ([3]),

— having regard to the Commission's report on the follow-up to the discharge for the 2017 financial year (COM(2019) 334),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2018 (COM(2019) 350), and to the accompanying Commission staff working document (SWD(2019) 300),

— having regard to the Court of Auditors' report on the annual accounts of the Innovation and Networks Executive Agency for the financial year 2018, 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on the discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2018 (05762/2020 — C9-0019/2020),

— 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([7]), and in particular Articles 69, 260, 261 and 262 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 ([8]), and in particular Article 14(3) thereof,

([1]) OJ L 57, 28.2.2018, p. 1.
([2]) OJ C 327, 30.9.2019, p. 1.
([3]) OJ C 376, 6.11.2019, p. 46.
([4]) OJ C 417, 11.12.2019, p. 1.
([5]) OJ C 417, 11.12.2019, p. 34.
([6]) OJ L 298, 26.10.2012, p. 1.
([7]) OJ L 193, 30.7.2018, p. 1.
([8]) OJ L 11, 16.1.2003, p. 1.

— having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ([9]), 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 ([10]),

— having regard to Rule 99 of and Annex V to its Rules of Procedure,

— having regard to the opinions of the Committee on Foreign Affairs; the Committee on Development; the Committee on Employment and Social Affairs; the Committee on the Environment, Public Health and Food Safety; the Committee on Transport and Tourism; the Committee on Regional Development; the Committee on Agriculture and Rural Development; the Committee on Culture and Education; the Committee on Civil Liberties, Justice and Home Affairs and the Committee on Women's Rights and Gender Equality,

— having regard to the report of the Committee on Budgetary Control (A9-0069/2020),

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 2018;

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 2018, Section III — Commission and executive agencies;

3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2018, 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 — David Maria SASSOLI

The Secretary-General — Klaus WELLE

([9]) OJ L 297, 22.9.2004, p. 6.
([10]) OJ L 352, 24.12.2013, p. 65.

DECISION (EU, Euratom) 2020/1968 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the general budget of the European Union for the financial year 2018, Section III — Commission

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2018 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2018 (COM(2019) 316 — C9-0050/2019) ([2]),

— having regard to the Commission's report on the follow-up to the discharge for the 2017 financial year (COM(2019) 334),

— having regard to the Commission's 2018 Annual Management and Performance Report for the EU Budget (COM(2019) 299),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2018 (COM(2019) 350), and to the accompanying Commission staff working document (SWD(2019) 300),

— having regard to the Court of Auditors' annual report on the implementation of the budget for the financial year 2018, 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on the discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2018 (05760/1/2020 — C9-0018/2020),

— 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([6]), and in particular Articles 69, 260, 261 and 262 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(2) and (3) thereof,

([1]) OJ L 57, 28.2.2018, p. 1.
([2]) OJ C 327, 30.9.2019, p. 1.
([3]) OJ C 340, 8.10.2019, p. 1.
([4]) OJ C 340, 8.10.2019, p. 9.
([5]) OJ L 298, 26.10.2012, p. 1.
([6]) OJ L 193, 30.7.2018, p. 1.
([7]) OJ L 11, 16.1.2003, p. 1.

— having regard to Rule 99 of and Annex V to its Rules of Procedure,

— having regard to the opinions of the Committee on Foreign Affairs; the Committee on Development; the Committee on Employment and Social Affairs; the Committee on the Environment, Public Health and Food Safety; the Committee on Transport and Tourism; the Committee on Regional Development; the Committee on Agriculture and Rural Development; the Committee on Culture and Education; the Committee on Civil Liberties, Justice and Home Affairs and the Committee on Women's Rights and Gender Equality,

— having regard to the report of the Committee on Budgetary Control (A9-0069/2020),

1. Approves the closure of the accounts of the general budget of the European Union for the financial year 2018;

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 2018, Section III — Commission and executive agencies;

3. Instructs its President to forward this decision to the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors and the European Investment Bank, and to 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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1969 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 2018, 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 2018, 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 2018,

— having regard to Rule 99 of and Annex V to its Rules of Procedure,

— having regard to the opinions of the Committee on Foreign Affairs; the Committee on Development; the Committee on Employment and Social Affairs; the Committee on the Environment, Public Health and Food Safety; the Committee on Transport and Tourism; the Committee on Regional Development; the Committee on Agriculture and Rural Development; the Committee on Culture and Education; the Committee on Civil Liberties, Justice and Home Affairs and the Committee on Women's Rights and Gender Equality,

— having regard to the report of the Committee on Budgetary Control (A9-0069/2020),

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 have been achieved;

Political priorities

1. Highlights that whenever the Commission in cooperation with the Member States implements the Union's budget, and whatever method of implementation is used — shared, direct or indirect management — respect for the rule of law is one of the most essential precondition for complying with the principles of sound financial management, which is enshrined in Article 317 of the Treaty on the Functioning of the European Union (TFEU); stresses that all actors should strive to use the funds in the most transparent, effective and efficient manner; is concerned about the financial loss caused by generalised deficiencies as regards the rule of law in a number of Member States and upholds that the Union should be able to impose appropriate measures that include suspending, reducing and restricting access to Union funding in such cases; welcomes therefore the proposal for a regulation on the protection of the Union's budget in the case of generalised deficiencies as regards the rule of law in Member States and calls to adopt this proposal with priority;

2. Stresses that, in the context of scarce financial resources in the Union budget which should support the increasing priorities and responsibilities of the Union, the protection of the Union financial interests is of utmost importance and that the strongest efforts are necessary at all levels in order to prevent, and to fight against, fraud, corruption and misuse of Union funds; underlines that the creation of the European Public Prosecutor's Office (EPPO) marks a fundamental development in the protection of the Union's financial interests; criticises the underfinancing and understaffing of the EPPO during the build-up-phase and the underestimation of its needs by the Commission; emphasises that EPPO has to process up to 3 000 cases per year; emphasises that EPPO is in need of at least 76 additional posts and EUR 8 million if it is to become fully operational, as foreseen, by the end of 2020; strongly encourages the Commission to present a draft amending budget; repeats that the Parliament absolutely opposes the reduction, by 45 posts, of the staff of European Anti-Fraud Office (OLAF);

3. Recalls that Article 61 of the Financial Regulation, which entered into force on 2 August 2018, has enlarged the definition of conflicts of interests; calls on the Commission, as 'Guardian of the Treaties', to fight all forms of conflict of interests and to evaluate on a regular basis the preventive measures taken by the Member States to avoid them; calls on the Commission to propose common guidelines for the avoidance of conflicts of interest affecting high-profile politicians; urges the Council to adopt common ethical standards on all issues related to conflicts of interest and to create a common understanding in all Member States; underlines that, given the widespread problems of conflict of interests in the distribution of Union's agricultural funds, it is undesirable that members of the European Council, agricultural ministers, functionaries, or their family members should be taking decisions on income support;

4. Welcomes the intention of the Court of Auditors (the 'Court') to move towards an attestation methodology by which the Court gathers sufficient and appropriate evidence to reach a conclusion on the assurance expressed by the responsible entity; recalls the finding of the Court that the quality and reliability of national authorities needs to be quickly improved and that attestation methodology should take account of these facts; recommends that the Court complements its random checks with a risk-based approach so that its reports on error rates pay more attention to areas where problems are most likely to arise;

5. Calls on the Commission, therefore, to work closely with Member States to guarantee comprehensive, precise and reliable data keeping in mind the goal of full implementation of the Single Audit Scheme; calls on the Commission to ensure that a transparent methodology and consistent terminology is used and to streamline its reporting, in particular, with regard to error rates in order to avoid confusion and non-transparency;

6. Notes that measuring the achievement of Union priorities, policies and programmes is challenging; notes, however, that effective performance monitoring is essential in order to grasp the situation, identify emerging issues, and take corrective actions when the objectives are not met or in cases where the outcomes of one Union policy could have an adverse impact on achieving the set goals of another policy;

7. Calls on the Commission to:

— improve the alignment between high-level general objectives, specific policy objectives and programmes;

— define stronger key performance indicators (KPIs) that reflect the impact and the achievements of Union spending programmes and policies rather than the performance of the authorities implementing them;

— use up-to date information on performance so that objectives and indicators can be adapted in a timely manner;

— put more emphasis on the results and added value of Union funding, going beyond mere outputs;

8. Welcomes the intention expressed by the Court to provide the discharge authorities with an assessment covering both compliance and performance dimensions, for each Union policy, following the chapter-by-chapter budget headings in its annual report;

9. Encourages the Commission and the Court to accelerate the discharge process to n+1;

10. Reaffirms the clear need for more cooperation between customs services in the Member States to avoid harm to Union and national budgets; in particular as regards VAT losses, e-commerce and counterfeit products;

11. Urges the Commission to review, together with the Member States, how customs duties can be more effectively collected and any amounts the payment of which was avoided fraudulently can be recovered; as well as to consider the improvements that can be made in the recovery of custom revenues;

12. Is concerned about the risk of undervaluation of supplies of e-commerce goods from third countries and calls on the Commission to carry out sufficient control and monitoring activities in the Member States to ensure better cooperation;

13. Notes that the European Innovation Scoreboard revealed a positive trend in the majority of Member States in recent years;

14. Calls on the Commission to pay greater attention to the geographic distribution of research funds with a view to contributing to the spreading of research at the highest level of excellence in the whole of the Union and to the creation of a level playing field for growth and jobs; suggests that greater use should be made of structural funds to promote innovation and excellence; stresses that the Framework Programmes must finance all stages of research and innovation; points out that although fundamental research projects often deliver tangible results only over a longer time span, they are indispensable for ensuring the Union's excellence in research and innovation as well as in attracting the best scientists; notes with concern that the protection of Union's financial interest is put at risk by some third countries participating in joint research projects;

15. Reiterates its concern over the high level of outstanding commitments mainly due to the late start to the financing of the projects and programmes of the 2014-2020 financial perspective and due to the slow implementation of European Structural and Investment Funds (ESI Funds); calls on the respective Member States to speed up the delivery of cohesion policy programmes and related payments, without easing the necessary controls, as well as to increase the transparency for applicants and to reduce complexity with a view to reducing the length of the implementation period; encourages the Commission to propose a return to the n+2-rule; calls on the Commission to closely monitor the implementation by Member States in the case of under-implementation and low absorption rates;

16. Draws attention to the crucial importance of the cohesion policy and ESI Funds in reducing disparities between Member States and regions, in promoting economic growth and employment, in combating poverty and social exclusion, and thus in improving the daily life of European citizens;

17. Invites the Commission to increase the technical support (training sessions, communication, etc.) with national, regional or local authorities in order to get better absorption rates;

18. Notes that, in accordance with Union law, the beneficiaries entitled to the common agricultural policy (CAP) direct payments are those who farm the land; calls on the Commission to ensure that rules are adopted with a view to avoiding a situation in which Union subsidies are distributed to recipients who have acquired the land in question by illegal or fraudulent means, as has been observed in some Member States; taking into consideration cases such as those reported by OLAF in Slovakia and Italy, underlines that the Commission should come up with proposals clearly indicating that lease or ownership contracts of land are based on the rule of law and that national legislation regarding workers' rights, including rights concerning the incomes of farm workers, are followed; asks the Commission in cooperation with national agencies to come up with a standardised and publicly accessible format (respecting the relevant decision of the Court of Justice) for disclosing the end beneficiaries of the CAP;

19. Is deeply concerned by recent investigations by the Italian authorities revealing fraud worth EUR 5,5 million and several mafia structures misusing Union agricultural subsidies for their criminal purposes, threatening honest farmers who participate in auctions of state-owned land and ignoring national labour law; believes that the Union's financial interests and taxpayers' money across the Union risk being undermined by organised crime and calls the Commission to take the necessary measures to prevent criminal networks from obtaining Union money; underlines the needs for better exchange of information at national level, as well as between the national and Union levels, in order to quickly identify criminal organisations that are seeking to make illegal profits; calls on the Commission to reinforce the control systems in order to avoid that such a situation repeats itself; calls the Commission to keep the discharge authority informed about any new developments;

20. Calls on the Commission to promote a better gender balance and gender budgeting approach in the allocated funds;

21. Encourages the Commission to pursue the digitalisation of its services;

22. Calls on the Commission to pursue the administrative simplification in order to attract small structures such as SMEs to participate in the Union programmes and public procurements;

23. Insists that the Commission propose a specific complaint mechanism at Union level to support farmers or beneficiaries confronted, for example, with land-grabbing malpractices, misconduct of national authorities, pressure from criminal structures or organised crime, or persons who are subject to forced or slave labour, giving them the opportunity to swiftly lodge a complaint with the Commission, which the Commission should check as a matter of urgency;

24. Notes with regret the concentration of the majority of CAP direct payments in the hands of few recipients in some Member States; strongly disapproves of the creation and establishment of oligarch structures in some Member States; is deeply concerned that members of these oligarch structures draw on Union funds particularly in the area of agriculture and cohesion to strengthen their position of power; is of the opinion that Union funds should benefit the majority of Union citizens instead;

25. Is deeply worried by recent reports about agricultural funds allegedly benefitting oligarchic structures; reiterates that this represents a severe injustice towards Union tax payers and particularly towards small farmers and rural communities; calls on the Commission to table a proposal modifying the CAP and cohesion rules in order to bring about a fairer allocation of Union funds and thereby avoiding a skewed distribution where a small minority of beneficiaries (both natural and legal persons) receives the vast majority of Union subsidies in both areas; deems it necessary to change MFF rules to avoid a situation in which one natural person owning several companies has the possibility of receiving Union subsidies in CAP and cohesion amounting to three-digit million during one MFF;

26. Notes the transparency requirements for cohesion policy and CAP, which oblige the responsible authorities of the Member States, under the rules of shared management, to maintain a publicly available list of final beneficiaries; calls on Member States to publish such data in a uniform manner and ensure the interoperability of the information; calls on the Commission to collect and aggregate the data and publish lists of the largest 50 beneficiaries from each fund in each Member State as well as the 50 largest beneficiaries of CAP and Cohesion (natural and legal persons) across all Member States to receive a precise overview of the distribution of Union subsidies;

27. Calls on the Commission in full acceptance of the principle of shared management to:

— establish a uniform and standardised information system for Member States to report information on the final beneficiaries of Union funds in the area of agriculture and cohesion; emphasises that information on final beneficiaries should include specification on the beneficial owners of companies (natural and legal persons);

— propose a regulation for the establishment of an IT system that allows for uniform and standardised reporting in real-time by the Member States' authorities ensuring interoperability with the systems in the Member States, to guarantee better transparency and cooperation between Commission and Member States and to improve further accountability of the payments, and particularly to contribute to an earlier detection of systemic errors and misuse;

— assist Member States in adapting or developing Member States' IT systems to a new reporting system;

— monitor the quality and the completeness of the data provided by the Member States;

— ensure more effectiveness, timeliness and less bureaucratic burden with the help of modern digitalised systems;

28. Acknowledges that the creation and establishment of such an IT system will take time to be realised; fully acknowledges that the provision of information on beneficiaries under shared management is the responsibility of the Member States; at the same time asks for a quicker, more transparent exchange of information and data related to Union-subsidies in the area of Cohesion and CAP; calls on the Commission to provide the discharge authority with a list of the 50 largest individual recipients (natural persons as beneficial owners of a company or of several companies) per Member State as well as a list of the 50 largest recipients (natural persons and legal persons as well as natural persons as owners of several companies) of Union-subsidies aggregated across all Member States; asks the Commission to provide this information to the discharge authority on an annual basis;

29. Calls on the Commission to evaluate the CAP proposals currently on the table and propose amendments to bring the future regime in line with the European Green Deal;

30. Calls on the Commission to take on board, in its proposals on the MFF and the European Green Deal, the critical conclusions of the Court as to the lack of efficiency and effectiveness of the greening of the CAP regime;

31. Is particularly concerned by the alarming information provided by the press and NGOs as to the dramatic situation of the most vulnerable migrants in the hotspots, in particular, child migrants and refugee women; calls on the Commission to take specific measures in cooperation with the Members States' authorities in order to prevent the misuse of Union funds and avoid abuse and trafficking, and to ensure that Union funds are used to protect fundamental rights;

32. Highlights that the increasing use of financial instruments and trust funds to deliver Union policies in third countries, alongside the Union budget, risks undermining the level of accountability and transparency of Union action; insists that the Commission ensure that the delivery of external aid is subject to the rule of law and respect for human rights in recipient countries; stresses, in particular, the need to guarantee that no Union funds support any form of forced or child labour; is concerned about recent press reports from projects in Eritrea containing allegations; urges the Commission to quickly follow up on those allegations and report back to the discharge authority in a timely manner;

33. Welcomes the outstanding work done by the Court whose work and special reports are an essential tool to the European transparency and good governance; notes all the recommendations done by the Court in the 2018 special reports and calls on the European institutions to implement them quickly;

The Court's statement of assurance

34. Welcomes the fact that the Court finds the accounts for 2018 to be reliable, as it has done since 2007, and that the Court concluded that revenue was free from material error in 2018;

35. Notes with satisfaction that the commitments underlying the accounts for the year ended 31 December 2018 are legal and regular in all material respects;

36. Welcomes the positive trend of the most likely error rate for payments issued by the Court compared to that of recent years since the payments are affected in 2018 by a most likely error rate of 2,6 % ([1]);

37. Notes that in 26 years the Court has, on three consecutive occasions, 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 material error was confined mainly to reimbursement-based expenditure representing around half of the audited population;

38. Regrets that for the 26th year in a row payments are materially affected by error because the supervisory and control systems are only partially effective; stresses the fact that Member States had sufficient information available to prevent, detect and correct a significant proportion of errors prior to declaring the expenditure to the Commission and that had this information been used the estimated error rate would have been considerably lower; calls on the Commission to put in place the necessary instruments to further improve error detection by Member States' authorities;

39. Notes that where payments are made on the basis of cost reimbursements, the Court estimates the rate of error at 4,5 % (compared to 3,7 % in 2017 and 4,8 % in 2016) whilst the rate of error of entitlement payments ([2]) was below the materiality threshold of 2 % excluding some rural development schemes; regrets that the error rate is not clearly quantified for the entitlement payments;

40. Points out that the Court found the highest estimated level of error in spending under 'economic, social and territorial cohesion' (5,0 %), while the lowest material error rate in spending on 'competitiveness for growth and jobs' was at the materiality threshold (2,0 %);

41. Points out that the Court considers that research expenditure remains a higher risk area and the main source of error under the heading 'Competitiveness';

42. Notes that the Court provided in 2018 specific error rates for four MFF headings: 'Competitiveness', 'Cohesion', 'Natural resources' and 'Administrative expenditure';

43. Points out that, for 2018, the Court presented an error rate per policy area but did not estimate levels of error for areas of expenditure under MFF headings 3 Security and citizenship and 4 Global Europe; asks the Court to consider whether the audit of a representative sample size from under these two headings could be helpful for the evaluation of financial transactions; notes, further, that the Court did not issue specific error rates regarding rural development and market operations in CAP, neither did it issue individual error rates for the European Social Fund (ESF), the European Regional and Development (ERDF) fund and the Cohesion Fund (CF); suggests that the Court consider revising its sampling strategy in order to ensure better comparability from one year to another;

44. Regrets that the Court did not estimate levels of error for areas of expenditure, under MFF headings 3 Security and citizenship and 4 Global Europe; considers that, although the figures under these headings are relatively low, they are of particular political importance; stresses that the audit of a representative sample size from under these two headings is essential for a rigorous and independent evaluation of financial transactions, as well as for better oversight on the use of Union funds by the Parliament, and calls on the Court to provide data on the error rate for payments under these headings in its next annual reports;

([1]) The most likely error rate for payments was estimated in the financial year 2017 at 2,4 %, 2016 at 3,1 %; 2015 at 3,8 %, 2014 at 4,4 %, 2013 at 4,7 %, 2012 at 4,8 %, in 2011 at 3,9 %; 2010 at 3,7 %, 2009 at 3,3 %; 2008 at 5,2 %, and in the financial year 2007 at 6,9 %.

([2]) The payments concerned include student and research fellowships (MFF 1a — chapter 5), direct aid for farmers (MFF 2 — chapter 7) and budget support to third countries (MFF 4 — chapter 9). Administrative payments mainly consist of the salaries and pensions of EU civil servants (MFF 5 — chapter 10). Overall, entitlement-based expenditure represents around 53 % of our audit population.

45. Notes that the Court audited transactions worth a total of EUR 120,6 billion and that 'Natural resources' makes up the largest share of the overall population (48 %), while the weight of MFF 1b 'Cohesion' is relatively small (around 20 %); notes the distribution of the audited population, considering the very high error rate for Cohesion; suggests the Court to consider both the share of the total Union expenditure and error related risk when deciding on the division of the next audit share of the overall population;

46. Is surprised that the Court decided that natural resources should make up the largest share of the Court's overall audit population for its annual financial and compliance audit examination whilst the CAP direct payments are not prone to errors; notes, however, that in the area of direct payments several cases of conflict of interests, organised crime and corruption have been made public and been followed by audits of the Commission; calls more adequate measure to be taken by the Commission and the Member States to prevent and resolve cases which put at risk the CAP;

47. Points out that the Court audit population for cohesion differed from previous years and consisted of final payments for the period 2007 to 2013 and expenditure covered by accounts accepted on an annual basis by the Commission for the period 2014 to 2020; suggests that this means that the Court tested transactions for which all relevant corrective actions had been implemented at Member State level; regrets that despite this audit approach the error rate was quantified in a very high level of 5 %;

48. Points out that, as in previous years, eligibility errors (namely, ineligible costs in costs claims and ineligible projects, activities or beneficiaries) contribute most to the 2018 estimated level of error for high-risk expenditure;

49. Points out, however, that the impact of eligibility errors was less important than in 2017 (2018: 68 %, 2017: 93 %); regrets that in 2018 the Court found a higher number of errors in relation to public procurement, state aid rules and grant award procedures; calls on the Commission to pay close attention to these categories of errors and assess whether they present a risk to the free competition or even point to possible cases of corruption; in the latter case, the Commission should not hesitate to take corrective measures and inform EPPO;

50. Calls on the Commission to streamline and simplify the strategic frameworks governing the implementation of the Union budget, thereby reinforcing accountability for results and increasing clarity and transparency for all stakeholders;

Annual management and performance report: management achievements

Reliability of the data communicated by the Commission

51. Regrets the fact that the Court has not audited the Annual Management and Performance Report (AMPR); points out, however, that the Court examined some annual activity reports (AARs), and, in particular, those of DG AGRI, DG DEVCO, DG ECHO, DG NEAR, DG EMPL and DG REGIO;

52. Points out that in the chapter related to the synthesis of the financial management of the AMPR, the Commission reports on an estimated risk at payment of 1,7 %, and confirms that 'the risk at payment is closest to the Court most likely error rate' (p. 152 of the AMPR 2018 ([3]);

53. Notes that the Commission insisted in 2018 that progress was mainly due to the good score of the cohesion family at 1,1 % ([4]); notes with surprise that for the same calendar year 2017, DG REGIO refers in its 2018 AAR (p. 70) to another error rate at 1,95 %;

54. Points out that the director-general of DG EMPL explains in his 2018 AAR on p. 83, that:

— 'in the 2017 AARs, the directors general of DG REGIO and EMPL decided to estimate the risk by projecting a provisional residual total error rate for 2017 calendar year expenditure, which they had not yet accepted and confirmed';

([3]) COM(2019) 299.

([4]) AMPR 2017 p. 77. Compared to 2016, the main change is the significant decrease in Cohesion, Migration and Fisheries. In this policy area, the current 2014-2020 programmes are coming up to speed, which have an inherent lower risk given the newly introduced annual clearance of accounts and the 10 % retention mechanism on interim payments until all controls and corrective measures are implemented.

— 'the ECA is of the opinion that the AARs should be further streamlined and adapted to the new control and assurance framework. This framework means that it takes almost two years from the end of the relevant accounting period before the Commission can first report its conclusion on the reliability of audit authorities' residual error rates for a given accounting year';

55. Requests the Commission to make sure that the AMPR is fully reliable and not based on projections;

56. Notes that, in external relations, DG NEAR and DG DEVCO use in their AARs residual error rates (RER) that are the products of RER studies made by external companies;

57. Points out that the RER is calculated on transactions from closed contracts only between 1 September 2017 to 31 August 2018 (Box 9.5 of the Court's annual report for 2018) for which all controls and checks have been applied;

58. Stresses that the RER of DG DEVCO and DG NEAR do not only concern payments made in 2018;

59. Recalls that for the Asylum, Migration and Integration Fund/ Internal Security Fund (AMIF/ISF), DG HOME pointed out in 2018 that it 'only reports the residual error rate since, as foreseen by the legal basis, the national audit authorities do not have to report to DG HOME the detected error rates' (see reply to Question No 14, hearing Avramopoulos 18 October 2018); consequently, notes that the error rate reported is the residual one, meaning that the estimated error rate minus any amounts corresponding to any corrective actions taken that have already effectively reduced the exposure ([5]);

60. Shares the view expressed by the Court (at point 6.74 of the Court's annual report for 2018) that in the AMPR, the Commission presents an estimated risk at payment for 'Economic, social and territorial cohesion that relates to expenditure which has not yet gone through the full control cycle'; Regrets to see that this means that the Commission is evaluating the error rate for Cohesion on the basis of pure estimations compared to the accounting year 2017-2018 and not on real figures that are verified for the financial year 2018 itself;

61. Stresses that, for this reason, the Court noted that the data provided by the Commission in its AMPR regarding social and territorial cohesion are not reliable (point 6.74 of the Court's annual report for 2018);

62. Furthermore, stresses that since the error rates issued by the Commission in cohesion, external relations and some of the internal policy areas are based on residual risk, it is not justified to compare the risk at payment reported by the Commission in its AMPR to the Court estimated level of error;

63. Points out that if the risk at payment communicated by the Commission already integrates financial corrections the corrective capacity of the Union may be overestimated; regrets to see that this may have an impact on the reliability;

64. Regrets that the errors found reflect persistent shortcomings in the regularity of the expenditure declared by the managing authorities and that the Court identified weaknesses in the sampling methodologies of the audit authorities;

65. Is of the opinion that if the Authorising officers by delegation, when disclosing the specific areas of their expenditure for which they issue a reservation refer to the materiality threshold of 2 % expressed as a RER, they finally run the risk of not adequately protecting the Union budget;

66. Regrets the fact that individual DGs' estimates of the level of irregular spending are not based on a consistent methodology;

67. Points out that the AARs of the DGs and the AMPR use a complex and incoherent terminology that makes it difficult to compare reported results across DGs and over time;

68. Notes, in particular, that 'the ECA is of the opinion that the Commission presents in the AARs of DG REGIO and EMPL at least 13 different rates for the two programming periods as a measure of the expenditure at risk. Such a large number of rates would lead to a lack of clarity and potential confusion as to their relevance and the assurance provided' (DG EMPL AAR 2018, p. 83);

([5]) See also reply to written question 1 asked in view of the hearing of Commissioner Avramopoulos of 11 November 2019.

69. Notes that instead of referring as in 2017 to the notion of RER, the Commission uses, in its AMPR for 2018, the terms 'error rate at closure'; notes that this is the risk at payment minus the estimated future corrections and recoveries that managers of Union funds expect to make in respect of 2018 expenditure during the following years of current programmes; points out that this error rate is only an estimate;

70. Notes that according to the AMPR for the Union budget in 2018 30 (idem in 2017) authorising officers by delegation declared unqualified assurance, while 20 (idem in 2017) declarations were qualified with 40 (38 in 2017 and 37 in 2016) reservations for 2018;

71. Points out that 40 reservations were issued by the Commission for 2018: 2 reservations were new and 38 were recurrent; notes that five recurrent reservations have been updated, from quantified to unquantified (or vice versa) or for a change of scope and that for all reservations, the impact on 2018 expenditure was calculated or recalculated; notes therefore that the amount at risk at reporting for the 2018 expenditure under reservations is estimated at EUR 1 078 million (compared to EUR 1 053 million in 2017, EUR 1 621 million in 2016 and EUR 1 324 million in 2015);

72. Regrets that despite improvements to the methodology of its analysis of the impact of corrective action the Commission has not eliminated the risk that the impact of corrective actions is overstated; points out that in such a case all reported RER in AMPR are unreliable;

73. Points out, in particular, that, for more than three quarters of 2018 expenditure, Commission directorates general base their estimates of the amounts at risk on data provided by national authorities, whilst it appears from the AARs of the Commission directorates general concerned (DG AGRI, DG REGIO and DG EMPL) that the quality and reliability of several Member States' controls remains a challenge;

74. Repeats its request that the Commission and the Member States put in place sound procedures to confirm the timing, origin and amount of corrective measures and to provide information reconciling, as far as possible, the year in which payments is made, the year in which the related error is detected and the year in which recoveries or financial corrections are disclosed in the notes to the accounts;

75. Notes that in total in 208 cases OLAF gave recommendations between 2012 and 2018 where no decision was taken by the national authorities ([6]); points out that in certain Member States it is even the majority of the cases in which OLAF recommendations are not followed by any actions by the Member State authorities, which might result in the direct damage to the Union's and citizens' financial interests;

76. Notes with concern the nine cases of suspected fraud that were communicated to the OLAF by the Court in 2018;

77. Calls on the Commission to simplify and harmonise the practices and methods of the DGs in order to be able to fully respect the requirements of Article 247 of the Financial Regulation and, in particular, paragraph 1b thereof which stipulates that: '… the annual management and performance report includes information on key governance arrangements in the Commission as well as: (i) an estimation of the level of error in Union expenditure based on a consistent methodology and an estimate of future corrections; …'

78. Calls on the Commission, in accordance with Article 247 of the Financial Regulation, to align quickly its methodology to the one used by the Court and to provide the budgetary control authority with only one error rate corresponding to the risk at payment (error rate at payment); calls on the Commission to disclose separately an estimate of the future corrections (residual error rate); urges the Commission to apply a coherent terminology across all DGs when reporting on these two estimates; calls for the progress in the matter in question to be provided to the Parliament until 30 June 2021;

79. Calls on the Commission to take the necessary measures to obtain reliable data from the Member States concerning the error rate at payment; calls on the Commission to make appropriate adjustments in a timely manner if deficiencies are detected in Member States' controls;

80. Calls on the Commission to take all the necessary measures to obtain reliable data from the Member States concerning the error rate at payment;

81. Calls on the Court to:

(a) examine and review both parts of AMPR in its annual report; and

([6]) https://ec.europa.eu/anti-fraud/sites/antifraud/files/olaf_report_2018_en.pdf

(b) examine whether, in the AARs of the DGs, the materiality threshold used to trigger the reservations mechanisms should be expressed as risk at payment instead of RER;

Budgetary and financial management

82. Notes that in 2018 commitment and payment appropriations available in the final budget were almost fully used: 99,5 % of commitments appropriations and 98,6 % of payment appropriations;

83. Points out that there was a significant increase in payment claims from Member States in 2018 for the ESI Funds;

84. Notes with concern that due mainly to delays, substantial amounts of unused annual ESI Funds pre-financing returned to the Union budget: EUR 8,1 billion in 2018 (compared to EUR 5,4 billion in 2017), which significantly increased assigned revenue in those two years;

85. Stresses that in 2018,

— there was no need for additional payments, and the EUR 5,3 billion of available Global Margin for Payments (GMP) from previous years were not needed;

— the EUR 5,3 billion could not be transferred forward because the 2019 and the 2020 GMP ceilings had been reached and;

— an additional amount of EUR 11,2 billion in payment appropriations not used in 2018 could not be transferred to 2019 or 2020;

86. Points out that according to the Court's forecast (points 2.15 and 2.16 of the Court's annual report) a total of EUR 44,9 billion could remain unused by 2020; reminds that the flexibility provided by the GMP end with the current MFF in 2020;

87. Points out with concern that:

— outstanding commitments have continued to grow, reaching EUR 281,2 billion at the end of 2018 (compared to EUR 267,3 billion in 2017) and that they have increased by 36 % (EUR 73,7 billion) over the past seven years since 2011, the corresponding year of the previous MFF;

— based on the Commission's long-term forecast ([7]), outstanding commitments will reach EUR 313,8 billion by 2023, which is close to the Court's projections;

88. Is worried by the fact that outstanding commitments (RAL) have continued to grow in 2018 reaching a new record; this represents a serious risk; calls on the Commission, in order to reduce current and prevent further outstanding commitments, to improve its financial forecasts and, where necessary, to assist countries to find eligible projects, especially those with clear European added-value;

89. Recalls that the high level of outstanding commitments is mainly due to the slow implementation of the ESI Funds, but also to the annual gap between commitments and payments and the increase in the size of the Union budget (the Court's rapid case review, 'Outstanding commitments — a closer look');

90. Shares the Court's concern that a high risk exists that not enough payment appropriations will be available to cover all amounts due in the first years of the new MFF and that this may be particularly true for 2021, the first year of the MFF for 2021 to 2027 (point 2.20 of the Court's annual report,);

91. Points out that the risk of insufficient payment appropriations is all the greater given that the implementation of the ESI Funds has been even more delayed than in the previous MFF; in this respect points to the fact that in 9 out of 13 Member States who joined the Union since 2004 the outstanding commitments present more than 15 % of their annual government expenditures and that in cases where not enough payment appropriations will be available to cover all amounts this could present a serious financial and political challenges both in these countries as within the Union;

([7]) COM(2018) 687.

92. Points out that according to the Court: overall, the absorption of Member States' ESI Funds was lower than in the corresponding year of the previous MFF (points 2.22 to 2.24 of the Court's annual report for 2018);

93. Points out, in particular, that only Bulgaria, Luxembourg, Austria, Romania and Finland have an absorption rate that is faster during the current MFF than during the previous one;

94. Points out that guarantees supported by the Union budget have increased in recent years and that this is mainly due to the addition of the European Fund for Strategic Investments (EFSI) and the European Fund for Sustainable Development guarantees; notes that other guarantees include external lending mandate guarantees given to the European Investment Bank (EIB) and Union guarantees backing borrowing and lending activities, which are mainly loans to Member States;

95. Notes with concern that the increase in guarantees adds to the exposure of the Union's budget to risk, the level of losses expected by the Commission being covered by guarantee funds, which the new MFF will pool into a common provisioning fund;

96. Points out that in recent years, the Union has increasingly made use of financial instruments and budgetary guarantees provided to the EIB Group and that EIB Group has a complex relationship with the Union budget and different accountability arrangements to Union institutions;

97. Recalls that at present, EIB Group operations that are not financed by the Union budget but which serve the same Union objectives do not come under the Court audit mandate; points out that this means that the Court is unable to provide a full picture of the links between EIB Group operations and the Union budget; in particular, supports the Court's request to audit the EIB's non-Union budget related operations; calls for the renewal of the tripartite agreement between the Commission, the EIB and the Court, due in 2020, to include provisions giving the Court greater access to EIB operations' auditing with the view to improving external scrutiny; furthermore, calls on the EIB group to render the following more transparent: economic operations, its use of the Union budget guarantee, the additionally of EIB operations and possible future plans for a development subsidiary at the EIB; calls for a Memorandum of Understanding between the EIB and the Parliament to improve Parliament's access to EIB documents and data related to strategic orientation and financing policies in order to strengthen the Bank's accountability;

98. Endorses the main recommendations made by the Court in chapter 2 of its annual report for 2018;

99. Calls on the Commission to take measures to avoid undue pressure on the level of payment appropriations in the first years of the MFF for the programming period 2021 to 2027; requests that such measures include:

(a) improving the accuracy of forecasts of payment needs;

(b) inviting the budgetary authority to:

(i) provide for an orderly balance between the budgeted commitment and payment appropriations for the next MFF by increasing payment appropriations, changing the commitment rules or decreasing commitment appropriations;

(ii) in doing so, take into account the possibility of a high amount of payment claims in 2021 and 2022 and the fact that unused payment appropriations cannot be transferred to the next MFF;

(c) facilitating the timely adoption of legal frameworks and promoting early planning of programmes by Member States;

100. Calls on the Commission to ensure, as soon as the common provisioning fund is established, effective management and up-to-date monitoring of the Union budget's exposure to the related guarantees; in this context, asks the Commission to base its calculation of the effective provisioning rate on a prudent methodology based on recognised good practice;

101. Calls on the Commission to present annually to the budgetary authority the overall amount and the breakdown of funds transferred from the Union budget for financial instruments managed by the EIB Group, as well as to present information on the level of implementation of these funds;

Getting results from the Union budget

102. Stresses that the aim of performance information is to provide an indication as to whether Union policies and programmes, are achieving their objectives efficiently and effectively; suggests that, if improvements are needed, performance information should be used to inform the process of designing necessary corrective measures, and their implementation be continuously monitored;

103. Welcomes the fact that the Court has analysed in 2018 performance information published by the Commission and has, in particular, reviewed the performance indicators in:

— the programme statements accompanying the 2019 draft budget,

— the 2014-2020 Union budget Programmes' Performance Overview (PPO), issued for the first time in May 2018;

104. Insists that compliance and performance audits represent two sides of the same coin; points out that joining the two dimensions: i.e. the evaluation of the results achieved, while ensuring legality and regularity of spending, should put the discharge authorities in the position guarantee Union added value and to control the Commission's budget execution;

105. Regrets, once again, that the AARs of the Commission's directors general do not include a declaration on the quality of the reported performance data signed by them, and that, consequently, in adopting the AMPR, the College of Commissioners takes overall political responsibility for the financial management of the Union budget but not for the information on performance and results;

106. Welcomes, and follows with great interest, the intention of the Court to update its assessment of performance of the Union spending in its annual report and, in particular, to present for each MFF heading a chapter on compliance and performance;

107. Welcomes the fact that the Court inserted in chapter 3 of its annual report for 2018, under the heading, 'getting results from the budget', a summary of the main special reports published in the year by MFF headings; notes that, in 2018, the published replies to the Court's reports show that the auditees fully accepted 78 % of the 388 recommendations issued by the Court (compared to 68 % in 2017) and that 18 % of case recommendations were implemented only in some respects, with significant weaknesses remaining; notes that only 6 % of the recommendations have not been implemented;

108. Is concerned that in some Member States the administrative capacity might be insufficient;

109. Is concerned that overall, the data included in the programme statements suggest that progress towards the performance targets is moderate, which can be explained by the late, slow start for both the cohesion and rural development programmes;

110. Stresses that, according to the Court, indicators did not always provide a good picture of actual progress;

111. Insists that both the calculation of progress towards the target from the baseline and the progress towards the target reported by the Commission in the PPO should be treated with caution because many indicators were not well chosen or progress could not be calculated for a range of indicators; notes that for almost half the indicators, it was not possible to calculate progress towards the target from the baseline;

112. Notes with concern that for some programmes, data available was of insufficient quality and that some programmes include targets that are not sufficiently ambitious;

113. Calls on the Commission to promote the inclusion in the programme statements of indicators that:

(a) through a better balance between inputs, outputs, results and impacts, provide more relevant information on the achievements of Union spending programmes;

(b) have a clear link with the actions financed by Union spending programmes;

(c) reflect the achievements of Union spending programmes rather than the performance of the Commission and other bodies implementing them; and

(d) cover the programme objectives;

114. Insists that to be able to calculate progress towards the target from the baseline, the Commission propose performance frameworks for all programmes with the characteristics listed below for performance indicators and that if the Commission deems this not to be meaningful for a specific indicator, it should explain its choice in the programme statements:

(a) quantitative baselines, stipulating the year for the baseline;

(b) quantitative milestones;

(c) quantitative targets, stipulating the year of the target;

(d) data with the required level of quality so that progress towards the target from the baseline can easily be calculated;

115. Calls on the Commission to seek to receive in a timely manner performance information for all performance indicators, for instance by introducing new reporting tools on internet platforms;

116. Calls on the Commission to document the target programmes' objectives and targets, including benchmarks, so that the budgetary authority can assess their level of ambition and the results in achieving the targets;

117. Stress the importance of strictly monitoring, in the case of large-scale infrastructure projects, possible risk of corruption and fraud; calls on the Commission to carry out careful and independent *ex ante* and *ex post* assessments with regard to the project to be financed;

118. Calls on the Commission to further improve the PPO, especially by:

(a) using one method for calculating progress towards the target from the baseline and if the Commission deems this not to be feasible for a specific indicator, it should explain its approach in the PPO;

(b) explaining the rationale used to select performance indicators for each programme;

119. Calls on the Commission to continue supporting Member States with a view to ensuring that both the quality and number of controls are improved, and to share best practice in the fight against fraud;

Revenue

The Court's annual report for 2018

120. Notes with satisfaction that the Court indicates that the level of error in revenue was not material and that the revenue-related systems were, overall, effective;

121. Notes that for the third year in a row, DG BUDG set a reservation on the value of traditional own resources (TOR) collected by the United Kingdom, due to the country's failure to make available to the Union budget evaded customs duties on textiles and footwear imports;

122. Notes with concern that the scope of the Court's reservation has been broadened to include other Member States' potential TOR losses as a result of the above under-valuation, which have not yet been estimated;

123. Regrets that after asking the United Kingdom in 2011 to set risk profiles for under-valued textiles and footwear imports from China, it took the Commission more than seven years to launch an infringement procedure;

124. Welcomes the facts that in 2018, the Commission sent a reasoned opinion to the United Kingdom having calculated the total losses (principal and interest) to the Union budget at EUR 2,8 billion and that in March 2019, the Commission referred the case to the Court of Justice;

125. Regrets that the key internal TOR controls assessed by the Court at the Commission and in certain Member States were partially effective;

126. Notes with concern that the Court found in Spain weaknesses in the control systems for compiling the monthly statements of customs duties;

127. Notes with concern that, in the random sample of three counties selected, the Court detected weaknesses in the management of established duties not yet collected; notes that these weaknesses mainly concerned delays in enforcing recovery of customs debts and the late recording or writing off of debts in the accounting system; notes weaknesses in the Commission's verifications of the Member States' TOR statements;

128. Regrets the fact that the Commission's 2018 inspection programme as to efficiency of the Member States systems to collect, report and make available the correct amount of TOR was not sufficiently supported by a structured and documented risk assessment, and that it did not rank Member States by level of risk or present the impact and probability of risks;

129. Notes with concern that the Commission, on receiving TOR statements each month or quarter, neither carried out a systematic analysis of unusual changes in the statements nor collected relevant information explaining the reasons for these changes;

130. Points out that the numbers of GNI and VAT reservations remain unchanged overall, while TOR open points have increased by 14 % ([8]);

131. Regrets the fact that the Court review of selected TOR open points with financial impact revealed some delays in the Commission's follow-up and closing of these points; notes, in addition, that the Court found 27 % of the open points to have been outstanding for more than five years;

132. Observes that VAT contributes 12 % to the Union revenue of EUR 145 billion in 2018; highlights in this context that the Commission estimated the VAT 'gap', which is the difference between expected VAT revenues for the Member States' budget and VAT actually collected in the national Treasuries, in 2017 to amount to EUR 137,5 billion ([9]); notes that the VAT gap covers VAT losses affecting mainly the national budgets and that the loss, among others, may be due to insolvencies, bankruptcies, administrative errors, tax optimisation and also to possible illegal/fraudulent activities;

133. Notes with concern that in 2018, the Commission placed a general reservation relating to France's estimation of its GNI because France had provided insufficient information on the compilation of its GNI;

134. Notes that as to the five recommendations made by the Court in its 2015 annual report the Commission had only implemented one in full, one recommendation in some respects and three in most respects;

135. Calls on the Commission to implement a more structured and documented risk assessment for its TOR inspection planning, including an analysis of each Member State's level of risk and of risks in relation to the drawing up of the A and B accounts;

136. Calls on the Commission to reinforce the scope of its monthly and quarterly checks of TOR A and B account statements by carrying out a deeper analysis of the unusual changes in order to ensure a prompt reaction to potential anomalies;

137. Reconfirms its position on the reform of the Union own resources system, which represents a very positive revenue component of the 2021-2027 MFF package; welcomes, therefore, the proposed introduction of three new Union own resources and the simplification of the current VAT-based own resource for the 2021-2027 MFF ([10]);

([8]) When the Commission identifies cases of potential non-compliance with the own-resources regulations in data provided by Member States, it leaves the data open for possible changes until it is satisfied that this data is compliant. For cases concerning GNI or VAT, this procedure is called setting a reservation; for TOR cases, the corresponding procedure is called creating an open point. The Commission determines the impact on the Union budget of the reservations and open points after obtaining the necessary information from the Member States.

([9]) https://ec.europa.eu/taxation_customs/business/tax-cooperation-control/vat-gap_en

([10]) Court's Special Report No 12/2019: E-commerce: many of the challenges of collecting VAT and customs duties remain to be resolved.

The Court's Special Report No 12/2019: E-commerce: many of the challenges of collecting VAT and customs duties remain to be resolved

138. Notes that there are no estimates available of VAT losses at Union level on cross-border supplies of services, but the Commission estimates losses on supplies of low value goods from third countries to be as high as EUR 5 billion per year;

139. Highlights the role of the Member States in the implementation of administrative cooperation agreements, the effectiveness of controls, the enforcement of data collection and the monitoring of traders' compliance with the regulatory framework;

140. Is aware that the enforcement of VAT collection is a national competence;

141. Emphasises the high importance of the use of information exchange between Member States and with third countries;

142. Invites the Member States to increase their exchange of information about possible fraudulent companies and transactions through Eurofisc;

143. Calls on the tax authorities of the Member States to reinforce their control activity on Mini 'one-stop-shop' system ([11]);

144. Urges the Commission to carry out sufficient control and monitoring activities in the Member States;

145. Is concerned about the risk of undervaluation of supplies of e-commerce goods from third countries; welcomes steps taken in order to solve the problem of e-commerce VAT fraud;

146. Calls for a swift adoption of the proposed legislation on VAT for e-commerce in order to address the weaknesses of the distance sales regime;

147. Invites OLAF to inform Parliament on the outcome of its investigations related to e-commerce import of low value garments and to suspected import via e-commerce transactions of potentially sensitive goods by air transport;

Competitiveness for growth and jobs

148. Notes that the MFF subheading 1a 'Competitiveness for growth and jobs' accounts for 13,7 % or EUR 21,4 billion of the Union budget; of this amount EUR 11,7 billion (54,3 %) are spent on research and innovation, EUR 2,4 billion (11,1 %) on education, training, youth and sport, EUR 2,2 billion (10,4 %) on transport and energy, EUR 1,5 billion (7,2 %) on space and the rest on other actions;

Contributing to accomplishing the EU2020 objectives

149. Is satisfied that the European Innovation Scoreboard revealed a positive trend in the majority of Union countries – in particular in Malta, the Netherlands, and Spain, with Sweden remaining the Union innovation leader;

150. Regrets however that the majority of Member States continue to lag behind in achieving the objective of investing 3 % of gross domestic product (GDP) in research and development; highlights that the DG RTD gives principally three reasons for this sluggish development, namely, (a) the lack of public and private investment in this area, (b) the limited quality and efficiency of national research and innovation systems, and (c) market failures linked to business investment decision in R & I;

151. Welcomes that the level of participation of SMEs in the Leadership in Enabling and Industrial Technologies (LEIT) part and the Societal Challenges Pillar of the Horizon 2020 programme continues to be above the target for the programme, reflecting the considerable efforts made to attract SMEs to the programme and the simplifications made to facilitate their participation;

152. Welcomes also that the share of newcomers to Horizon 2020 has reached 61,4 %, thereby exceeding the benchmark of 55 % set for 2018;

([11]) A voluntary trade facilitation system that allows taxable persons (both Union and non-Union businesses) supplying telecommunication, television and radio broadcasting services and electronically supplied services to non-taxable persons in Member States in which they do not have an establishment to account for the VAT due on those supplies and declare it via a web-portal in the Member State in which they are VAT registered.

153. Deplores that the share of Union contribution to climate actions under Horizon 2020 fails to reach its set climate and sustainability spending targets and hence for the entire 2014-2020 MFF; stresses that, following the Union's commitment under the Paris Agreement and in view of the European Green Deal climate-related spending should be significantly increased with no further delays;

The audit scope and approach

154. Notes that the Court examined a sample of 130 transactions, designed to be representative of the full range of spending under this MFF sub-heading: 81 transactions in research and innovation (22 under the Seventh Framework Programme and 59 under Horizon 2020) and 49 transactions under other programmes and activities, notably Erasmus+, the Connecting Europe Facility (CEF) and space programmes with the beneficiaries being located in 19 Member States and 4 third countries;

155. Welcomes the fact that the Court estimated the level of error for the whole MFF 1a area to be 2,0 % and that this figure is lower than that for the previous two years, when the estimated level of error was slightly above 4 %;

156. Regrets, however, that in eight cases of quantifiable error by the beneficiaries, the reimbursement claim contained sufficient information for the Commission, the national authorities or independent auditor to prevent or detect and correct the error before accepting the expenditure; notes that, had the Commission made proper use of all the information at its disposal, the estimated level of error for this chapter would have been 0,3 % lower;

157. Observes that, as in previous years, many quantifiable errors concerned personnel costs; equipment and infra-structural costs also were a source of error;

158. Was surprised to learn that *ex ante* verifications of the Union contribution for large research infrastructure programmes were not only time consuming and costly (i.e. manpower, travel) but had often little impact on error prevention;

159. Takes note of the fact that the Court reviewed the audit files (working papers and supporting documentation) at the Common Audit Service and at the private audit companies and that in 11 cases the Court had to perform addition audit procedures, mainly due to the need to obtain additional supporting documentation or discrepancies in the working papers;

160. Is concerned about the methodological errors, which the Court found for the calculation of the error rate in the Horizon 2020 programme: 'The *ex post* audits aim for maximum coverage of the accepted costs, but rarely cover all the costs. The error rate is calculated as a share of all the accepted costs, instead of the amount actually audited. This means that the denominator in the error calculation is higher, so the error rate is understated. In cases where the errors found are of a systemic nature, the error is extrapolated which partially compensates for the above-mentioned understatement. However, since extrapolation is not performed for non-systemic errors, the overall error rate is nevertheless understated.' ([12]);

161. Noticed that DG RTD calculated error rates for the Seventh Framework programme and for Horizon 2020:

— DG RTD estimated that the Common Representative Error Rate for Seventh Framework programme, calculated on a multi-annual basis, is a little over 5 %; the RER is estimated at 3,36 %;

— the RER for the research and innovation family stands at 2,22 % (2,24 % for DG RTD) expected to rise to around 2,45 % (2,48 % for DG RTD) when taking into account the draft audit reports;

162. Notes that for the DG RTD the estimated overall amount at risk at payment for the 2018 payments made is in the range of EUR 97,6-101,1 million and that the overall amount at risk at closure for the 2018 expenditure of EUR 69,1 to 72,7 million, representing 2,21 %-2,33 % of total expenditure);

([12]) Point 5.34 of the Court of Auditors' annual report on the implementation of the budget for the financial year 2018, together with the institutions' replies (OJ C 340, 8.10.2019).

163. Points out that concepts of 'risk at payment' and 'risk and closure' were introduced for the 2018 audit exercise;

164. Welcomes that the findings of the Court (based on the MFF subheading) and of the Commission are similar;

Financial management and internal controls

165. Points out that for Seventh Framework programme a horizontal reservation on the reimbursement of cost claims remained in place;

166. Specifies that in 2018 DG RTD managed directly 56 % (compared to 58 % in 2017) of its budget expressed in terms of payments and that 44 % of the payments went to other entrusted bodies to be implemented by them;

167. Takes note that DG RTD entrusted 15,05 % of its 2018 budget to the EIB/EIF for Innovfin, that Innovfin aims to support research and innovation through financial instruments, and that the amount transferred to EIB/EIF in 2018 was EUR 472,9 million;

168. Is of the opinion that any programmes, actions or projects of the EIB family co-financed by the Union budget should be audited by the Court;

169. Is concerned that, although 4 740 out of 4 934 projects from the financing period 2007 to 2013 are closed, a backlog of commitment ('reste à liquider' or RAL) worth EUR 157,3 million continues to exist and that the Commission is unable to indicate when the RALs will have been cleared ([13]);

170. Highlights with concern the very imbalanced allocation of funds to researchers across Member States via Horizon 2020;

171. Points out that for the current programming period 2014 to 2020, 64,26 % of the budget was executed;

172. Encourages the DG RTD to continue its simplification efforts in line with the Court's Special Report No 28/2018 but without compromising legal certainty and without shifting *ex post* control to *ex ante* controls;

173. Is of the opinion that the DG RTD should pay greater attention to measuring the Union added value of R & I investments; stresses that measuring performance in research and innovation should not be based only on short-term output and monetary indicators, but should take into account the particular nature of research; encourages the Commission to develop ways of improving the support of high-risk research and innovation projects in a transparent way;

174. Strongly recommends the DG RTD to pay greater attention to measuring the Union added value of R & I investments;

HUAWEI

175. Acknowledges that HUAWEI subsidiaries applied for Union co-funding under the Horizon 2020 programme;

176. Notes however that participants from Brazil, China, India, Mexico and Russia were no longer funded under Horizon 2020 ([14]);

177. Recalls that the Horizon 2020 Rules for Participation and Dissemination, the provisions regulate the exploitation of results and convey to the Commission the right to object to transfers of ownership or grants of exclusive licences established in a third country not associated with Horizon 2020;

178. Takes note of the fact that OLAF, in this context, analysed information on alleged transgressions and has decided to open a new evaluation;

([13]) Reply to question 10, Questionnaire in preparation of the discussion with Commissioner Moedas, https://www.europarl.europa.eu/cmsdata/188520/Replies%20to%20questionnaire%20-%20Commissioner%20Moedas-original.pdf

([14]) DG RTD, AAR 2018, p. 16.

179. Notes with concern the danger of intentional misuse of Union funds by third countries in joint research projects; reminds that these third countries need to follow the rules on integrity and the protection of Union financial interest just as the Member States do;

Education, Audio-Visual and Culture Executive Agency (EACEA)

180. Is concerned by the Court's finding that the agency's internal control systems require major improvements and that for the second consecutive year the Commission issued a reservation on the system;

Recommendations

181. Calls on the DG RTD to:

— follow-up the Court's recommendations concerning this subheading;

— implement the 26 open recommendations of the Internal Audit Service as swiftly as possible;

— pay greater attention to and be more ambitious in fostering climate actions (a KPI);

— be particularly vigilant with regard to the adherence to the Horizon 2020 Rules for Participation and Dissemination;

— encourage a more balanced allocation of resources among Member States within Horizon 2020 and further assist Member States and researchers in particular in their application for funding;

— publish all its proposals for country-specific recommendations under the European Semester exercise in its AAR;

— rethink the way that the *ex ante* verification for large research infrastructure are done with the view of making them more efficient and effective;

— together with the EACEA, report to Parliament's responsible committee, by July 2020, on the reforms introduced to remedy the situation;

— pay particular attention to the distribution of funds by the project coordinator to the beneficiary;

— invest in measuring performance and Union added value;

182. Calls on the Court to extend the performance coverage in its annual report, for which the Court's special reports are a valuable source of information; in this context, welcomes the proposals made on 19 November 2019 in Luxembourg during the visit of the Committee on Budgetary Control;

Economic, social and territorial cohesion

183. Notes the information presented by the Court that in 2018 payments under MFF subheading 1b 'Economic, social and territorial cohesion' are 34,8 % or EUR 54,5 billion of the annual Union budget; notes further that of this amount EUR 30,1 billion (55,1 %) are spent on ERDF, EUR 9,3 billion (17 %) on CF, EUR 13,9 billion (25,6 %) on ESF and the rest on other actions;

184. Notes that for 2018 DG REGIO reported payment of EUR 39,5 billion which represents 98,52 % implementation rate of the authorised payment appropriations for 2018, and that DG EMPL reported payment of EUR 14,6 billion – 94,42 % implementation rate;

Contributing to accomplishing the Union's 2020 objectives

185. Notes that the Commission, with regard to KPIs claims that, with regard to:

— jobs, growth and investment, every euro spent generated EUR 2,7 of additional GDP and that, as a consequence, around 1,3 million jobs were created over the last programming period;

— the strengthening of research, technological developments and innovation, the forecast number of co-operation projects between enterprises and research institutions, based on the selected projects at the end of 2017, nearly doubled;

— the competitiveness of SMEs, the forecasted number of enterprises receiving support, based on the selected projects at the end of 2017, progressed by 40 %;

— the low-carbon economy, the forecasted number based on the selected projects at the end of 2017 more than doubled, and reached 69,2 % of the end-2023 target of 6 708 Megawatt of additional capacity;

186. Remarks that the Common Provisions Regulation for 2014-2020 period (Article 71 of Regulation (EU) No 1303/2013 ([15])) does not include provisions which define the achievement of results and their sustainability as criteria for durability of productive investments from the ERDF; notes the Court's observations about the sustainability ([16]) and quality of those investments and reiterates its call for inclusion of the achievement of results as a core consideration in evaluating project durability which will allow to assess to what degree positive economic developments are fostered by a general economic upturn or by Union funding;

The audit scope and approach

187. Notes that the Court examined a sample of 220 transactions, designed to be statistically representative of the full range of spending under MFF sub-heading 1b, which the audit authorities had previously checked;

188. Notes with concern the fact that the Court identified and quantified, in those 220 transactions, 36 errors, which had not been detected by audit authorities and that taking account of the 60 errors previously found by audit authorities and corrections applied by programme authorities (worth a total of EUR 314 million for both programming periods taken together), the Court estimated the level of error to be 5,0 %;

189. Notes that the Commission does not share the assessment of the Court on three significant errors concerning the programming period 2014 to 2020 and two errors concerning the programming period 2007 to 2013; notes that the Commission refers to a diverging interpretation of applicable national or Union rules with an impact on the calculated error rate ([17]);

190. Details that the main sources of error concerned ineligible costs (37) and public procurement (18) followed by the absence of essential supporting documentation (3);

191. Notes furthermore that, until end of the 2016/2017 accounting year, EUR 2,9 billion was paid in advances to financial instruments, out of which EUR 2,3 billion was declared between 1 July 2016 and 30 June 2017 (17 % of the total amount paid in Union co-financing) and that during the 2016/2017 accounting year, EUR 1,3 billion (43 %) was disbursed to final recipients;

192. Asks the Commission to inform the discharge authority who benefits from the interest accrued on the EUR 1,6 billion not yet paid to beneficiaries and to include this information in its annual reporting from now on;

193. Notes that the Court's audit covered disbursements to five financial instruments (two from the programming period 2014 to 2020 and three from the programming period 2007 to 2013); notes that the Court examined 30 guarantees and 100 loans for these five instruments at financial intermediary level and found 14 cases of ineligible disbursements to final recipients, relating to three of the instruments the Court examined: they concerned either ineligible loans or ineligible final recipients, and cancelled disbursements that the Member State incorrectly recorded as paid;

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

([16]) See also the Court's Special Report No 8/2018: EU support for productive investments in businesses — greater focus on durability needed.

([17]) See reply to question No 24, questionnaire to Commissioner Hahn for the Hearing in CONT on 11 November 2019.

194. Observes that DG REGIO confirmed a residual total error rate of 1,96 % for the accounting year 2016 to 2017, following completion of the national and Commission control cycle, based on all audit evidence available at this date and pending contradictory procedures (conservative approach) and that at the same time DG REGIO estimated that the confirmed rate could reach a maximum of 2,74 %;

195. Notes with concern the marked difference between the error rates estimated by the Court and by the Commission;

196. Notes furthermore that, for 2018, the Commission has introduced two new concepts: 'amount at risk at payment' ([18]) and 'amount at risk at closure';

197. Points out that the 'amount at risk at payment' is based on the accounts transmitted by Member States once they have deducted financial corrections; notes that it would appear therefore, that the Commission has no first-hand information on the amount at risk at payment;

198. In addition, points to the fact that the 'amount at risk at closure' is an extrapolation based on the Commission's experience;

199. In this context, finds it useful to recall point (b)(i) of Article 247(1) of the Financial Regulation, which requires the Commission to submit '(…) an estimation of the level of error in Union expenditure based on a consistent methodology and an estimate of future corrections; (…)';

200. Is concerned by the Court's conclusion that currently there is limited reliance on the work done by several audit authorities due to weaknesses in the audit authorities sampling method, its audit trail documentation and treatment of errors; expresses also concern that the Court cannot rely on the error rate presented by the Commission because it is based on expenditure which has not yet gone through the full control cycle and which expenditure is not the same as this audited by the Court;

201. Considers it unsatisfactory that the Court and the Commission use different methodologies to establish their respective opinion on the legality and regularity of financial transactions; they therefore arrive at different results for the RER: > 2 % (DG EMPL & DG REGIO), 5 % (Court); in this regard, requests that the Court provides not an RER but an Error rate at payments (before corrections are applied), in order to improve the quality of the evaluation and the scrutiny of the Parliament;

202. Points out that, in addition, the database of the two institutions is different: whereas the Court follows an annual approach, the Commission, in 2018, was able only to verify the 2016/2017 accounts and follows a multiannual approach;

Financial management and internal controls

203. Points out that DG REGIO issues 30 reservations for 30 operational programmes under the current programming period; 18 reservations were still in place for the programming period 2007 to 2013;

204. Notes that at the end of 2018 DG REGIO reports for a completion of 99 % of the action plans to fulfil the *ex ante* conditionalities and that the uncompleted action plans were reduced to 6 in 2018 (8 in 2017; notes with concern that two suspension decisions and two pre-suspension letters were issued for those plans not completed which might affect the timely implementation of the operational programmes concern majority of which are in the environmental sector;

205. Calls on the Commission to arrange for a genuine simplification of the procedure, including in the documentation required in order to gain access to funding, without neglecting the principles of audit and monitoring;

206. Is concerned that the implementation of the structural funds is lagging behind and the situation is even worse than at the comparable moment during the previous programming period: whereas currently the average absorption rate is below 40 %, it used to be below 60 % at the comparable moment during the programming period 2007 to 2013 ([19]);

([18]) DG REGIO, AAR 2018, p. 111: 'The risk "at payment" is calculated for each programme by applying the residual total error rate of the accounting year 2016/2017 as confirmed by the Commission services113 or, when it is higher, the residual total error rate reported by the audit authorities for the accounting year 2017/2018 to the "relevant expenditure" of the Commission reporting year (…)'; 'The risk "at closure" indicates the remaining risk to the 2018 relevant expenditure once the Commission will apply the necessary financial corrections to bring the total residual error rates for all OPs down to 2 % (…)'.

([19]) See also Court's Special Report No 17/2018: Commission's and Member States' actions in the last years of the 2007-2013 programmes tackled low absorption but had insufficient focus on results.

207. Notes that the DG REGIO AAR for 2018 states that currently EUR 18 billion of ERDF and CF, which is equivalent to 7,2 % of the total allocations, are planned to be delivered through financial instruments;

208. Regrets that the annual report 2018 on the 'Financial instruments under the ESI Funds' was only published in January 2020; notes that at the end of 2018 the ESI Funds contributions committed to FIs were EUR 16,9 billion, EUR 7 billion were paid to FIs from ESI Funds (around 41 %) and EUR 3,7 billion were invested in final beneficiaries; calls on the Commission to publish the 2019 annual report by October 2020 so that its findings can be integrated in the 2019 discharge report;

209. Reminds of its request to 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 ([20]);

210. Stresses that more transparency, improved accountability and better reporting on performance and sustainably are necessary for financial instruments implemented within and outside the Union; calls on the Commission to ensure that its counterparts implementing financial instruments supported by the Union budget are ensuring utmost transparency and accountability;

211. Emphasises that financial instruments can supplement grants but should not replace them ([21]);

212. Is seriously concerned that the backlog of commitments at the end of the programming period will be considerably higher than at the end of the previous exercise, thereby possibly triggering another payment crisis;

213. Notes that DG REGIO, for the accounting year 2016/2017, confirmed RERs reported by audit authorities (including in some cases after introducing adjustments without a material impact) below the materiality threshold for 135 operational programmes with 29 to be revised above 2 %;

214. Notes also that DG REGIO accepted 242 of 258 certified accounts for the accounting year 2017/2018; it did not accept 16 accounts; underlines in this context that the Court did not examine the accounts for that period as the verifications were not completed;

215. Observes that the most fraud-exposed areas in structural and cohesion policy are infrastructure (34 %), the environment (13 %) and research (13 %) and that fraud cases concern the procurement rules (52 %), irregular expenditure (14 %) and conflicts of interests (8 %);

Serious irregularities and misuse of funds in Member States

216. Notes that the DG REGIO final audit report on the Czech Republic was leaked to the media without authorisation; was informed that the Commission carried out comprehensive audits regarding the application of Union and national law, thoroughly checking not just the regularity of operations but also the compliance with the Union and national legislation on the conflict of interests; notes that the Commission informed Parliament's responsible committee in an in camera meeting in December 2019 about the progress of the audits carried out by DG REGIO and DG EMPL; calls on the Commission to keep the discharge authority and Parliament's responsible committee(s) informed about any new developments without undue delay and to ensure appropriate follow-up to the findings;

217. Deplores initial indications that the auditors detected, in the area of regional and cohesion funds, serious deficiencies in the functioning of the management and control systems and therefore suggested a financial correction of almost 20 %; calls on the Commission to critically assess whether these cases represent cases of systemic misuse of Union funds; expects the Commission to adopt an appropriate mechanism to avoid future deficiencies;

([20]) Paragraph 204 of the Parliament's resolution 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 (OJ L 248, 3.10.2018, p. 29).

([21]) Paragraph 21 of the Parliament's resolution of 18 April 2018.

218. Also deplores initial indications that the Commission auditors detected very serious cases of conflict of interests related to the Czech government; understands, however, that the Czech national law on conflicts of interests did not before February 2017 penalise the granting of public funds to public officials; notes that no expenditure has been declared so far for 2018; expects the Commission to do its utmost to complete the process efficiently and in a timely manner and to carry out fully all the necessary corrective measures; in the light of reports about the serious concerns over conflict of interests related to the Czech government found in the audits carried out by the Commission; urges the Commission to fully inform the Parliament and the European Council about the situation;

219. Welcomes the fact that the Commission has informed its competent committee that DG REGIO carried out financial corrections of more than EUR 1,5 billion from programmes of the 2007-2013 period in Hungary, in which it discovered irregularities and that this amount affects the following operational programmes:

— 2007HU161PO001	Economic development	EUR 275 million
— 2007HU161PO002	Environment and Energy	EUR 254 million
— 2007HU161PO007	Transport	EUR 371 million
— 2007HU161PO008	Social infrastructure	EUR 120 million
— 7 regional operational programmes		EUR 473 million
— 2007HU161PO010	Implementation	EUR 75 million

220. Acknowledges the excellent audit work by the Commission in detecting systemic risks and sources of error; welcomes the financial corrections imposed; notes with concern the substantial time required to recover irregularly paid out funds; calls on the Commission to inform the discharge authority about its findings on systemic risks and oligarch structures in greater detail;

221. Deplores the fact that the Commission auditors detected, in the area of ESI Funds serious deficiencies in the functioning of the management and control system mainly in relation to the control of public procurement procedures;

222. Recalls that 10 % flat rate financial correction has been applied in relation to all operational programmes;

223. Recalls the 25 % financial correction on framework agreements in the water sector in the Environment and Energy Efficiency OP due to public procurement irregularities;

224. Recalls the 10 % flat-rate financial correction in the Territorial and Settlement Development Operational Programme due to deficiencies during the project selection;

225. Notes furthermore that DG REGIO has not yet pre-closed the programmes concerning electronic administration, which could imply further corrections;

226. Notes with concern that the level of irregularities point to the fact that there is a systemic problem in Hungary's operational programmes dating back to 2007; calls on the Commission to inform the Parliament and the general public on the Commission's own assessment of reasons behind this level of irregularities; points out that the 10 % lump-sum fine for mismanagement of operational programmes is not a long-term solution to the high level of detected irregularities and that, without improved and adequate control and monitoring mechanisms, this level cannot decrease;

227. Ask the Commission to establish, for the programmes above, a clear timeline from the start of the project until the recovery of the funds, explaining the different stages;

228. Asks the Commission how these recoveries will be included in the budget as they affect programmes of the previous programming period 2007 to 2013;

229. Recalls its position in favour of setting up a mechanism whereby Member States that do not respect the values enshrined in Article 2 of the Treaty on European Union (TEU) can be subject to significant legal and financial consequences;

Recommendations

230. Calls on the Commission to:

— expand reporting on the impact and sustainability of Union investments to show the Union added value of Union funding;

— reinforce its efforts to improve the current control and assurance frameworks with the view to establishing a single audit chain;

— present in its AMPR a figure for the level of error at payment (before being corrected at national level) and estimate of future correction;

— continue its cooperation with the Court in order to further align audit methodologies and interpretation of legal texts;

— publish all its proposals for country-specific recommendations under the European Semester exercise;

— pay increased attention, and allocate increased technical support, to Member States, whose management and control systems are only partially reliable or not reliable, where there is an increased risk of fraud and corruption related to funds and especially those Member States who did not join EPPO;

— strongly encourage Member States to join EPPO;

— pay particular attention to framework agreements awarded through public procurement procedures, as fraud and corruption related to them represent an increased risk for the financial interests of the Union;

— reduce the backlog in commitments as swiftly as possible;

— reduce the automatic decommitment for the programming period 2021 to 2027 from n+3 years to n+2 years in order to push Member States to swiftly implement the programmes;

— impose financial corrections for the errors identified by the Court in accordance with the relevant legal provisions;

— specify in the AARs how the amounts effected by *ex post* financial corrections imposed by Member States and by the Commission were reused, particularly in those cases where fraud, corruption or other criminal activity was involved;

— specify in the AARs if and in what way were the *ex post* financial corrections imposed by Member States and by the Commission re-used by member states concerned;

— publish the 2020 annual report on the 'Financial instruments under the ESI Funds' without delay;

— increase transparency by allowing search for winning bidders on TED, the Union's electronic public procurement website,

— Make the utilisation of ARACHNE IT programme a pre-condition for Member States to use Union Funds; explore the possibility of using the data of ARACHNE and the judicial decisions from Member States and Court of Justice of the European Union to create an 'EU black list' of companies and their beneficial owners or individuals who have been convicted in relation of fraud or corruption or other criminal activities related to use of Union funds, possibly banning them from applying for Union funding for a period of five years, and to scrutinise carefully all their ongoing projects involving the payment of Union Funds;

— provide further support and guidance to Member States through its different mechanisms including technical assistance at its disposal and dedicated Task force for strengthening administrative capacity for absorption of Union funds and for smooth transition from the current to the next programming period;

— align the accounting periods of the structural funds with the ones of the Court;

— ensure that the 10 % retention on interim payments is preserved during the programming period 2021 to 2027 and the amounts retained should be released only once all verifications are completed and the necessary improvements or corrective measures are implemented;

— develop common guidelines for conflicts of interest of high-level politicians; develop together with the Member States effective legal instruments to avoid fostering oligarch structures drawing on Union cohesion funds;

— consider the introducing direct management instead of shared management in case of intentional misuse of funds for the new MFF;

231. Calls on the Court to extend the performance coverage in its annual report, for which the Court's special reports are a valuable source of information; in this context welcomes the proposals made by the Court on 19 November 2019 visit of the Committee on Budgetary Control;

Natural resources

Compliance

232. Notes that for the financial year 2018, the Court estimates a level of error at 2,4 % for the Heading 'Natural Resources' as a whole, still above the materiality threshold of 2 %;

233. Stresses that complex eligibility conditions increase the risk of error in rural development, market measures, fisheries, environment, and climate action; notes that those areas correspond to around a quarter of the budget for 'Natural Resources';

234. Notes that out of the 156 payments tested by the Court in the higher risk areas, one quarter were affected by error and that the main causes of error were related with eligibility conditions, procurement or grant rules, and inaccurate information on areas;

235. Notes with satisfaction that for the budget corresponding to European Agricultural Guarantee Fund (EAGF)-direct payments (72 % of the heading 'Natural Resources') the Court estimates that the level of error in this area is below the materiality threshold of 2 %;

236. Points out that out of the 95 direct payments audited by the Court, 81 % were unaffected by error and that most of the errors were minor overpayments below 5 %, mainly due to farmers providing inaccurate information on areas;

237. Stresses that the positive achievements in the area of EAGF-direct payments are mainly due to the quality of the Integrated Administration and Control System, the Land Parcel Identification System, the Geo-Spatial Aid Application and the preliminary cross-checks on farmers' applications;

238. Notes that according to the Court, the figures presented by the Commission in its AMPR are consistent with its audit conclusion;

239. Points out that in 2018, DG AGRI carried out review visits to 17 certification bodies and found that improvement is needed for the majority of them and thus, limited reliance could be placed on the work of most of the visited certification bodies as regards verification of legality and regularity and that in particular, deficiencies were identified in particular regarding the sampling methodology and the extent of the eligibility checks;

Performance

240. Notes that the rural development actions had generally been carried out as planned and that Member States had checked the reasonableness of costs;

241. Points out that, for some projects, simplified cost options, such as lump sums or flat rates, have the potential to simplify administration and keep costs under control;

242. Regrets that national authorities made little use of simplified cost options though they could have been useful in about one third of the projects visited by the Court; notes, however, the efforts of DG AGRI to assist member States to overcome difficulties and problems they encounter in introducing simplified cost options;

243. Points out with concern that the Court continues to identify weaknesses in the use of result indicators as to the CAP common monitoring and evaluation framework (the CMEF);

244. Regrets, in particular, that the Court found that close to one third of the rural development actions had no relevant result indicator in the CMEF and that where defined, indicators were not always related to the objectives of the focus areas;

245. Recommends that:

— the Commission assess the effectiveness of the Member States' actions to address the underlying causes of errors and issue further guidance where necessary;

— the certification bodies improve their procedures so that the Commission can fully use their work as its primary source of assurance on the regularity of CAP spending;

— the Commission address the weaknesses detected by the Court regarding the common monitoring and evaluation framework in the context of its proposal for the new CAP;

KPIs

246. Recalls that one of the main objective of the CAP is to provide income stability to the farmers and support for the maintenance and creation of the jobs and to stimulate growth and investments across the Union territory; finds that in less developed rural areas, contrary to its main objectives, the CAP is primarily supporting the big land owners, and only less so supporting smaller farmers working the land;

247. Notes with deep concern that as in previous years, according to the DG AGRI's AAR for 2018, 'the agricultural factor income per full time work unit has recovered in real terms but income generally lagging behind salaries in the whole economy'; calls on the Commission to approach this situation with utmost seriousness, having in mind the consequences of farmers salaries generally lagging behind, especially in less developed rural areas;

248. Notes that the employment in the Union's rural areas has climbed above its pre-crisis level of 2008: 67,7 %;

249. Points out that the KPI related to the rural employment rate is not only determined by the CAP factor;

250. Points out with deep concern that according to DG AGRI's AAR for 2018, the labour force in CAP has steadily declined from 11 595 (1 000 annual work unit) in 2008 to 9 363 (1 000) annual work in 2017 (p. 22);

251. Notes the positive trend communicated by the Commission as to the KPI relating to the minimum share of land with specific environmental practices;

252. Stresses however, that the Commission concluded in its staff working document ([22]) that '… despite the objectives of the greening measures set out in the Direct Payments Regulation, environmental and climate objectives have not been generally a major factor in the Member States' implementation choices. Member States (…) do not use this flexibility to maximise the environmental and climate benefits; decisions seem to have been driven rather by administrative issues and agricultural considerations, including wanting to ensure minimal disturbance to farming practices';

253. Regrets that, as in previous reports, the Court again identified weaknesses in the use of result indicators, including gaps in the quality of result indicators ([23]); stresses that, if the proposed shift to a performance-based CAP is to be achieved, it will require the development of a comprehensive set of common result indicators and the thorough application of those indicators;

254. Calls the Commission to ensure that CAP funding is in line with the goals of European Green Deal and the Paris Agreement;

255. Regrets in particular that the Commission had to conclude 'overall effects of the greening measures, as currently applied, on farm management practices and the environment/climate are uncertain but appear to be fairly limited, although there are variations across the Member States' and that 'the crop diversification measure has resulted in an increase in the diversity of cultivated crops of around 0,8 % of the arable area' ([24]);

([22]) SWD(2018) 478, p. 55.
([23]) Court's Special Report No 10/2018 on the Basic Payment Scheme for farmers – operationally on track, but limited impact on simplification, targeting and the convergence of aid levels.
([24]) SWD(2018) 478, p. 56.

256. Points out that the greening of CAP could not reach its original goal of enhancing the environmental performance and stayed to be an income support scheme due to the continued basis of hectare based payments; and reminds that according to Court's Special Report No 21/2017 it created the risk of significant deadweight and double founding;

257. Points out with concern that whilst greenhouse gas emissions from agriculture have declined substantially between 1990 and 2010, this trend was interrupted and emissions increased from 2016 to 2017 at the moment when greening was implemented (see reply to Written Question No 9);

Fairer CAP allocation

258. Insists that larger farm incomes do not necessarily need the same degree of support for stabilising farm incomes as smaller farms in time of income volatility crisis since they may benefit of potential economies of scale, which are likely to be resilient; believes that the Commission should take steps to ensure that CAP funds are distributed in a weighted manner, such that the payments per hectare are on a reducing scale relative to the size of the holding/farm;

259. Insists that in the new delivery system a specific result indicator 'Redistribution to smaller farms' be adopted;

260. Urges the Commission to ensure that the CAP is fairly allocated to active farmers and does not result in land deals that benefit a select group of political insiders often called 'the oligarchs'; calls on the Commission to take stock of breaches, circumventions and unintended consequences of the CAP current allocation rules; notes the importance of a transparent and strong governance system and further calls on the Commission to increase efforts to prevent and detect fraud;

261. Is concerned by recent reports of alleged cases of high-level conflicts of interest and land-grabbing in some Member States; notes that with reference to land ownership, it is first and foremost for the relevant authorities of the Member States to act and to put the necessary systems in place to prevent and avoid fraud; highlights that all allegations or suspicions concerning fraud and the misuse or mismanagement of Union funds should be addressed to OLAF and EPPO; in this regard notes the importance of a transparent and strong governance system and further calls on the Commission to increase efforts to prevent and detect fraud;

262. Acknowledges the Commission proposal for a new delivery model including a capping combined with a degressive mechanism to ensure that CAP funds are distributed in a weighted manner, such that the payments per hectare are on a reducing scale relative to the size of the holding/farm; is of the opinion that a capping, with the introduction of labour offset before capping is insufficient to guarantee a fairer allocation of direct payments; in addition, supports the idea of a redistribution mechanism; urges the Commission to include a proposal for a maximum amount of direct payments per natural person as beneficial owner of one or more companies; underlines that it should not be possible to receive Union-subsidies amounting in millions of euro to three-digits in one MFF-period;

Reservations issued by the DG AGRI Director-General

263. Endorses the reservations issued by the DG AGRI director-general in DG AGRI's AAR for 2018 (at p.145);

Czech Republic

264. Is concerned that ([25]):

— the Commission is currently following up on allegations of conflict of interest in the Czech Republic based on Article 61 of the Financial Regulations; in January-February 2019 a coordinated audit was carried out by several Commission services (DG AGRI/DG REGIO/DG EMPL); DG AGRI audited the investment measures under Rural Development;

— the Commission enquiry is ongoing and as a precautionary measure and until the situation is clarified, no payments from the Union budget under the ESI Funds are being made to companies directly and indirectly owned by PM Babiš that could be potentially affected by the alleged conflict of interest;

— in relation to the Rural Development Fund, the Commission is not reimbursing to the Czech authorities the amounts related to Agrofert projects that could be potentially affected by the alleged conflict of interest;

([25]) See replies to Written questions 3 and 18, questionnaire to Commissioner Hogan for the Hearing in CONT on 17 October 2019.

265. Calls on the Commission, in cases of non-compliance with the rules, to take appropriate measures to protect the Union budget including corrective actions for the past where this is provided for;

266. Calls on the Commission to cautiously supervise the current process in the Czech Republic, paying particular attention to payments made to companies directly and indirectly owned by the Czech Prime Minister or other Members of the Czech Government;

267. Calls on the Commission to cautiously supervise the process of recovering misused funds in order to ensure that the Czech Republic will take legal steps to enforce remedy from those responsible for the misuse of Union funds;

268. Calls on the Commission to keep Parliament's responsible committee and the general public informed about all the findings of the audits immediately in full respect with the principles of transparency and legal certainty which are part of the rule of law principles; calls on the Commission to inform the Parliament's responsible committee if any possible conflict of interests related to the Czech government continues after the audits are officially completed or if the Czech Authorities object to implementing any corrective measures on political or other non-legal grounds;

269. Calls on the Commission to carefully scrutinise whether the political situation in Czech Republic fully respects rule-of-law principles and to take any reasonable steps to protect the rule of law as one of the key principles of the Union if it finds that this principle is indeed threatened;

Slovakia

270. Calls on the Commission to carefully scrutinise the replies given in August 2019 by the Slovak authorities about the legislative measures they are taking to improve the correctness and transparency of the 'Land Registry' (cadastre), the follow-up on the allegation of fraud, the recoveries as well as about a new methodology implemented by the Slovak Paying Agency (APA) for the treatment of double claims;

271. Calls on the Commission to continue keeping Parliament informed in a timely manner about the evolution of the files in Czech Republic and in Slovakia;

Hungary

272. Notes that as regards Hungary, following the results of OLAF investigations, DG AGRI audits of 2015 and 2017 found a systemic lack of verification of conflict of interest in public procurement procedures under 2007 to 2013 Rural Development Programme;

273. Welcomes the facts that:

— the Commission decided the application of financial corrections totalling around EUR 6,5 million;

— the Hungarian authorities committed to remedy the situation for the programming period 2014 to 2020, including appointing an audit company that would conduct the review of public procurement processes;

274. Calls on DG AGRI to closely monitor the situation in Hungary and to report in a timely manner on the follow-up to Parliament;

Land grabbing

275. Notes with concern that the Commission states ([26]) that 'According to the EU legislation the beneficiaries entitled to payment are those who farm the land. The parcels declared by a beneficiaries need to be at the farmer's disposal on a given reference date fixed by a Member State (….). If the land is taken by force, then there is a rule of law issue and the judicial system of the Member State should act. The Commission can assist the Member State, if necessary. Some Member States have asked the beneficiaries to provide evidence that they are legally entitled to farm the land. Others have not. It is up to the Member States to regulate this issue';

276. Is deeply concerned about severe allegations of land-grabbing sometimes with the support of oligarchic structures with potential facilitation by governments and public authorities in some Member States; calls on the Commission to develop common guidelines for conflicts of interest of high-level politicians; urges the Commission together with the Member States to develop effective legal instruments to respect rule of law and avoid fostering oligarch structures drawing on Union agricultural funds; acknowledges the measures undertaken by the Commission to improve e.g. the land parcel identification system in some Member States, to improve the impartiality of the work of paying agencies as well as audit authorities;

([26]) See reply to Written question No 41, questionnaire to Commissioner Hogan for the Hearing in CONT on 17 October 2019.

277. Regrets that it appears from the reply given by the Commission that for the DG AGRI services the respect of the rule of law is mainly an issue for the Member States;

278. Calls on the Commission to submit a proposal to amend the CAP rules with a view to avoiding a situation in which Union funds are paid out in respect of land that has been taken by force, acquired illegally or fraudulently, or in respect of which ownership has been falsely declared, possibly without the knowledge of the true owners or, in the case of state-owned land, of the public bodies concerned;

279. Calls on the Commission to set up a mechanism ensuring that the affected farmer/beneficiaries will be given the opportunity to lodge a complaint with the Commission in cases of land grabbing, and that they are able to benefit from adequate protection mechanisms;

280. Calls on the Commission to thoroughly ensure that the rule of law is applied in all Member States and to ensure that the juridical system is able to work independently to guarantee independent investigations of legal cases; welcomes the application of possible stricter conditionalities in CAP funding;

281. Calls on the Commission to review and analyse Member State legislation and policies to prevent land grabbing and to formulate guidance on best practices; invites the Member States to apply good legislative practices aimed at restricting land grabs; calls on the Commission to increase efforts to prevent and detect fraud; urges Member States, together with the Commission, to develop proper Union-level legal instrument to prevent land-grabbing;

282. Recalls the Parliament's position ([27]) on farmland concentration and reinforces its call on the Commission to establish an observatory service for the collection of information and data on the level of farmland concentration and tenure throughout the Union; calls on the Commission to make use of and combine the systems and databases at its disposal in order to identify the ultimate beneficial owners in the case of agricultural holdings which form part of a larger corporate structure; notes the development of a Union-wide business register, thereby linking farm holdings with a unique business identifier at Union level, to better distinguish the final destination of CAP funds;

Young farmer scheme

283. Welcomes the fact that according to the Commission's Agriview Data ([28]) 'provisional data suggest that the total number of beneficiaries has increased in claim year 2018 by some 28 %, from 364 153 to 466 006. The total amount raised by 53 %, from EUR 390 million in 2017 to EUR 600 million in 2018' (AGRIVIEW DATA);

284. Regrets that, as to the support to young farmers via rural development schemes, the Court concluded in its Special Report No 10/2017 that the measures are generally based on a vague needs assessment and that there is no real coordination between Pillar I payments with Pillar II support to young farmers;

285. Calls on the Commission to follow the recommendations issued by the Court as to the post 2020 programming period and, in particular, to adopt (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; proposes that 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;

— 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;

([27]) European Parliament resolution of 27 April 2017 on the state of play of farmland concentration in the EU: how to facilitate the access to land for farmers (OJ C 298, 23.8.2018, p. 112).

([28]) See reply to Written question No 39, questionnaire to Commissioner Hogan for the Hearing in CONT on 17 October 2019.

Global Europe

The Court's findings

286. Welcomes the positive evolution of the RER as established by the RER studies ordered by DG DEVCO and DG NEAR ([29]);

287. Notes with concern, as to the DG NEAR RER study; that, according to the Court:

— there is scope for improving the degree of judgement left to the auditors when estimating the errors for individual transactions;

— the number of transactions where no substantive testing had been performed due to the full reliance in previous control work has doubled in 2018 by comparison with 2017;

— over-reliance on the audit work of others could affect the achievement of the main objective of the RER study by impacting the RER;

288. Notes with deep concern, as to the DG DEVCO RER study, that:

— the RER study does not constitute an assurance engagement or an audit;

— the RER contractor has significant scope for interpretation and the RER study contract is concluded for only one year at a time so the contractor and approach may change each year;

— the Court has detected deficiencies, such as the very few on-the-spot checks performed on transactions, the incomplete checks on public procurement procedures and calls for proposals and the estimation of errors;

— the Court has identified errors and inconsistencies in the calculation and extrapolation of individual errors;

— the Court has noted errors in the contractor's working papers, such as arithmetical errors and the fact that the checks did not cover all the expenditure eligibility criteria;

— in the case of no substantive testing due to reliance place on previous control, the errors identified by the previous controls are not extrapolated to the untested part of the expenditure; which decreases the error rate;

289. Notes that the Court considered that the number of audited transactions in 2018 was not sufficient to estimate the level of error and that it took this decision following its general strategy to reduce its substantive testing and partially rely on the so-called 'work of others'; proposes the Court to increase the number of audited transactions in order to provide an estimated level of error for the chapter Global Europe;

290. Regrets that the Court considered that the number of audited transactions in 2018 was not sufficient to estimate the level of error and that it took this decision following its general strategy to reduce its substantive testing and partially rely on the so-called 'work of others';

291. Points out that, of the 58 transactions examined by the Court, 11 were affected by errors and that the Court identified five quantifiable errors that had a financial impact on the amount charged to the Union budget;

292. Notes with concern that despite good scores in terms of error rate, DG DEVCO in its AAR for 2018:

— points out that as to the grants in direct management 4,64 % of the total amount audited in 2018 were identified as non-eligible by external auditors (at p. 57);

— mentions that in indirect management with beneficiaries countries, 3,77 % of the amount are non-eligible (at p. 66);

293. Regrets that the Court experienced a lack of cooperation from two international organisations: the United Children's Emergency Fund and the World Food Programme, to the timely forwarding of essential supporting documents;

([29]) DG DEVCO: 0,85 % in 2018 compared with 1,18 % in 2017, 1,67 % in 2016, 2,2 % in 2015; DG NEAR: 0,72 %.

294. Regrets that the Court found that despite efforts to exclude from its calculation recoveries on pre- financing, cancelled recovery orders and earned interest, the reliability of the 2018 figures regarding DG ECHO corrective capacity is impaired by undetected errors that led to an overstatement of its corrective capacity;

295. Points out that the first reservation included in DG DEVCO's AAR for 2018 relates to grants managed by DG NEAR on behalf of DG DEVCO and that the scope of this reservation was tightened significantly in both 2017 and 2018 which is partly because of the RER has been below the materiality threshold three years in a row;

296. Notes with deep concern that considering the limitations of the RER study, the narrow scope of this reservation is not sufficiently justified;

297. Reiterates its support for the Commission's multimedia actions, which contribute to independent media coverage of Union affairs and help promote a common European public sphere; is, however, alarmed by the conclusions of the Rapid case review of the Court on Euronews, which highlights that Union financial support to Euronews lacks transparency and accountability and that monitoring and evaluation mechanisms are insufficiently robust; therefore, urges the Commission to answer all the concerns raised by the Court and to reassess its approach in cooperating with Euronews; moreover, urges the Commission to generally increase transparency and accountability of the budget used for multimedia actions, in particular by creating specific budgetary lines related to the different actions, as well as to conduct a full scale review of the use of the budget line;

External Assistance and Management Report

298. Regrets once again that the external assistance and management reports (EAMR) issued by the heads of Union Delegation are not annexed to DG DEVCO's and NEAR's AARs for 2018 as it is provided for in Article 76(3) of the Financial Regulation;

299. Welcomes the view expressed by the Commission ([30]) that the EAMR can be shared among the Members and officials of Parliament, the Council and the Court by any means (emails, copies) and that there is no obligation to consult those documents in a secure room;

More transparency and more strategic approach of the development cooperation policy

300. Points out that pooling resources from the European Development Fund (EDF), the Union budget and other donors in trust funds should not have as a consequence that money flagged for the development and cooperation policy does not reach its intended beneficiaries;

301. Highlights that the increasing use of financial mechanisms to deliver Union policies in third countries alongside the Union budget risks undermining the level of accountability and transparency of Union action; insists that the Commission ensures that the delivery of external aid is subject to the rule of law and respect for human rights in recipients countries; stresses, in particular, the need to guarantee that no Union funds support forced child labour and that no Union funds are used to finance textbooks and educational material which incite religious radicalisation, intolerance, ethnic violence and martyrdom among children;

302. Is concerned that problematic material in Palestinian school textbooks has still not been removed and is concerned about the continued failure to act effectively against hate speech and violence in school textbooks. Insists that salaries of teachers and education sector civil servants that are financed from Union funds such as PEGASE be used for drafting and teaching curricula which reflects UNESCO standards of peace, tolerance, coexistence, and non-violence, as was decided upon by Union education ministers in Paris on 17 March 2015; and European Parliament 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 ([31]);

303. Notes that Commission may use Union funds for security purposes in order to reach a more efficient development cooperation; a proper legal basis and the full transparency of the funded actions must be secured;

([30]) See reply of Commissioner Mimica to written question 51 (CONT hearing of 28 November 2019).
([31]) OJ L 248, 3.10.2018, p. 27.

304. Is concerned by the fact that, due to security risks, auditors are often not able to verify in many countries, as for instance in Libya, whether the receivers of Union funds are respecting high standards of human rights; calls on the Commission to ensure that the EDF and the Union budget do not finance projects through the Union Emergency Trust Fund (EUTF) implemented by the governmental and local forces (militias) that are involved in serious human right violations, especially in countries such as Libya and Sudan. Call on the Commission to consider to stop the Union aid in case its independent auditors cannot double-check the effective use of the Union money in these countries;

305. Expresses serious concern at the way in which the EUTF for Africa is being used to fund the Libyan Coast Guard without showing consideration for the very serious human rights violations being committed in Libya;

306. Deplores the limited role the Parliament has in the supervision and governance of the EUTF; considers it fundamental that the Parliament is able to monitor the activities of the Operational Committee ([32]);

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

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

— to provide for a faster decision-making process in the selection of the measures to be implemented, which is crucial in emergency and post-emergency actions;

— to ensure the leverage of additional resources to devote to external action; and

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

— to provide the Trust Fund's managers with strategic priorities and guidelines focused on ensuring tangible results and impacts;

308. Highlights that the increasing use of other financial mechanisms 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;

309. Notes with concern the large number of contracts awarded to a very limited number of national development agencies; observes that the fifty largest contracts (grants and procurement) and Delegation Agreements attributed since 2010 to national agencies were granted to agencies of only seven nationalities with a high concentration by country (42 %, 25 % and 17 % of the total amount granted respectively to the three biggest beneficiaries ([33])); warns of the risk of re-nationalisation of, and a growing influence on, the EU development, cooperation and neighbourhood policies, which is in contradiction with the sought-after greater integration of the Union external policy; urges the Commission to make access to the pillar assessment public; calls on the Commission to review and strengthen the tendering and contracting procedures to avoid any distortion of competition between this limited number of strongly subsidised national agencies and other public/private entities with a clear European vocation;

310. Demands that the Commission include clear and transparent human rights clauses in its Contribution Agreements concluded with Implementing partners (UN agencies, Member State development agencies) in order to avoid situations where the EU could indirectly finance projects that violate human rights;

Recommendations

311. Calls on the Commission to:

— take steps to reinforce the obligation on international organisations to forward the Court, at its request, any document or information necessary to carry out its task as provided for in the Treaties;

([32]) European Parliament resolution of 23 October 2019 on the Council position on the draft general budget of the European Union for the financial year 2020, P9_TA(2019)0038, paragraph 51.

([33]) See reply and annex to Written question No 4, follow-up questions to Commissioner Mimica for the Hearing in CONT on 18 November 2019.

— adapt DG NEAR's and DG DEVCO's RER methodology to limit 'full-reliance' decisions, to monitor its implementation closely and to redress all the deficiencies detected by the Court;

— revise the DG ECHO's calculation of the 2019 corrective capacity by excluding recoveries of unspent pre-financing;

— indicate in its letter accompanying the EAMR that those documents can be shared among the Members and officials of Parliament by any means (emails, copies) and that there is no obligation to consult those documents in a secure room;

— consider putting an end to trust funds that are unable to attract significant contributions from other donors or that do not deliver on their objectives and targets;

— to regularly and systematically monitor whether the potential impacts of funded activities and projects on fundamental rights are identified and effectively mitigated;

— ensure that no Union funds support forced child labour;

— ensure that all third entities only use Union funds to provide for textbooks and teaching material that reflect common values and fully comply with UNESCO standards promoting peace, tolerance and co-existence in school education;

— ensure that Union funds are not used for purposes different from the assigned areas;

— provide detailed information on the decisions taken in that the Operational Committee and ensure that the Parliament is represented at its meetings ([34]);

312. Insists that an important criterion for the Commissions prioritising of the external aid should be the presence of rule of law and the respect of human rights in the recipient country; insist that the Commission should thoroughly verify the use of Union funds by third entities to ensure that no funds are allocated or linked to any cause or form of terrorism and/or religious and political radicalisation;

Court's Special Report No 35/2018: Transparency of Union funds implemented by NGOs: more effort needed

313. Acknowledges the important role that independent NGOs play within and outside of the Union; recognises the critical contribution of civil society worldwide in promoting and defending human rights, contributing to development and protecting democracy, delivering humanitarian assistance; takes account of the fact that some operate in very difficult or dangerous context or in areas where their contribution is indispensable; promoting social inclusion and employment, as well as ensuring access to education, to health and contributing to the protection of the environment and to the fight against corruption;

314. Notes that the Commission implements 1,7 % of the Union budget and 6,8 % of EDFs through NGOs interventions;

315. Calls on the Commission to propose a harmonized definition of NGOs compatible with Member States legislations;

316. Points out that transparency is one of the budgetary principles put forward by the Financial Regulation; it requires the Commission to make available, in any appropriate and timely manner, information on recipients of Union funds;

317. Acknowledges that similar shortcomings as those reported to be concerning NGOs are relevant for all Union beneficiaries, such as private companies, public authorities, etc.;

318. Stresses that the Court identified five elements in the implementation of Union funds by NGOs in which the Commission is not sufficiently transparent:

— the classification of NGOs in the Commission's accounting system ABAC;

— the recording of information on funds and activities implemented by NGOs;

([34]) European Parliament resolution of 23 October 2019, paragraph 51.

— the Commission's collection and checking of the information on Union funds implemented by NGOs;

— weaknesses of the information disclosed on actual payments or about entities receiving funding through sub-granting;

— the incomplete information provided by United Nations bodies on the contracts awarded to NGOs;

319. Notes that most of the Court's recommendations are now already covered by the Financial Regulation as adopted in 2018 and that the Commission has already implemented most of Court's recommendations; calls on the Commission to focus on the implementation of these recommendations that should be applicable to all Union beneficiaries in line with the Financial Regulation and non-discrimination principles;

320. Requests the Commission to quickly develop guidance and strong criteria to identify NGOs in its accounting system and to verify the self-declared data submitted by the applicants;

321. Observes that there are different registration systems for each DG to register Union funds applicants; calls on the Commission to create a single entry point so as to ensure consistency of the data in the Financial Transparency System and to give criteria and guidelines for the definition of NGOs and other categories of beneficiaries;

322. Calls on the Commission to exclude NGOs or any other applicants that repeatedly or intentionally present wrongful declarations of previous experience errors and to check them more thoroughly;

323. Welcomes the new financial regulations efforts on simplification, such as the introduction of the *ex ante* pillar assessment, and requests the Commission to apply a consistent interpretation of the applicable rules of the Financial Regulation notably as regards sub-granting among the different services, taking into account sectoral specificities;

324. Asks the Commission to standardise and improve the accuracy of information published in the Financial Transparency System making sure that all beneficiaries contracted by the Union are disclosed together with the amount of funding awarded by mid 2021;

325. Regrets that the Commission did not check whether United Nations bodies disclose information on the grants awarded with Union funding; demands that the Commission perform those checks in a consistent manner;

326. Asks the Commission to improve the information collected, by enabling the various grant management systems to record the funding received by all beneficiaries contracted by the Union, not only the lead beneficiary, making this information usable for analysis and treatment and welcomes in this context the upcoming launch of the OPSYS within external Union funding;

327. Reiterates the urgent request to the Commission to implement the judicial decisions both of the Court of Justice ([35]) and the Permanent Court of Arbitration ([36]) and to fully recognise International Management Group's status as an international organisation;

328. Asks the Commission to report to the discharge authority as soon as possible on the measures taken;

Security and citizenship

The Court findings

329. Welcomes the fact that for the third consecutive year, the Court provided a separate chapter on Security and Citizenship in its annual report; takes note that the Court's findings do not provide a specific error rate for this spending area as it only represents around 2 % of the total Union budget;

330. Points out that the public and political interest in this area is far higher than its financial share; calls on the Court to consider auditing additional transactions and provide an estimated level of error for the chapter Security and Citizenship;

([35]) Judgement of the Court of Justice of 31 January 2019, International Management Group v European Commission, Joined Cases C-183/17 P and C-184/17 P, ECLI:EU:C:2019:78.
([36]) PCA Case No. 2017-03.

331. Points out that according to the Court there is still margin to make better use of Union funds under this programming period by ensuring that Member States reimburse actions only when all conditions for payment are met or that contracts are only awarded after an appropriate and consistent evaluation of all selection and award criteria has been conducted;

332. Notes that Member States have significantly increased the implementation rate of their national AMIF/ISF programmes; is concerned, however, by the fact that the value of unspent amounts continue to rise which may increase the pressure on national authorities as programme arrive towards closure;

333. Notes that the Court's audit of the management and control systems of seven ([37]) Member States authorities responsible for implementing national AMIF/ISF programmes revealed that they had in general sufficient controls in place to address the requirements of the regulations albeit some weaknesses were detected (point 8.10 of the Court's annual report for 2018); notes that the same was true for DG HOME's internal procedures for the evaluation of grant applications and authorisation of payment claims (point 8.13 of the Court's annual report for 2018);

334. Calls on the Commission to ensure that when making administrative checks of payment claims it systematically uses the documentation it has required its grant beneficiaries to provide, in order to properly examine the legality and regularity of the procurement procedures theses beneficiaries have organised;

335. Calls on the Commission to instruct the Member States authorities responsible for national AMIF/ISF programmes to adequately check the legality and regularity of the procurement procedures organised by the funds beneficiaries when making administrative checks of their payment claims;

336. Notes with concern that regarding performance, the Court indicates in its annual report for 2018 (points 8.19 and 8.20) that Member States do not always use appropriate indicators at project level and, as a result, the impact of the funded projects cannot accurately be measured;

DG HOME's AAR for 2018

337. Welcomes the emphasis put by the Commission on the setting up of a structured Union system on resettlement that provides a legal and safe pathway to the Union for vulnerable people in need of international protection;

338. Regrets the fact that the current state of play in some of the Hotspots co-financed by the Union, does not correspond to the best practices and standards as regards in particular food and health care;

339. Regrets the fact that DG HOME did not establish any KPIs regarding the situation of the most vulnerable migrants and, in particular, child migrants and migrant women and girls in order to prevent and avoid abuse and trafficking; deplores the systematic use of detention;

Reservations

340. Regrets the fact that it takes such a long time to remedy the problems detected in Germany since 2013 considering that the scope of the reservation is not so large;

341. Is concerned by the significant weaknesses identified in the management and control systems of European Asylum Support Office (EASO) that justified the adoption of a reservation on reputational grounds;

342. Notes the reservations issued by the director general for DG HOME in the DG HOME's AAR (p. 108);

Recommendations

343. Recommends that:

— the Court continue to provide a separate chapter for security and citizenship in its annual report;

— DG HOME introduce a KPI relating to situation of the most vulnerable migrants and in particular child migrants and migrant women and girls in order to prevent and avoid abuse and trafficking;

([37]) Belgium, Germany, Spain, Greece and Sweden for AMIF; Lithuania and Romania for the ISF.

— the Commission require Member States, in the annual accounts of their national AMIF/ISF programmes, to break down the nature of the amounts they report into recoveries, pre-financing and expenditure actually incurred; and

— actual spending per fund be indicated in the Commission DGs' AARs from 2018 onwards;

The Court's Special Report No 20 /2019: Information systems supporting border control strong tool, but more focus needed on timely and complete data

344. Welcomes the fact that, according to the Court, Member States systems examined by the Court are generally well designed to facilitate border checks and that the visited Member States ([38]) generally complied with the applicable legal framework;

345. Notes with concern that the Court found in its Special Report No 20/2019 that:

— some countries' national Schengen Information System II (SIS II) and Visa Information System (VIS) components facilitate more efficient border checks than others;

— there were long delays in the implementation of IT solutions for European Border Surveillance System (Eurosur) and Passenger Name Record (PNR) both at Union and national level; this prevented border guards and other authorities of the intended benefits of these systems;

— it takes a long time for the Member States to remedy weaknesses identified in the Schengen evaluation mechanism which is due to a lack of binding deadlines for the adoption of evaluation reports and the implementation of corrective actions;

— that more than half of the border guards involved in the Court's survey had at some point allowed people to cross borders without consulting the information systems;

— there is a discrepancy between the number of visas issued and the number of visas checked;

— there is little reference to data quality control in the legal acts governing the European information systems;

— although the European Agency for the operational management of Large-Scale Information systems in the area of freedom, security and justice (eu-LISA) performs automated monthly quality checks of the data in SIS II, the results are available only to the Member States concerned and therefore, it is not possible for the agency or the Commission, to evaluate the progress individual countries have made in addressing data quality issues;

— neither eu-LISA nor the Commission have any enforcement powers to ensure that Member States correct data quality issues in a timely manner;

— border guards do not always get timely and complete data from the information systems;

— except in the case of European Dactyloscopy (Eurodac), there are generally no compulsory deadlines on entering data; for example, Eurosur is meant to provide real-time information on the situation at the borders; however, while some of the countries covered by the Court's audit do indeed enter information in Eurosur on a real-time basis, others do so only once a week;

— since Eurodac started operating in 2013, there has not been a single year in which all Member States have transmitted the required information on time;

— delayed transmission can lead to the wrong country being designated responsible for processing the asylum application;

346. Calls on the Commission to:

— promote quickly the use of SIS II and VIS training environments;

— speed up the correction of weaknesses detected during Schengen evaluations;

— analyse discrepancies in visa checks to Improve data quality control procedures;

([38]) Finland, France, Italy, Luxembourg and Poland.

— reduce delays in data entry;

— ensure better connectivity between the five existing information systems in order to ensure correct and timely data flows;

— encourage continuous good practices and behaviour in the supply and support of the information systems;

Special Report No 24/2019: Asylum, relocation and return of migrants: Time to step up action to address disparities between objectives and results

347. Notes with concern that the Court found in its Special Report No 24/2019 that:

— the implementation of the asylum procedures in Greece and Italy continues to be affected by long processing times and bottlenecks;

— as in the rest of the Union, returns from Greece and Italy are low;

— no data is collected on the effectiveness of return procedures and there are no indicators measuring the sustainability of returns, such as the number of returned migrants who attempt to come back to the Union or the success of Assisted Voluntary Return and Reintegration (AVRR) reintegration packages;

— whilst the registration and fingerprinting of migrants in the hotspots had improved significantly since the audit performed by the Court in 2017 (Court's Special Report No 6/2017), the temporary emergency relocation schemes did not reach their targets and so did not effectively alleviate the pressure on the Greek and Italian asylum systems;

— although the 20 Union support actions in Greece and Italy examined by the Court addressed the needs identified, weaknesses remained in their design, most of the projects had not fully achieved their targets and the performance framework was set up late and without targets; moreover, not enough performance data was available;

— the capacity to process asylum cases had increased in both Greece and Italy, but that it was still not sufficient to tackle the increasing backlog in Greece;

— since there are fewer new applications in Italy, the backlog of asylum and return procedures is decreasing, but there is insufficient capacity to process the high number of appeals to the first decision;

— far fewer actual migrants are returned than return decisions made in both Greece and Italy, as in the Union as a whole; this is due, for instance, to the length of time it takes to process asylum cases, insufficient capacity in detention centres, difficult cooperation with the migrants' country of origin or migrants simply absconding once the decision is taken to return them;

348. Calls on the Commission and the agencies to:

— use lessons learned to build on experience for any possible voluntary relocation mechanism in the future and to propose new measures to tackle effectively any emergency situation like the migration crisis of 2015, which are acceptable for the Member States;

— strengthen the management of emergency assistance and national programmes under the Asylum Migration and Integration Fund;

— enhance EASO's operational support to Member States for asylum procedures;

— adjust Frontex's return support and experts' deployment in the hotspots;

— reinforce the management of the national asylum systems;

— support further national return procedures; and the collection of performance data on the return procedures to facilitate policymaking, performance evaluation and research;

349. Calls on the Commission to:

— improve the functioning of the hotspot system in order to ensure dignified reception conditions and efficiency in the management of arrivals;

— carefully monitor the efficiency of the actions led by Frontex in order to better protect the external borders of the European Union;

— strengthen the effectiveness and compliance with fundamental rights of the external border control of the EU and enhance the cooperation with national authorities;

— take the needed measures to address the root causes of migration;

— is particularly concerned by the insufficient return policy to the third countries although it is a key priority. The return policy and the fight against illegal migration are essential to develop an efficient migration policy and a real partnership with third countries;

— provide assistance to the countries of origin so that potential migrants don't choose the hazardous journey to Europe, to increase the aid for countries of origin and to ameliorate the living conditions and perspectives for the local population and to fight against human traffickers exploiting desperation and vulnerability;

European Fund for Strategic Investments

350. Notes with concern the Court's observations that the reported estimate of investment mobilised does not take account of the fact that some EFSI operations replaced other EIB operations and Union financial instruments and the fact that a part of the EFSI support went to projects that could have been financed from other sources of public or private finance under different conditions;

351. Regrets the Court's findings that even though the EFSI support has enabled the EIB to quadruple the volume of its higher risk lending activities compared to 2014, the value of these financial operations signed remain lower than expected;

352. Endorses the Court's recommendations for:

— promoting the justified use of higher-risk EIB products under EFSI;

— encouraging complementarity between Union financial instruments and Union budgetary guarantees;

— improving the assessment of whether potential EFSI projects could have been financed from other sources;

— estimating better the investment mobilised;

— improving the geographical spread of EFSI supported investment;

353. Considers that deepened preliminary needs assessments in various sectors are of primary importance for (i) detecting investment gaps and barriers in different Member State or regions, (ii) adequately assessing the nature and magnitude of market failures and (iii) designing the most appropriate approach/programmes for mitigating these investment gaps;

354. Calls for an objective overview of the additionality and added value of the EFSI projects as well as their consistency with Union policies or other EIB operations in order to become more policy driven than demand driven;

355. Recalls the need to provide clear and accessible information on the economic, social and environmental impact and added value achieved by EFSI funded projects; stresses that the additionality assessment of all EFSI-supported projects should be duly documented;

Court's Special Report No 15/2019: Implementation of the 2014 staff reforms package at the Commission: big savings but not without consequences for staff

356. Regrets that the Commission does not provide the discharge authority with exact data about burnout cases; notes, however, that the Commission has launched a 'fit at work' strategy including a health monitoring tool on absences and their causes, measures to achieve sound absence management, and the new medical control unit ([39]); is thus of the opinion that the Commission is equipped with all the necessary tools to detect, address, monitor and report on burnout cases and distinguish them from long-term sick leaves; calls on the Commission to provide the Parliament's Committee on Budgetary Control with data on burnout cases within the discharge process; deplores in this context the follow-up answers provided by the Commission who seems to justify a higher rate of sickness and long-term absence for women on 'a number of serious diseases or conditions that are specific to women' and on 'societal trends (…) with women generally taking on a higher share of family responsibilities, including for taking care of sick children and relatives' ([40]);

357. Is concerned about the growing problem of the purchase power disparity suffered by the European civil servants posted to Luxembourg; takes note of the findings of the study carried out by AIRINC ([41]) at the request of the Commission that corroborates the disparity problem and sets it at 10,5 % (exceeding the trigger percentage of 5 % established by the Staff Regulation), mainly due to the cost of living in Luxembourg; acknowledges that the Commission will not be able of making a legislative proposal covering the matter of correction coefficients before the finalisation of the report on the salary method which is due by 31 March 2022; in the meantime, however, urges the Commission to assess the feasibility and the scope of the temporary targeted measures included in the AIRINC report, in particular the introduction of a housing allowance scheme;

358. Notes with concern the observations of the Court regarding the 2014 staff reform package ([42]); welcomes the Court's recommendations as well as the Commission's readiness to accept them; supports the position expressed by its Committee on Budgetary Control ([43]) on the matter; deplores the very negative impact of the 2014 reform package on a number of crucial aspects of human resources within the Union institutions and thus on their attractiveness as employer, all this in pursuit of open-to-questions savings; warns of the serious consequences that any budgetary cut in administration or staff reduction may have in the future of the European civil service and the implementation of the Union's policies;

359. Reminds the Commission its request to carry out a rigorous and up-to-date analysis of the impact of the design of open spaces in the frame of the 2017 discharge ([44]); takes note of the Communication 'The workplace of the future in the European Commission' ([45]) and welcomes, in particular, the principle according to which 'staff affected should be involved throughout the process of conceptualising and implementing the new workspace'; regrets that the concept of staff well-being adopted in the Communication does not include psychological conditions -such as anxiety, stress or burnout- for which the workplace plays a fundamental role; emphasises the need for a general analysis to serve as a basis for a case-by-case assessment before future substantial office arrangements in the Commission, which should always involve the affected members of staff;

([39]) Court of Auditors' Special Report No 15/2019 'Implementation of the 2014 staff reforms package at the Commission: big savings but not without consequences for staff'.
([40]) Letter on 26.11.2019 of the Acting Secretary-General to Ms Monika Hohlmeier and Ms Isabel García Muñoz, chair and vice-chair respectively of the Parliament's Committee on Budgetary Control (ARES(2019) 7291393).
([41]) AIRINC, Study on the cost of living for EU staff posted in Luxembourg — Final report, September 2019.
([42]) Special Report No 15/2019: Implementation of the 2014 staff reform package at the Commission — Big savings but not without consequences for staff.
([43]) Working document on Implementation of the 2014 staff reform package at the Commission — Big savings but not without consequences for staff.
([44]) Miscellaneous issues, paragraph 205 of the European Parliament resolution of 26 March 2019 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section III — Commission and executive agencies (OJ L 249, 27.9.2019, p. 31).
([45]) Communication to the Commission 'The Workplace of the Future in the European Commission' (C(2019)7450/F1).

Administration

Findings of the Court

360. Takes note of the fact that the overall audit evidence of the Court indicates that the level of error in spending on 'administration' was not material;

361. Is deeply concerned that the Court detected a greater number of internal control weaknesses than in previous years in the management of family allowances for members of staff and regretted that the PMO did not monitor sufficiently the accurate and timely updating of personal files to ensure that the basis used to calculated salaries and allowances is correct;

362. Is deeply concerned by the fact that the Court found weaknesses in the procurement procedures organised by the Commission to improve the security of people and premises but notes that these weaknesses resulted mostly from the urgency of concluding contracts;

363. Calls on the Commission to implement a more transparent appointment procedure for what concern the all position especially the management related ones; calls on the Commission to clarify previous appointment procedure that lack of transparency and accountability;

364. Calls on the Commission to improve as soon as possible its systems for managing statutory family allowances by increasing the frequency of checks of staff members' personal situation and reinforcing consistency checks on the declaration of allowances received from other sources, especially, when there are reforms of family allowance systems in Member States;

365. Notes the continuous improvement of the gender equality among staff members; recalls the existing lack of equal representation of men and women in managerial positions;

366. Points out that according to the written answers 10 Member States were significantly underrepresented in the grades AD5-AD8. The Member States concerned were: Denmark, Germany, Ireland, France, Luxembourg, the Netherlands, Austria, Portugal, Finland and Sweden. Notes with concern that civil servant positions at the institutions might not be attractive for civil servants from certain member states, which makes it difficult to balance out the geographical differences;

367. Notes the growing number of removed entities from Transparency Register, points out, however, the importance of the follow-up on the individuals and legal entities removed from the Transparency Register; calls the Commission to pay more attention to the validation and sample checks of entities of the Transparency Register needs more resources;

368. Calls the Commission to carry out an assessment to review the internal mechanisms regarding whistleblower protection that are already in place, including provisions about raising awareness for all staff members and trainings for the management who receives reports; Calls the European institutions to harmonise their respective staff regulations to protect whistleblowers;

Code of conduct of commissioners

369. Recalls that Parliament was alerted in 2018 about the fact that in order to compensate more strict provisions inserted in the code of conduct regarding the cooling off period of the commissioners, the Secretary general of the Commission has considered the possibility to offer them new practical facilities (offices, IT, chauffeur) after the end of their mandate;

370. Notes that in its reply to Written Question No 64 preparing CONT hearing of 5 December 2019, Commissioner Hahn stated that:

'Former Members of the Commission, and in particular former Presidents, continue to be ambassadors of the EU, both in Europe and beyond. Most of them will continue to defend and promote the achievements of the Union after the end of their mandate, for example, when they are invited to speak at conferences or participate in public debates about Europe and the role of the Commission.

In line with similar arrangements in national administrations and other institutions, the Commission decided at its meeting on 30 October 2019 to enable former Commission Presidents to carry out representational functions in an appropriate manner after the end of their mandate. Therefore, former Presidents should have access to certain very limited resources, for example logistical support, such as an office, and certain other assistance. Former Commissioners will have logistical support in the form of a "bureau de passage" and will be provided with certain communication material from the Commission. The Code of Conduct already recalls this duty in Article 11(1), first sentence. (…).'

371. Is of the opinion that the Commission should make the Commission special advisers status more transparent with a clear definition of their tasks and missions and provide Parliament with all the information related to the financial cost of its decision of 30 October 2019;

372. Reminds the Commission that Members of the Commission are subject to transparency requirements with regard to meetings they hold with organisations or self-employed individuals, full transparency is an obligation of Members and their members of Cabinet, they shall meet only those organisations or self-employed individuals, which are registered in the Transparency Register and they shall make public information on such meetings in accordance with the Commission Decision 2014/839/EU ([46]);

373. Calls on the Commission to ensure that, after the cooling off period, the former Commissioners will not continue to benefit from the facilities offered by its decision of 30 October 2019; nor will they continue to benefit from the facilities in cases where they take up a different role;

374. Stresses that after ceasing to hold office, former Members of the Commission remain bound by their duty of integrity and discretion pursuant to Article 245 TFEU;

375. Calls the Commission to enforce the existing legally binding rules of the code of conduct regarding revolving doors both for the Commission and its agencies;

EPPO

376. Notes that according to article 3 of the EPPO regulation, the EPPO is established as an institutional body of the European Union whilst in the budget 2020 the EPPO is presented as an agency under the heading 'Commission'; is concerned that this state of play does not adequately guarantee the required independence of the EPPO and calls on the Commission to present the EPPO budget as an institution under future heading 7 (administration) together with the other bodies and institutions instead of under future heading 2 (Commission) with Justice and Home Affairs agencies; requests that the Commission takes into account the estimation of new cases opened and the pending caseload presented by EPPO to the institutions to establish a realistic budget and establishment plan; is strongly concerned that the current budget planning will prevent EPPO from becoming fully operational by November 2020;

European schools

377. Notes that, in accordance with the Financial Regulation of the European Schools, the Court has reviewed the Schools' consolidated annual accounts for the 2018 financial year, the accounts of the Central Office and the internal control systems (recruitment, procurement and payments) of two of the Schools (Bergen and Varese; notes that the Court has reviewed the work of the Schools' external auditor, which examined the accounts and internal control systems of seven Schools before consolidation took place;

378. Deeply regrets the fact that the Court was unable to confirm that the Schools' financial management in 2018 was compliant with the Financial Regulation, its implementing rules and the Staff Regulations;

379. Notes in particular that the Court's review of the internal control systems of the Central Office and of the two selected Schools revealed weaknesses in the control environment, in payment systems, in procurement procedures and in the documentation of the recruitment procedures; notes also that the Court found that they did not comply with the rules on staff recruitment;

380. Endorses the main recommendations issued by the Court in its annual report on the European Schools and, in particular, calls on the Board of Governors, the Central Office and the Schools to take immediate action to address the weaknesses detected in their accounting procedures and in the payment system; and continue to provide training and support to those involved in the preparation of the accounts;

381. Reiterates Parliament's view that a 'comprehensive review' of the European Schools system is urgently required; calls on the Commission -as a member but also as the major contributor- not only to provide guidance and support to the European Schools within the current administrative and governance structure, but also to monitor the implementation of the Court and the Commission's Internal Audit Service;

([46]) OJ L 343, 28.11.2014, p. 22.

382. Urges the Schools to improve recruitment, procurement and payment procedures and calls for the progress to be provided to the Parliament until 30 June 2020;

383. Is very concerned by the Human Rights Watch report on the accessibility of European schools ([47]) for children with disabilities, which stresses the problems still being faced and where fully inclusive education is not provided to children with disabilities;

384. Calls on the European Schools to make a commitment to inclusive education in policy and practice;

385. Calls on the Commission, as main funder of European Schools in charge of the Union's implementation of the CRPD to drive the necessary reform process;

Lessons learnt from the MFF for the programming period 2014 to 2020

386. Is concerned that the programming period for the new MFF may start with a delay as did the ongoing MFF; notes that the scope of the European Green Deal was formulated before the new MFF proposal was communicated; urges the Member States and the Council to discuss and adopt priorities and a strategy to enter into MFF negotiation with Parliament as soon as possible;

387. Takes the view that public budgets are to be determined only after the setting of clear political objectives and designing precise policies;

388. Asks the Commission to ensure that the Union's financial planning for the programming period 2021 to 2027 adequately reflects any subsequently determined objectives; stresses Parliament's proposal to include new priorities in the MFF and allow flexibility within the MFF to deal with unforeseen events;

389. Invites the Commission to clarify the key assumptions behind the new MFF proposal in a comprehensive financial plan; observes that the principle purpose of such a plan would be to put the figures in the MFF for the programming period 2021 to 2027 into their proper economic and financial context;

390. Reiterates its concern that any delay in the adoption of the MFF 2021-2027 and the related legal basis for its implementation may lead to repetition of the delay in the implementation of the Union spending programmes at the beginning of the new programming period; calls on the Commission and the Member States to take all necessary measures to ensure smooth start of the new programming period;

391. Considers that good quality information could contribute to speedier – and better – decision-making;

392. Welcomes the fact that the Commission carried out a spending review covering all major programmes under the MFF for the programming period 2014 to 2020 and that this review aimed to combine a strategic review (focused mostly on prioritising programmes according to their added value and coherence with Union objectives) with an efficiency review (seeking how to improve the delivery of existing programmes by examining opportunities for streamlining and synergies, simplifying administrative rules, improving flexibility, and focusing more on performance); The Commission should make periodic reviews with better KPIs;

393. Welcomes the fact that the Court found that the Commission's analysis to be convincing with regard to the efficiency of spending;

394. Notes, that the spending review provides strong arguments in favour of measures for simplifying programmes, streamlining the budget, and increasing financial flexibility; notes that it identifies unexploited synergies between different programmes as well as opportunities to merge similar programmes in various policy areas;

395. Notes that the spending review also gives examples of unnecessarily complex, inconsistent rules often leading to misunderstandings and ineligible costs;

396. Is concerned about its conclusion that the success of simplification efforts so far has been limited;

([47]) 'Sink or Swim: Barriers for Children with Disabilities in the European School System', 4 December 2018.

397. Calls for simplification wherever possible, for example by making greater use of simplified cost options and lump sums as an option for beneficiaries and by adopting usual accounting practices, as well as by implementing a single audit approach; highlights that the majority of Union subsidies should benefit citizens and that SMEs and family-owned or small and medium-sized farms should benefit the most; highlights also that errors made in the current programming period 2014 to 2020 need to be improved in the new MFF, especially in the area of regional development and cohesion;

398. Points out that further simplification can be ensured both at the level of programming, through limiting the number of regulations and avoiding unnecessary changes which can cause uncertainty, backlogs and errors; and at the level of effective implementation, in order to reduce the administrative burden for authorities and beneficiaries and to increase the accessibility of funds;

399. Welcomes the fact that for the programming period 2021 to 2027, the Commission proposes to reduce the number of spending programmes by a third and to make rules more coherent on the basis of a single rulebook;

400. Is convinced that to genuinely achieve simplification, the single rulebook should eliminate all unnecessary and complex rules, requirements and procedures; is of the opinion that it should not simply be a consolidation of the existing separate rulebooks into a single large volume;

401. Considers that simplification is not a goal in itself but a means to increasing the efficiency of Union action giving that way a better opportunity for small entities to be beneficiaries; calls on the Commission, therefore, when designing rules for Union programmes, to strike a balance between ease of implementation and effectiveness in achieving Union objectives and transparency;

402. Notes with concern that the spending review also explains how flexibility mechanisms proved to be insufficient to cope with emergencies during the current period; calls for changes to increase overall flexibility and ensure sufficient appropriations to cover unforeseen events;

403. Notes with regret the Court found that the spending review was less convincing with regard to strategic aspects, such as the Union added value of spending programmes and their coherence with Union objectives;

404. Agrees with the Commission that Union added value should be at the core of any discussion on the future Union budget;

405. Notes that the Commission identified the concept of Union added value as a guiding principle of the spending review exercise; expects the Commission to develop further and apply a robust and clearly defined concept of Union added value;

406. Considers that the concept of Union added value goes together with the principles of subsidiarity and proportionality;

407. Is convinced that the concept of Union added value is necessary not only to allocate resources but also to design and evaluate spending programmes;

408. Is of the view that only programmes with very high Union added value should receive full Union financing; proposes that financing should be limited for programmes with medium to high Union added value and that there should be no financing for programmes with low Union added value;

409. Insists that all funds that are committed must be used and spent in the most suitable way according to the principle of sound financial management in order to maximise impact;

410. Supports the idea of linking the Union budget more strongly to the country-specific recommendations outlined under the economic governance principles with the objective of encouraging growth-enhancing structural reforms in Member States; stresses that the recommendations must follow the principle of subsidiarity and focus on the essential, systemic issues such as improving competitiveness, strengthening the social and economic cohesion, business opportunities, cultural diversity, combating poverty and social exclusion, and securing jobs;

411. Calls for improving the funds' administration while enhancing the effectiveness of controls — these should include the measures taken in cases of systematic misuse of Union funds;

412. Stresses that controls to prevent the misuse of Union funds must be intensified in line with proportionality; where the Court identifies serious weaknesses in the quality and reliability of the national audit authorities, Union controls need to be strengthened; points out that the Court should identify a total failure of the national audit authorities, the MFF for the programming period 2021 to 2027 and should provide mechanisms for the Commission to manage the allocation of funds;

413. Stresses that the visibility of Union policies has to be enhanced; stresses that all legal provisions as regards information and communication have to be thoroughly implemented to ensure transparency and the wide dissemination of the funds' achievements;

414. Points out that financial instruments should always be tailor-made and complementary to grants, in order to maximise output on the ground; stresses that synergy with other policies and instruments should be enhanced so as to maximise the impact of the investment; is of the opinion that better results can be achieved while still doing so in a cost-effective way;

415. Considers it essential to equip Union spending programmes with strong and mutually consistent performance frameworks aligned with the Union's strategic objectives and MFF for the programming period 2021 to 2027;

416. Notes that it is important to further improve the performance monitoring and impact assessment of funding under the next MFF. A set of indicators and benchmarking tools can support on a regular basis the operational and political accountability regarding the implementation of funds;

417. Notes that the objectives of the programmes for the period 2021 to 2027 defined in the annex to the MFF Communication take the form of narrative mission statements; regrets that the objectives are not quantified and that they lack specificity;

418. Expects comprehensive intervention logic models with specific targets and matching sets of informative output, result and impact indicators to be developed in the relevant sectoral legislation or programming documents (including at Member State or regional level);

419. Stresses that public audit mandates should be established for all types of financing of Union policies at Union and national level; stresses that the Court should be appointed as the auditor of bodies set up to implement Union policies, including Union bodies and bodies created pursuant to agreements outside the Union legal order;

Committees Opinions

Foreign Affairs

420. With regard to the Instrument for Pre-Accession Assistance (IPA II), notes the continued weaknesses in administrative capacities of accession countries resulting in a lack of absorption capacity under indirect management; highlights that as pointed out in the Court's 2018 special report on IPA funding for Turkey, progress in such sensitive areas as the rule of law and civil society is not only dependent on IPA funding but more importantly the political will of the authorities; notes with concern that IPA funds for Turkey barely addressed fundamental values including press freedom and impartiality of justice; believes that it is more important now than ever for the Commission to make use of conditionality to support reforms in priority sectors such as the rule of law and governance in Turkey;

421. Welcomes the launch of the first capacity building measures under the amended Instrument contributing to Stability and Peace (IcSP) in 2018; emphasises that these actions should take place in the context of an overall security sector reform process; encourages stronger follow-up of short-term stabilisation actions by longer-term actions funded by the IcSP or other instruments;

422. Takes note of the Court's analytical review on European Defence and supports its recommendations; calls on the Commission as guardian of the Treaties to ensure the coherence of all Union defence efforts carried out for the implementation of a Union activity under the CSDP (PESCO, EDIDP, EDF, CARD etc.) and to ensure interoperability and synergies with NATO;

423. Invites the Commission to assess the legality of withdrawing the budgetary function from the Parliament through the Council decisions on establishing the EDA and PESCO; recalls that the relevant Articles 45(2) and 46(2) TEU provide for the decisions to be adopted by a qualified majority without a veto provision; recalls that the withdrawal of the budgetary function of the Parliament under Article 42 TEU is possible for the operating expenditure only and requires a unanimous decision by the Council; underlines that the Council has never taken such a decision;

424. Insists on the need to closely monitor the use of funds of the Facility for Refugees in Turkey, ensuring that these funds are accurately targeting refugee projects and not used for any other purposes; calls on the Commission to report regularly to the budgetary authority on the compatibility of the actions financed with the underlying legal basis;

Development and Cooperation

425. Urges the Union and its Member States to refrain from supporting practices which facilitate 'tax dodging' by transnational corporations and individuals, in the pursuit of its objective to create a business-friendly environment for private investors in developing countries in the remit of the European Fund for Sustainable Development; in addition, stresses the risk of indebtedness linked to the increased Union recourse to blending, notably in Sub-Saharan Africa and the Caribbean countries with limited revenues to service their debt; calls on the Union and its Member States to tackle tax evasion, aggressive tax avoidance practices and harmful tax competition effectively and consistently, in line with the principle of Policy Coherence for Development;

Employment and Social Affairs

426. Notes that, for ESF, the Youth Employment Initiative (YEI) and the Fund for European Aid to the Most Deprived (FEAD), 3 ESF/YEI programmes for UK, Italy and Hungary and 1 FEAD programme for Italy have been interrupted resulting in several payments being interrupted in 2018; notes that 33 warning letters were sent to the Member States concerned;

427. Acknowledges that the number of warning letters and interruptions significantly increased in 2018 compared to previous year due to the increased number of assurance packages received in February 2018 and the results of the compliance audits performed during the year;

428. Recalls that there are still ten recommendations referring to special reports (one from Special report No 16/2016 ('EU education objectives: programmes aligned but shortcomings in performance measurement'), two from Special Report No 14/2016 ('EU policy initiatives and financial support for Roma integration: significant progress made over the last decade, but additional efforts needed on the ground') and seven from Special report No 6/2018 ('Free Movement of Workers – the fundamental freedom ensured but better targeting of EU funds would aid worker mobility') that need to be implemented, most of which were to be implemented by 31 December 2019; in particular, takes note of the Special Report No 14/2016 according to which most projects were carried out as planned but 'best practices' criteria contributing to successful Roma inclusion were not always applied and monitoring performance was difficult; recalls that the lack of robust and comprehensive data on Roma is not only a problem in relation to projects but also for policy making at Union and national level; deplores the fact that this situation might remain unchanged unless swift action is taken;

429. Recalls the findings of the Court's Special Report No 5/2019 ('FEAD – Fund for European Aid to the Most Deprived: Valuable support but its contribution to reducing poverty is not yet established'), in particular the Court's conclusion that, in addition to alleviating poverty through food aid (which represents 83 % of FEAD budget), the innovative social policy elements of FEAD offer possibilities to Member States to foster social inclusion;

430. Also recalls that available data presented in the Court's Special Report No 5/2019 show that the Fund has a notable effect in nearly each Member State and that the provision by FEAD of food, material support and social inclusion measures make a difference to the most deprived, including those who may be otherwise left out by mainstream social assistance or who need immediate support; also highlights that, according to food banks, one third of the food they provide is financed by FEAD, and that FEAD allows to be less dependent on the irregular flow of donations and therefore enables to better plan the redistribution of specific foods;

431. Notes however that, due to limitations in its monitoring and lack of Union-wide data, FEAD's contribution to reducing poverty has not yet been quantitatively demonstrated and recalls that the Commission has to improve the collected data to better illustrate the relative importance of FEAD as a vector of European solidarity and a way of helping to combat social divides in the Union;

432. Notes that the mid-term evaluation report of the FEAD identified several weaknesses in the implementation of the Fund and that the Court suggested to better target the Fund to the ones most in need; also recalls that the mid-term evaluation report considered that the provision and monitoring of accompanying measures could be further exploited;

433. Recalls that, according to the conclusions of the Court's Special Report No 6/2019 ('Tackling fraud in EU cohesion spending: managing authorities need to strengthen detection, response and coordination'), although there have been improvements in the way managing authorities identify fraud risks in Union cohesion funds (including ESF) and design preventive measures, the managing authorities still need to strengthen fraud detection, response and coordination;

434. Notes that, according to the Commission, the European Union Programme for Employment and Social Innovation (EaSI) mid-term evaluation showed that its objectives are still relevant and that the programme is effective in reaching the relevant stakeholders, generating good-quality outcomes and achieving its objectives in particular in light of the current challenging socio-economic context characterised by the aftermath of the financial and economic crisis; also notes that, even though the three axes (Progress, EURES and Microfinance and Social Entrepreneurship) seem to operate independently, some areas which could result in increased effectiveness ('synergies') have been identified;

435. Notes that the EaSI mid-term evaluation highlighted a number of ways to improve the implementation of the programme, especially through the simplification of procedures, improved internal consistence, enhanced flexibility, targeting groups in need of specific support and linkages with other funds, and encourages the Commission to act in this respect; urges in particular that under the EaSI strand, the ESF+ should include a series of improvements in this direction;

Environment

436. Stresses that the share of payments exceeding legal deadlines reached 8,20 % of payments executed by DG ENV in 2018 (5,85 % in 2017, 3,92 % in 2016); regrets in particular that payment delays under the LIFE Programme reached higher levels in 2018 (10,3 % compared to 5,8 % in 2017 and 3,9 % in 2016);

437. Notes that, in 2018, DG ENV presented in its AAR an average RER of 0,09 %, not exceeding the materiality threshold of 2 %;

438. Notes that DG ENV stressed in its AAR that the terms of the externalisation decision for cooperation with the Executive Agency for Small and Medium-sized Enterprises (EASME) regarding staff imply that the staffing situation is very tight in DG ENV as regards the activities related to the LIFE Programme, which may require further review of the working methods and arrangements within the DG;

439. Welcomes the fact that in 2018 only 0,93 % of all DG CLIMA's payments were paid late as compared to the legal deadlines (3,9 % in 2017);

440. Stresses that DG CLIMA and DG BUDG monitor the 20 % climate mainstreaming target in the MFF, and that DG CLIMA supports other DGs in integrating climate considerations in their activities; welcomes the fact that in 2018, 20,1 % of the Union budget was spent on climate-related activities, but regrets that at the beginning of 2019 it was still estimated that the Union budget trend would deliver only 19,7 % for the current MFF period;

441. Is strongly concerned by the fact that the reservation on reputational, legal, financial and institutional grounds related to significant security risks identified in the maintenance and the operation of the Union Registry system of the EU Emissions Trading System (EU ETS), as reported in AARs since 2010 and as confirmed by the 2018 risk assessment exercise, is repeated in DG CLIMA's AAR for 2018; deplores the abnormal duration of this reservation; calls on the Commission to quickly resolve the situation;

Public Health, food safety, animal health and welfare and plant health

442. Highlights the fact that in the field of public health, public procurement is the most important financial management instrument and that, in 2018, commitment and payment credits were fully consumed; stresses that in the field of food and feed safety, the budget is implemented to a large extent through direct grants to Member States, and that the implementation rates of commitments and payments reached 99,0 % and 98,6 %, respectively;

443. Notes that in 2018 DG SANTE presented in its AAR an average RER of 1,9 %, not exceeding the materiality threshold of 2 %;

444. Notes with concern that the share of payments related to grant management made on time by DG SANTE decreased from 97 % to 83 % between 2016 and 2018;

445. Points to the challenges identified by DG SANTE in its AAR in the implementation of the Union's Third Health Programme 2014-2020 (the 'Health Programme'); notes that those challenges relate to the current funding mechanism of the Health Programme, which only allows for project-oriented funding and can have a negative impact on the longer-term sustainability of the actions undertaken, and to the complexity of some mechanisms in the Health Programme, such as joint actions implemented with Member States, which implies that timelines from the initial planning of the activity to its actual launch can be lengthy; notes the conclusions of the Court in Special Report No 21/2019 on antimicrobial resistance (AMR), according to which the activities of the Commission and agencies have led to some progress, for example in veterinary and food-related issues; regrets, however, that according to the same report there is little evidence to date that the health burden of AMR has been reduced in the Union;

Transport and Tourism

446. Welcomes the completion of the 2017 CEF Transport blending call in 2018 with an innovative approach making available a total indicative budget of EUR 1,35 billion of Union grants to be combined with funding from EFSI, EIB, national promotional banks or private investors; believes that an *ex post* evaluation of those projects must be carried out in order to assess the effectiveness of this innovative approach; notes that the second deadline for submission of proposals in April 2018, focusing on innovation and new technologies projects, notably in the field of alternative fuels, in support of the Commission's Clean Mobility policy, resulted in 35 projects being selected with a total of EUR 404,8 million in CEF funding; notes the need to improve the level of awareness of the CEF eligibility rules among the beneficiaries, in particular by drawing a clear distinction between implementation contracts and subcontracts; recalls that the amount of money spent under a financial instrument is not its only performance criteria and invites the Commission to deepen its assessment of the achievements completed under Union funded transport projects and to measure their added-value aspect and result-oriented spending;

447. Notes that by the fifth year of the current programming period 2014-2020 only around 23 % of the funds initially awarded had resulted in payments by January 2019, putting into question the full implementation of CEF; reiterates that in order to avoid payment delays, decommitments and reflows will build up significantly by the end of the programming period and leaving insufficient time to reroute funds to other projects, it is essential for INEA to monitor the technical and financial implementation of projects closely, so that effective corrective measures can be taken in time; reiterates the recommendations of the Court to the Commission and INEA to ensure greater coherence and transparency of the project selection procedures, to set better conditions for timely programme implementation and to redesign the performance framework to better monitor project results;

448. Welcomes the Court's Special Report No 30/2018, which concludes that the main modes of public transport are covered by Union regulations, making the Union framework for passenger rights unique globally; however, regrets the conclusion by the Court that many passengers were not sufficiently aware of their rights and frequently could not benefit from them, due to problems with enforcement; therefore, reiterates the request of the Court to improve coherence, clarity and effectiveness of the Union passenger rights framework, take action to promote more effective and transparent awareness campaigns and provide national enforcement bodies with further tools for enforcing passenger rights;

449. Reiterates its request that the Commission, in view of the multiple sources of funding, provides an easy access to projects, in form of a one-stop-shop to allow citizens to clearly follow the developments and funding of infrastructures co-financed by Union funds and by the EFSI; these one-stop-shops shall have extensive coordinating powers, with Union rules prevailing, with a multilingual dimension, facilitating the management of all environmental impact assessments; notes that in the fifth year of the 2014-2020 multi-annual financial framework the absorption of EFSI funds has continued to be slower than planned; stresses that the errors detected are at the level of the beneficiary, so more guidance is needed as regards cost eligibility;

450. Highlights that the transport infrastructure policy offers a clear opportunity to increase synergies between defence and civil needs and TEN-T; Welcomes the addition of a pillar of military mobility to TEN-T policy with the adoption of the Action Plan in March 2018 and the proposal by the Commission to include a new envelope dedicated to military mobility needs of EUR 6,5 billion under the CEF budget for 2021-2027; stresses the importance of analysis of gaps between the military and the TEN-T requirements for generating the pipeline for dual-use infrastructure projects that could be supported under the CEF 2021-2027 and strengthen TEN-T; reiterates that this development reflects the strategic role played by the TEN-T in integrating the Union's infrastructure in order to achieve rapid and seamless mobility across the continent, as well as strengthening our capacity to respond to emergency situations such as humanitarian crises, natural disasters or civil emergencies, thus further developing the internal market;

451. Welcomes the start of new projects focusing on urban mobility, efficient logistics and infrastructure, including the port of the future, worth around EUR 105 million from the 2017 call of the Horizon 2020 programme; welcomes the adoption of the 3-year Horizon 2020 Transport Work Programme for 2018-2020; reiterates the recommendation by the Court to set out an Union-wide port development plan for core ports and to revise the number of core ports;

Regional Development

452. Underlines that irregularities in the implementation of the budget of the European Union do not automatically imply a fraud and that a thorough analysis of the audit results is required before applying financial corrections against beneficiaries; calls on the Commission to implement its Anti-Fraud Strategy and to continue supporting and assisting Member States in the implementation of anti-fraud measures, including the analysis of irregularities reported by Member States under the ESI Funds;

453. Calls on the Commission to present a detailed analysis of the reasons for the low funding take-up rates in certain regions and assess specific ways of remedying the structural problems underlying those imbalances and to step up on-the-spot technical assistance; highlights that flexibility and simpler rules can improve the efficiency and effectiveness of ESI Funds;

454. Calls on the Commission and the Council to establish an action plan in the first half of 2020 to speed-up the implementation of ESI Funds in the current programming period, with clear incentives for the effective absorption of available funds, strengthening the strategic objectives of the Union, in particular economic, social and territorial cohesion and, in accordance with the objectives of the Paris Agreement, the fight against climate change;

Agriculture and Rural Development

455. Calls on the Court to draft a special report on land-grabbing and its potential impact on the CAP;

456. Reminds the Commission that there is a significant difference in types of errors, for example between unintentional omissions and cases of fraud; recalls that most of the beneficiaries are small and medium-sized farms and complex regulation increases the risk of unintentional omissions, which should also be taken into account while estimating the actual error rate;

457. Highlights that the proper implementation of the CAP interventions is strictly related to the beneficiaries' compliance with the commitments set out at Union level; stresses that the increased flexibility of Member States in allocating CAP subsidies could lead to short-term national political interests, risks further aggravating abuses, and urges, therefore, the Commission to avoid renationalisation of the CAP, in particular the system for monitoring compliance by individual beneficiaries with the rules on eligibility for support, in order to maintain the Union's credibility in managing one of its key public policies;

Culture and Education

458. Welcomes the conclusion of the Court's Special Report No 22/2018 on mobility under Erasmus+ that the programme has a positive effect on participants' attitudes towards the Union and generates many forms of European added value; however, stresses also that further efforts should be taken to fully align indicators with objectives, and that there is a need to simplify the application and reporting process;

459. Welcomes the positive effect of the Erasmus+ programme in promoting the inclusion of people from disadvantaged backgrounds, as noted in the Court's Special Report No 22/2018; calls for the improvement of the definition, reporting and monitoring in this area to ensure the inclusivity of the Erasmus+ programme, as well as that of the European Solidarity Corps and the Creative Europe programmes;

460. Underlines the need for increased financing of the Erasmus+ and the Creative Europe programmes, keeping in mind the success of the programmes and the added value they bring;

461. Acknowledges that, as the Student Loan Guarantee Facility has not produced the expected results, the Commission decided to reallocate the relevant funds;

462. Highlights the progress in the success rates in the Creative Europe programme compared to 2017 (31 % for Culture and 48 % for the MEDIA sub-programme), but stresses that more adequate levels of financing are required to tackle those still unsatisfactory results;

463. Calls on EACEA to pay due attention to the simplification and adaptation of the application processes to the target audiences to improve accessibility to the programmes;

464. Notes that the internal control system of EACEA still needs major improvements, as identified by the reservations raised in the second phase of an audit on the Erasmus+ and Creative Europe programmes grant management; calls on EACEA to adopt all the necessary corrective actions, in order to guarantee the highest quality implementation of the programmes;

465. Draws attention to the challenges that lie ahead for the European Schools during the process of withdrawal of the United Kingdom of Great Britain and Northern Ireland (the 'United Kingdom') from the Union and calls on the Commission and the European Schools to report to the Committee on Culture and Education in relation to the withdrawal of the United Kingdom and on how they intend to continue to offer first class English-language teaching within the European Schools after the withdrawal of the United Kingdom from the Union;

466. Highlights the under-representation of women (31 %) in middle management positions at the EACEA; calls on the Agency to achieve the objective of 40 % in 2020.

Justice, Freedom and Home Affairs

467. Welcomes the Court's Special Report on Union support for Member States in their efforts to tackle radicalisation ([48]), financed, among other sources, by the ISF and the Justice Programme; shares the view of the Court that the Commission should improve the framework for overall coordination of Union funded actions addressing radicalisation, increase practical support to practitioners and policymakers in Member States, and improve the framework for assessing results;

468. Welcomes the fact that the Court did not find major flaws in the Commission's clearance procedures regarding the AMIF and ISF and the fact that it agrees with the Commission's clearance decisions; deplores, however, the fact that three out of the 18 transactions examined by the Court contained errors, of which one shared management transaction under AMIF showed an error rate of 9,4 %; urges the Commission to address the systemic weaknesses identified by the Court, such as a lack of ex post checks of supporting documents in case of *ex ante* administrative checks of payment claims; calls on the Member States to improve checks of the procurement procedures organised by beneficiaries of funds in relation to the legality and regularity of such procedures.

Women's Rights and Gender Equality

469. Stresses that women's rights and a gender equality perspective should be integrated and ensured into all policy areas; reiterates therefore its call for the implementation of gender budgeting at all stages of the budgetary process, including the implementation of the budget and assessment of its implementation;

([48]) Court's Special Report No 13/2018 'Tackling radicalisation that leads to terrorism: the Commission addressed the needs of Member States, but with some shortfalls in coordination and evaluation'.

470. Regrets the tendency of the last years to cut Union funds for combating all forms of violence against women and girls and reaffirms its request to increase resources for the Daphne specific objective; reiterates its call to have a separate budget line for the Daphne specific objective of REC; it takes note of the evolution of the development of an Union-wide survey, with a common methodology and questionnaire, to gather comparable gender-based violence data, on a regular basis, across the Member States; it expects to acknowledge the first outcomes of the pilot exercise of the survey by 2019 in order to comply with the foreseen implementation of the survey from 2020-2021 onwards;

471. Calls for the examination of synergies between those internal and external programmes of the Union to ensure a coherent and continuous approach to policies both inside and outside of the Union, such as in the case of Female Genital Mutilation (FGM).

DECISION (EU) 2020/1970 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the European Union Agency for Fundamental Rights (FRA) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Fundamental Rights for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0035/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 thereof,

— having regard to Council Regulation (EC) No 168/2007 of 15 February 2007 establishing a European Union Agency for Fundamental Rights ([5]), 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 ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0070/2020),

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 53, 22.2.2007, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

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 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1971 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the European Union Agency for Fundamental Rights (FRA) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Fundamental Rights for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0035/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 thereof,

— having regard to Council Regulation (EC) No 168/2007 of 15 February 2007 establishing a European Union Agency for Fundamental Rights ([5]), 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 ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0070/2020),

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 53, 22.2.2007, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

1. Approves the closure of the accounts of the European Union Agency for Fundamental Rights for the financial year 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1972 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 (FRA) for the financial year 2018

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 2018,

— having regard to Rule 100 and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0070/2020),

A. 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 2018 was EUR 22 960 429, representing a slight increase of 0,47 % compared to 2017; whereas the Agency's budget derives almost exclusively from the Union budget ([2]);

B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Agency for the financial year 2018 (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 with appreciation that budget monitoring efforts during the financial year 2018 resulted in a budget implementation rate of 100 %, the same rate as in 2017; notes that the payment appropriations execution rate was low at 76,20 %, but acknowledges that it represents a slight increase of 4,09 % compared to 2017;

2. Notes that, according to the Court's report, carry-overs of committed appropriations were high for operating expenditure, mainly due to the nature of the activities which include financing studies that span several months and often beyond year-end; notes that the Agency has introduced planning procedures to monitor the inevitable delays between the signing of contracts, deliveries and payments; notes that, according to the Agency's reply, the deviation between the initial planned amount and the final amount carried over was around 10 %, within the margin of tolerance and that the old application for the monitoring of budget consumption has been replaced by a new one; calls on the Agency to improve its budget planning;

Performance

3. Notes that the Agency uses 31 key performance indicators (KPIs) as part of its performance measurement framework to assess the results and impact of its activities, and 5 additional KPIs to enhance its budget management;

4. Welcomes the Agency's cooperation with other agencies, in particular the European Foundation for the Improvement of Living and Working Conditions (Eurofound), the European Border and Coast Guard Agency, the European Institute for Gender Equality, the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA), the European Union Agency for Criminal Justice Cooperation (Eurojust), and the European Asylum Support Office, to achieve common policy objectives; welcomes the fact that, in addition, the Agency regularly supports other Union agencies to reflect obligations stemming from the Charter of Fundamental Rights of the European Union (the Charter) in their work; deems it necessary that the Agency continue the development of strong ties with other relevant Union institutions; encourages the Agency to explore ways of sharing resources and staff on overlapping tasks among other agencies with similar activities;

([1]) OJ C 120, 29.3.2019, p. 197.
([2]) OJ C 120, 29.3.2019, p. 198.

5. Notes that in 2018 a new operational unit was established to strengthen inter-departmental cooperation on projects and enhance capacity for real-time responses;

6. Encourages the Agency to pursue the digitalisation of its services;

7. Notes that Parliament requested the Agency to provide an expert opinion on the implementation of the Charter in the Union institutional framework by September 2018; notes that, under Regulation (EU) 2018/1240 of the European Parliament and of the Council [3], the Agency was assigned a formal role in overseeing the criteria used to screen the applications of people who wish to enter the Union but do not require a visa and was provided with a mechanism to do so;

8. Calls on the Commission to conduct a feasibility study in order to assess the possibility of, at the very least, setting up shared synergies with the European Institute for Gender Equality (EIGE), if not fully merging them; calls upon the Commission to evaluate two scenarios: the transfer of the Agency to the EIGE's headquarters in Vilnius and the transfer of the EIGE's headquarters to the Agency's headquarters in Vienna; notes that such an act would mean sharing corporate and support services and the management of common premises, as well as shared ICT, telecommunications and internet-based infrastructure, thus saving huge amounts of money which would be used to fund both agencies further;

9. Welcomes the efforts made by the Agency to balance the geographical distribution of its recruitment of qualified candidates for various roles, keeping in mind the difficulties encountered in recruiting the right candidates for certain profiles;

10. Affirms, with regard to the procurement of studies, that budgetary constraints should not lead to unsuccessful public procurement procedures; believes that the Agency's commitment to considering conducting market research before launching calls for tenders to review, if necessary, the technical requirements and to reassess, if possible, the priority of the studies to be undertaken is a step in the right direction towards improving the success of tender procedures in the future;

11. Encourages the Agency to intensify its cooperation with international organisations, such as the Council of Europe and the United Nations, in order to find and use synergies, whenever possible;

12. Acknowledges the complex nature of the studies carried out by the Agency covering the law and practice of all Member States; highlights the value of those studies and opinions for the development of Union legal acts and the importance of adequate financial resources provided to the Agency to enable it to perform its duties better; welcomes the Agency's continuous research and reporting on all types of discrimination within the Union, which contributes to improving inclusion strategies and related policies of the Union and the Member States; welcomes, in particular, the commitment of the Agency to the protection of vulnerable groups by conducting specific studies, such as the reports concerning the right to independent living of persons with disabilities, the social inclusion of young Roma and racial discrimination and racist crime against people of African descent; regrets the fact that the Agency's current mandate limits its ability to act and to undertake studies in certain thematic areas; stresses the fact that the remit of the Agency should extend to all rights protected under the Charter, including issues of judicial and police cooperation in criminal matters, and believes that the Agency should be able to offer opinions on legislative proposals on its own initiative;

Staff policy

13. Notes that on 31 December 2018 the establishment plan was 98,61 % executed, with 71 temporary agents appointed out of 72 temporary agents authorised under the Union budget (compared with 72 authorised posts in 2017); notes that, in addition, 31 contract agents and 8 seconded national experts worked for the Agency in 2018;

14. Notes with approval the even gender balance among senior managers (three men and three women) and the satisfactory gender balance within the management board (28 men and 25 women);

Procurement

15. Notes, in light of the related comments made by the discharge authority, that e-procurement tools have been compulsory only as of 2019 and that the Agency has introduced all e-procurement tools with the exception of e-submission, which was expected to be implemented in the fourth quarter of 2019; calls on the Agency to report to the discharge authority on the progress made in this regard by June 2020;

[3] Regulation (EU) 2018/1240 of the European Parliament and of the Council of 12 September 2018 establishing a European Travel Information and Authorisation System (ETIAS) and amending Regulations (EU) No 1077/2011, (EU) No 515/2014, (EU) 2016/399, (EU) 2016/1624 and (EU) 2017/2226 (OJ L 236, 19.9.2018, p. 1).

Prevention and management of conflicts of interests and transparency

16. Welcomes the Agency's existing measures, and its ongoing efforts in relation to securing transparency, in relation to the prevention and management of conflicts of interest, and in relation to whistle-blower protection; notes that there were a number of cases of potential and perceived conflicts of interest that were assessed and mitigated and that none were reported in 2018; notes with appreciation that the CVs and declarations of interest of members of the management board and executives are published on the Agency's website;

17. Notes with appreciation that, in light of the comments and observations made by the discharge authority and following the reorganisation in 2018, the accounting officer now reports directly to the director;

18. Notes, in light of the comments made by the discharge authority with reference to the 2017 discharge related to the legal proceedings brought in recent years against the Agency concerning alleged irregular recruitment decisions, that the General Court dismissed both cases; acknowledges that the Agency is no longer in a contractual relationship with a former stand-by temporary judge of the Civil Service Tribunal and notes that it took several measures to mitigate any potential conflict of interest;

19. Notes several ongoing legal procedures regarding violations of the Staff Regulations and violations of the right to good administration ([4]); stresses that the Agency should ensure that the requirements are met and emphasises that the Agency should lead by example in advising on and respecting fundamental rights; deplores the fact that such violations can have a detrimental effect on public opinion and on the Union's reputation; regrets that such legal proceedings are costly for the Agency and waste taxpayer money;

Internal controls

20. Notes with satisfaction that, following the successful implementation of the anti-fraud strategy adopted in December 2014 and the completion of the action plan over the course of 2015 and 2016, the Agency completed a revision of the anti-fraud strategy which was adopted at a meeting of the management board in December 2018 and complemented by a specific action plan;

21. Notes that in 2018 the Internal Audit Service issued an audit report on ethics and governance which assessed the design and effective implementation of the Agency's governance and control framework in the field of ethics and concluded that the governance and control framework were overall adequately designed;

Other comments

22. Notes that the Agency is following up on the Commission activities of the 'Groupe Interinstitutionnel de Management Environnemental' (GIME) and that it expressed its interest in the 2019 survey in joining a coordinated approach of the GIME members as regards the actions that will result in the reduction of CO_2 emissions;

23. Calls on the Agency to focus on disseminating the results of its research to the public and to reach out to the public via social media and other media outlets;

24. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 ([5]) on the performance, financial management and control of the agencies.

([4]) Case T-632/19 DD v FRA; Case T-703/19 DD v FRA; Case T-31/19 AF v FRA; Case C-601/19 P BP v FRA; Case C-669/19 P – BP v FRA; Case C-682/19 P – BP v FRA.

([5]) Texts adopted, P9_TA(2020)0121.

DECISION (EU) 2020/1973 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2018, Section VII — Committee of the Regions

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2018 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2018 (COM(2019) 316 — C9-0056/2019) ([2]),

— having regard to the Committee of the Regions' annual report to the discharge authority on internal audits carried out in 2018,

— having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2018, 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 2018, 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([6]), and in particular Articles 59, 118, 260, 261 and 262 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0071/2020),

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 2018;

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 and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President — David Maria SASSOLI

The Secretary-General — Klaus WELLE

([1]) OJ L 57, 28.2.2018.
([2]) OJ C 327, 30.9.2019, p. 1.
([3]) OJ C 340, 8.10.2019, p. 1.
([4]) OJ C 340, 8.10.2019, p. 9.
([5]) OJ L 298, 26.10.2012, p. 1.
([6]) OJ L 193, 30.7.2018, p. 1.

RESOLUTION (EU) 2020/1974 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 2018, 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 2018, Section VII — Committee of the Regions,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0071/2020),

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 with satisfaction that in its 2018 annual report, the Court of Auditors (the 'Court') identifies no significant weaknesses with respect to the audited topics relating to human resources and procurement for the Committee of the Regions (the 'Committee');

2. Welcomes the Court's conclusion that the payments as a whole for the year ended 31 December 2018 for the Committee's administrative expenditure were free from material error and that the supervisory and control systems examined were effective;

3. Regrets, as a general observation, that chapter 10 'Administration' of the Court's 2018 Annual Report has a rather limited scope and conclusions, notwithstanding the fact that the Multiannual Financial Framework Heading 5 'Administration' is considered to be low risk;

4. Notes that the Court selected a sample of 45 transactions from Multiannual Financial Framework Heading 5 'Administration' of all Union institutions and bodies; notes that the sample was designed to be representative of the range of spending under Heading 5, which represents 6,3 % of the Union budget; notes that the Court's work indicates administrative expenditure to be low risk; considers, however, the number of transactions selected in relation to the 'other institutions' to be insufficient and asks the Court to increase the number of transactions to be examined by at least 10 %;

5. Notes that in 2018 the Committee's budget amounted to EUR 96 101 000, compared to EUR 93 295 000 in 2017, corresponding to an increase of 3 %; notes that 99,3 % of all appropriations were committed by the end of 2018 (compared to 98 % in 2017 and 98,7 % in 2016) and that 91 % were paid in 2018 (compared to 89,9 % in 2017 and 89,6 % in 2016);

6. Welcomes the overall prudent and sound financial management of the Committee in the 2018 budget period; welcomes the fact that the commitment rate for Title 1, 'Expenditure relating to persons working with the Committee', was 99,1 % and for Title 2, 'Buildings, equipment and miscellaneous operating expenditure', 99,6 %;

7. Notes the Committee's answer related to the payment execution rates (76,9 % in 2018, 77,1 % in 2017 and 74,5 % in 2016) for Title 2; notes that invoices mainly for maintenance and energy consumption arrive only at the beginning of the following year; asks the Committee to improve the situation, where possible by setting balanced payment terms over the year in the relevant service contracts;

8. Notes the unused appropriations for several budget lines, such as 59,0 % for courses for members (item 1 0 5), 33,3 % for missions for staff (item 1 6 2), 77,9 % for medical services (item 1 6 3 4) and 92,7 % for fitting-out premises (item 2 0 0 7); recalls the need for measures to minimise budget overestimates;

9. Stresses that notwithstanding the Committee's political activities, its budget is considered to be purely administrative and accounts for 1 % of the Administrative Heading 5 of the Union Budget; welcomes the Committee's efforts in applying performance-based budget principles in its daily operations and its willingness to improve further together with other Union institutions and bodies; notes the successful tools, such as the budget execution reviews, in order to monitor and help to improve the Committee's budget execution rates; welcomes overall the Committee's performance-oriented approach;

10. Notes that the Committee maintains a central register of reporting exceptions related to non-compliance with internal procedures and corrective measures; welcomes that the overall number of financial exceptions decreased by 6,8 % (compared to 2017);

11. Welcomes the Committee's efforts to reduce the average time for payment (under the Financial Regulation payments must be made within 30 days) to 16 days on average in 2018 which is the best rate for 10 years (compared to 23 days in 2017, 26 days in 2016 and 20 days in 2015); notes that no case of payment of mandatory default interest was recorded in 2018;

12. Notes that the Committee launched an exercise for the 16 internal control standards (ICS) by means of a questionnaire, designed to evaluate compliance and effectiveness of the requirements specified for each ICS; notes the positive outcome of that evaluation and its conclusions to focus strongly on ICS 3, staff allocation, ICS 10, business continuity, and ICS 12, information and communication, due to the future challenges, such as a new mandate and the 25-year anniversary of the Committee;

13. Recognises that the monitoring of the internal audit function is provided by an audit committee composed of one member per political group of the Committee's Commission of Financial and Administrative Affairs and one high-level external advisor; notes that the 2018 target to close 75 % of very important recommendations after six months was achieved at a rate of 50 %, and the target to close 100 % of very important recommendations after 12 months was achieved at a rate of 100 %;

14. Reiterates the importance of interinstitutional cooperation, such as service-level agreements for human resources and other administrative agreements; calls on the Committee to inform Parliament's Committee on Budgetary Control of the amounts paid under such agreements in the next annual activity report;

15. Stresses the importance of promoting the involvement of regional and local authorities given their role in the implementation of Union policies;

16. Notes that the administrative cooperation agreement entered into between the Committee, the European Economic and Social Committee (EESC) and Parliament in 2014 came to end on 31 December 2019; notes that to date the 2014 agreement has not been renegotiated or extended; is of the opinion that the 2014 agreement was very unbalanced for the Committee and the EESC (the 'Committees'), which transferred a total of 60 translators to Parliament (24 from the Committee) and in exchange obtained only the use of the services of the European Parliamentary Research Service (EPRS); notes with concern that as a consequence the Committees had to hire contract staff and outsource their translation services; notes with concern that to compensate for the reduction in translation staff, Parliament has provided additional funds (EUR 1 200 000 from 2015 to 2016) to the Committees to cover the outsourcing of translation services and that these funds can be reallocated to other policy areas if they are not fully used for outsourced translation; is of the opinion that these circumstances are not in line with the criteria of overall prudent and sound financial management and should be reviewed in the event of an extension of the present agreement or in the negotiation of a new agreement; recognises that, from a political point of view, the agreement must be updated to face current challenges, such as the new Multiannual Financial Framework or the new cohesion policy rules;

17. Welcomes the 'Reflecting on Europe/Future of Europe' campaign amounting to more than 209 events carried out in total (until February 2019); notes that the Committee is following up on this success by developing a model, together with other Union institutions and bodies, for the ongoing consultation of Union citizens with the aim of combining local debates with a feedback mechanism to inform decision-makers at Union level; calls on the Committee to report back on the results achieved in its next annual activity report;

18. Welcomes for transparency reasons the list of events for 2017 and 2018 in the context of the 'Reflecting on Europe/Future of Europe' campaign in the Committee's annual activity report; notes the names of the Committee members involved, the title, date and place of each event, and the overall cost, amounting to EUR 41 747,87 in 2018 (compared to EUR 45 505,93 in 2017);

19. Appreciates the Committee's success on social media with 12 658 page likes on Facebook in 2018 (compared to 9 013 in 2017) and 3 727 followers on Twitter in 2018 (compared to 3 425 in 2017); acknowledges the successful use of the online survey/mobile app 'Have your say on Europe!' across the Union; congratulates the Committee on its new website with 101 983 page views in 2018 (compared to 43 748 in 2017); welcomes the open online course in January 2018 under the headline 'make the most of EU resources for your region or city' with almost 15 000 participants (compared to 8 500 in 2015 and 5 500 in 2016);

20. Welcomes the Committee's achievement in increasing its publication of studies, amounting to 27 and surpassing the target of 15; notes that all of those studies have been published on the Committee's website;

21. Notes that the agreement between the Committees and the Commission on the exchange of the Commission's VMA building for the Committees' BEL68/TRE 74 buildings was signed on 28 August 2019; notes that the exchange will become effective on 16 September 2022; notes with concern that the main priority identified by the Committees' buildings policy is the geographical concentration of the buildings; notes with concern that this exchange results in a loss of office space of 10 440 m^2 for the Committees and, thus, a need to find extra offices to accommodate around 200 members of staff after the exchange, which need cannot be entirely offset by alternative measures in the short-term, such as a more intensive use of space in the other buildings or an increased use of teleworking, but will necessitate the purchase of another adjacent building to compensate for this reduction; notes also the need to renovate the VMA building in the short to medium term; fears the consequences that this agreement will have not only for the finances of the Committee but also for the wellbeing of the staff concerned; regrets that the legal service has not been consulted on a matter of such scope and importance for the Committee;

22. Notes that the Committees have recently established a joint working group for the purpose of preparing a further analysis in order to find adequate solutions; notes that another working group is tasked with reflecting on new ways of working; stresses that the wellbeing, manner of work and work space of staff must suffer no negative consequences arising from the exchange of buildings; recalls the requirement that members of staff be consulted about the exchange of buildings and that their opinion be taken into account; calls on the Committees to inform Parliament's Committees on Budgetary Control and on Budgets on any results achieved;

23. Expresses serious concerns about the confirmation of the presence of asbestos in critical places of the VMA building including the parking area; deplores the fact that an inventory realised by a specialised external contractor was carried out in September 2019, only one month after the signature of the agreement with the Commission; deplores the fact that the agreement was signed without informing all stakeholders in due time about the possibly presence of asbestos in the VMA building; also deplores the fact that members and staff have not been informed about the situation and considers it not to be sufficient that the information has been published on the Committee intranet where it is difficult to find;

24. Notes that the Committees received an asbestos-safe certificate for the VMA building in September 2019 and that this certificate specifies that the building contains asbestos without risk for normal use of the building; taking into account especially that the next use of the building will not be normal use, but a situation of construction, is deeply concerned about the future developments relating to this issue;

25. Notes that the effects of prolonged and unsafe asbestos exposure on human health are well documented and are always a source of concern and alarm among the population in general; asks the Committees to carry out a policy of total and proactive transparency and information about the management of the situation before and after the effective occupation of the VMA building while at the same time avoiding alarmism;

26. Acknowledges the Committee's building strategy approved on 29 November 2017 with the priority of 'geographical concentration' and 'physical connection' to the Committees' main building, Jacques Delors, which provides significant financial and non-financial benefits; notes that the VMA building will require a minor refurbishment at the earliest moment possible (2020 to 2022) and a more thorough renovation once the Committees have complete proprietorship of the VMA building in 2028; notes that the costs will be covered by the Committees according to the sharing key applicable under the administrative cooperation agreement;

27. Welcomes all the measures implemented so far to ensure adequate (cyber-)security standards; notes that, following the installation of the new equipment for access control and the IT Security actions, the related security standards have reached the same level as the standards of Parliament and the Commission;

28. Regrets the fact that the Committee does not yet have a legal framework with which to deal with harassment cases involving its members; reiterates the European Ombudsman's call on the Union institutions to adopt rules on harassment applicable to their members; asks the Committee to urgently adopt such rules, along the lines of Parliament's Bureau Decision of 2 July 2018 on harassment complaints; calls on the Committee to report back on its follow-up actions to Parliament;

29. Urges the Committee to strengthen its efforts related to the planned code of conduct for its members related to the prevention and fight of conflict of interests; asks the Committee to ensure the publication of the concerned rules and procedures on its websites;

30. Recognises the robust mechanism that the Committee has in place to tackle harassment cases involving members of staff only with internal rules that implement the relevant provisions of the Staff Regulations; welcomes the provision of training for all members of staff on the topic of the prevention of harassment, which focuses on the rules, provisions and procedures in place regarding harassment complaints; notes that the Committee has a functioning team of confidential counsellors (currently six are appointed and two have been placed on a reserve list) who have all received training before taking up their function;

31. Notes that the appropriations for translation outsourcing increased in the context of the cooperation agreement signed with Parliament and the resulting reduction in translation staff; notes that in 2018 the outsourcing of translation reached 20,2 %, slightly above the 20 % target, also partly caused by the high workload (21 % higher than the same period in 2017); notes further that the total cost of outsourced translation in 2018 was EUR 3 251 855 (compared to EUR 5 263 108, which would have been the total cost of in-house translation);

32. Recognises the Committees' efforts that resulted in a significant reorganisation under a new strategy for a more resource efficient multilingualism; regrets that from 2014 to 2017 transfers of posts from the linguistic services to the services of Parliament needed to be compensated for by an increased number of contractual staff; calls on the Committee to inform Parliament regularly of the related developments;

33. Notes the evaluation report on the pilot project for the common management of some translation units, which identified, apart from a reduction in management overheads, additional synergies at translation assistance level once all translation units are merged and all necessary technical conditions are in place; notes that the Committee's bureau gave a mandate to its secretary-general to draw up and propose a new establishment plan, in cooperation with the EESC's secretary-general; notes that the merger of the pilot units is confirmed and that two more mergers are due to take place in 2019; calls on the Committee to report back to Parliament on all actions taken to make translation output sustainable;

34. Notes the efforts to further simplify human resources processes, in particular through the gradual introduction of paperless workflows, such as invoices, missions and files; calls on the Committee to strengthen its efforts in the modernisation of its procurement processes related to IT tools, setting-up an electronic workflow to permit a paperless mode; notes the good progress made with e-invoicing which is now fully operational from an IT point of view;

35. Notes an establishment plan of 538 members of staff in 2018 (compared to 533 in 2017); welcomes the lower vacancy rate of posts in 2018 (less than 2 %) than in 2017 (approximately 2,5 %); welcomes the fact that a workload assessment exercise was initiated in 2018 to have an overview of the efficient use of human resources within the Committee and to identify possible gaps; notes that the final report was delivered in spring 2019; requests a detailed follow-up in the Committee's next annual activity report;

36. Welcomes the introduction of a new appraisal system focusing on individual performance and a new promotion scheme based on merit which were the subject of an intensive social dialogue in 2018; recognises that the implementation of an action plan following a staff satisfaction survey organised late 2016 resulted in a management programme for both middle and junior managers covering topics which are linked to staff satisfaction;

37. Welcomes the fact that the rate of absenteeism has decreased over the years (from 4,86 % in 2015, 4,6 % in 2016 and 4,5 % in 2017, to 4,29 % in 2018); notes, however, that 23 members of staff were on sick leave for more than 90 days in 2018, including three cases of sick leave with a duration, respectively, of 352, 296,5, and 280,5 days, and corresponding to serious illnesses; acknowledges the Committee's comprehensive policy on absence management, including the follow-up of absences and the implementation of a structured return-to-work policy;

38. Welcomes, with regard to equal opportunities all the measures taken with respect to disability, diversity and gender balance, such as the network of the local equal opportunities contact points in the respective directorates to raise awareness and implement actions within all Committee departments; welcomes the Committee's efforts with respect to flexible working conditions in order to allow colleagues of both genders to carry out managerial duties by better reconciling their family and their professional responsibilities;

39. Notes with interest that the Committee adopted an integrated talent management strategy covering a wide range of areas and policies for ultimately contributing to staff performance and staff commitment; notes that the level of deputy heads of unit, heads of sector and team leaders has been officially recognised as a new management level and that the Committee organised related in-house training courses;

40. Recognises the Committee's efforts to achieve geographical balance for the Committee's managers, in particular with respect to the Member States that joined the Union in or after 2014, which have led to the percentage of managers from those Member States to reach 22,2 % (compared to the target of 20 %), which is slightly above the proportion of their population in the Union;

41. Notes the Committee's difficulties in increasing the proportion of women in middle and senior management positions (35,6 % women in management positions); acknowledges the fact that the Committee is an institution of limited size with a relatively young group of middle managers; notes the efforts such as the Guide to Good Practice relating to Recruitment, reworked into a service instruction, introducing a binding rule to include both male and female panel members in every recruitment panel; calls on the Committee to strengthen further its efforts and to report back to Parliament on any improvements achieved;

42. Reiterates the need to streamline and accelerate the discharge procedure; 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; welcomes the Committee's readiness to follow this best practice which should help to support the request to shorten the timeline for the discharge procedure;

43. Welcomes the fact that overall the mid-term assessment completed in early 2018 concluded that the interinstitutional cooperation agreement between the Committees is working well; notes that the joint services serve both Committees in the fields of translation, infrastructure, logistics and IT; notes that together with the salary related expenditures concerned, the annual monetary value of the joint services exceeds EUR 100 million;

44. Notes that the cooperation agreement between the Committees, signed in 2016, establishes a firm legal framework for long-term, efficient and effective cooperation, and demonstrates that the Committees are acting in partnership while respecting each other's powers and prerogatives; notes that the agreement ended on 31 December 2019 and that it was decided to extend it for one year while a new agreement is being negotiated; asks the Committees to make the necessary efforts to conclude a new agreement as soon as possible in order to allow further synergies and savings;

45. Recalls that once again the Committees dedicated less than 3 % of their total budget to IT and that IT projects and equipment have suffered from structurally underfinancing for several years; notes with concern that in order to address their backlog with respect to IT projects and systems, the Committees continue to use mopping-up exercises at the end of the year to finance IT projects; asks the Committees to implement as soon as possible the new digital strategy and multiannual IT expenditure plan;

46. Calls on the Committee to analyse further the situation in order to identify additional areas for joint services with the EESC; highlights that this kind of interinstitutional cooperation could significantly reduce the overall expenditure of the Committee; calls on the Committee to inform Parliament's Committee on Budgetary Control of any results achieved;

47. Congratulates the Committee on its e-learning training with a specific area dedicated to ethics designed mainly for newcomers and placed on the first page of the Committee's intranet for easy access for all; appreciates, in the interests of transparency, the publication of policies, such as whistleblowing procedures and policies on occupational activities of former senior officials, on the Committee's website; encourages the Committee to continue a real policy for the digitalisation of its services;

48. Recalls that on 23 August 2018 a former internal auditor lodged a complaint with the appointing authority against the Committee on the basis of Article 90(2) of the Staff Regulations, following the Committee's decision of 24 May 2018 to refuse to recognise him as a bona fide whistleblower; deeply regrets the Committee's decision that is in contradiction with Parliament's position that the internal auditor is a bona fide whistleblower, confirmed in Parliament's discharge resolution for 2001 ([1]); encourages the Committee to fully recognise the internal auditor's status and to issue a public apology for the mishandling of his case;

49. Notes that on 20 December 2019, the Committee made a proposal to the former internal auditor for an out of court settlement subject to a non-disclosure agreement, which proposal was rejected by the former internal auditor based on the lack of transparency; encourages the Committee to revise its proposal in order to formally recognise the former internal auditor as a bona fide whistleblower and to allow any conciliation agreement to be public in the interests of transparency;

50. Regrets that the launch of a mediation process between the Committee and the former internal auditor, requested in Parliament's discharge resolution for 2017 ([2]), has not yet taken place and is only planned for the beginning of 2020; further regrets that it took over 20 years for the Committee to enter into a mediation process with the former internal auditor; reiterates its strong support, as expressed in numerous Parliament resolutions, for a just and fair settlement with the former internal auditor and a public apology by the Committee for its wrongdoings in handling of the case;

51. Notes the decision of the third invalidity committee, which unanimously confirms that the internal auditor was invalided out on occupational grounds and was subjected to bullying by the Committee;

52. Notes that on 20 December 2019, the Committee presented a proposal for an out-of-court settlement and a draft public statement, which was rejected by the former internal auditor, who expressed the wish for a mediation process to be activated as the most appropriate vehicle for a fair resolution of the case;

53. Welcomes the appointment of Member of Parliament Sophie in t'Veld as mediator in the case with a view to reaching a compromise settlement between the former internal auditor and the Committee; recalls its request that such a mediation should also address the bona-fide whistleblower status of the former internal auditor (as recognised by Parliament in its discharge resolution for 2001) and the fact that he was acting in the interests of the Union by reporting wrongdoings within the Union institutions;

54. Requests that the Committee promptly accept the mediation in order to implement the decision by the third invalidity committee, taking all necessary measures to respond to the requests made in Parliament's previous resolutions;

([1]) Resolution of the European Parliament of 29 January 2004 containing the comments accompanying the decision concerning the discharge in respect of the implementation of the general budget of the European Union for the 2001 financial year – Section VII – Committee of the Regions (OJ L 57, 25.2.2004, p. 8).

([2]) Resolution (EU) 2019/1429 of the European Parliament of 26 March 2019 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 2017, Section VII – Committee of the Regions (OJ L 249, 27.9.2019, p. 123).

55. Notes that the Committee, in the context of its 'revolving doors' policy, ensures that all staff leaving the service, in particular senior managers, are proactively and systematically reminded of their obligation to declare their intention to engage in an occupational activity; welcomes the fact that the Committee also reminds staff leaving the service temporarily for unpaid leave or for invalidity of their obligations under Article 16 of the Staff Regulations and the Committee's internal decision No 66/2014 on outside activities and assignments;

56. Notes that the Council stipulated that from the date that the United Kingdom's withdrawal from the Union becomes legally effective, three out of the 24 seats attributed to the United Kingdom will be attributed to Estonia, Cyprus and Luxembourg; notes that the number of Committee seats is thus reduced by only 21;

57. Highlights all the results achieved in the last years in areas such as the performance-based budgeting, the ethical framework with all its related rules and procedures, the enhanced communication activities and the increasing amount of measures to improve transparency; welcomes the significant amount of interinstitutional service and cooperation agreements; underlines the importance of the collaboration and sharing of experience among the Union institutions and bodies; suggests that the Committee analyses the possibility of formalised networking activities in different domains to share best practices and develop common solutions.

DECISION (EU) 2020/1975 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the European Border and Coast Guard Agency (Frontex) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Border and Coast Guard Agency for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0050/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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]), and in particular Article 76 thereof,

— having regard to Regulation (EU) 2019/1896 of the European Parliament and of the Council of 13 November 2019 on the European Border and Coast Guard and repealing Regulations (EU) No 1052/2013 and (EU) No 2016/1624 ([6]), and in particular Article 116 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 ([7]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([8]), and in particular Article 105 thereof,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 251, 16.9.2016, p. 1.
([6]) OJ L 295, 14.11.2019, p. 1.
([7]) OJ L 328, 7.12.2013, p. 42.
([8]) OJ L 122, 10.5.2019, p. 1.

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0072/2020),

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 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1976 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the European Border and Coast Guard Agency (Frontex) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Border and Coast Guard Agency for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0050/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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]), and in particular Article 76 thereof,

— having regard to Regulation (EU) 2019/1896 of the European Parliament and of the Council of 13 November 2019 on the European Border and Coast Guard and repealing Regulations (EU) No 1052/2013 and (EU) No 2016/1624 ([6]), and in particular Article 116 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 ([7]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([8]), and in particular Article 105 thereof,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 251, 16.9.2016, p. 1.
([6]) OJ L 295, 14.11.2019, p. 1.
([7]) OJ L 328, 7.12.2013, p. 42.
([8]) OJ L 122, 10.5.2019, p. 1.

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0072/2020),

1. Approves the closure of the accounts of the European Border and Coast Guard Agency for the financial year 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1977 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 2018

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 2018,

— having regard to the Court of Auditors' Special Report No 24/2019: 'Asylum, relocation and return of migrants: Time to step up action to address disparities between objectives and results',

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0072/2020),

A. 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 2018 was EUR 288 663 520, representing an increase of 2,89 % compared to 2017; whereas the Agency's budget derives mainly from the Union budget [2];

B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Agency for the financial year 2018 (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 2018 resulted in a budget implementation rate of 98,37 %, representing a slight increase of 0,74 % compared to 2017; notes with concern that the payment appropriations execution rate was low at 69,69 %, representing an increase of 3,27 % compared to 2017;

2. Notes, in light of comments and observations from the discharge authority related to the statutory financial operational reserve for financing the deployment of rapid border interventions and return interventions, that, while the setting aside every year of a pre-defined budget to cover eventual rapid border interventions is a legislative requirement imposed on the Agency, its negative side-effects have been addressed by the co-legislators during the review of Regulation (EU) 2016/1624 of the European Parliament and of the Council [3]; observes that, with the entry into force of Regulation (EU) 2019/1896 of the European Parliament and of the Council [4], the operational reserve can be released every month and used for operational purposes, and not solely for rapid or return interventions;

3. Notes from the Court's report that in 2018 the Agency had financing agreements with cooperating countries for operational activities, representing 59 % of the Agency's budget; notes the launch of a new simplified financing scheme based largely on unit costs for expenditure related to deployments of human resources, and, in late 2018, the launch of a new *ex post* control system covering all types of expenditure and also the modification of its system of *ex ante* checks embedded in the financial circuits; highlights the emphasis placed by the Court on the fact that the reimbursement of equipment-related expenditure continues to be based on actual cost and that the project to move

[1] OJ C 120, 29.3.2019, p. 103.
[2] OJ C 120, 29.3.2019, p. 105.
[3] 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 (OJ L 251, 16.9.2016, p. 1).
[4] Regulation (EU) 2019/1896 of the European Parliament and of the Council of 13 November 2019 on the European Border and Coast Guard and repealing Regulations (EU) No 1052/2013 and (EU) No 2016/1624 (OJ L 295, 14.11.2019, p. 1).

to unit-cost based reimbursements continues to be unsuccessful; notes with concern, furthermore, the Court's observation that, since 2014, the proof of actual costs claimed by cooperating countries for equipment-related costs continues to be inadequate and that the Agency's *ex ante* verifications of these costs are ineffective unless they are substantiated by supporting documents; notes the absence of *ex post* verifications on reimbursements by the Agency, further increasing the risk of unjustified cost reimbursements; notes with concern that the Agency allowed several reimbursements for expenditures claimed by cooperating countries in spite of the latter not providing the evidence indicated and required by the Agency; acknowledges from the Agency's reply that supporting documents indicating detailed costs were submitted by the cooperating countries in question; calls on the Agency to clearly indicate in the future the type of supporting documents it accepts as required evidence; further calls on the Agency to reimburse only legally justified expenditure; expects the Agency to rapidly introduce solid *ex post* verifications on reimbursements and to report to the discharge authority on the progress made in this regard by June 2020;

4. Notes from the Court's report that the Agency's budgetary carry-overs to 2019 amounted to EUR 83 000 000 (29 %), a slightly lower percentage than in the previous year; notes that the rate of cancelled carry-overs to 2018 was EUR 11 000 000 (12 %), somewhat lower in relative terms than the previous year; notes that the main reasons for carry-overs and cancellations were challenges arising from the staff establishment plan regarding the number and profile of staff, the delay to the launch of the building project for the Agency's new premises, the multi-annual nature of information and communications technology projects, and the overestimation of the scale and cost of activities from cooperating countries; notes the Agency's reply that in 2018 operational expenditures were mainly in the form of grants, covering the operation cycle from February N to January N+1, as well as expenditures from contracts with payment in N+1; urges the Agency, together with cooperating countries, to strive for more precise costs estimates and budget forecasts;

5. Calls on the Agency to include more realistic estimates of its service needs in tender documents and to apply rigorous financial management to contracts; reminds the Agency that, while framework contracts do not constitute an obligation to purchase up to the maximum contract value, the considerable difference between the maximum value of the contract in one procurement procedure in 2018 (EUR 8 million) and the winning offer (EUR 5,8 million) could create a significant risk to sound financial management;

Performance

6. Notes that, following the management board's approval of the reorganisation of Agency structures in 2017 that affected the allocation of resources, an updated structure was adopted in 2018 and this structure, which was completed by new internal rules of procedure, was adopted by delegations and sub-delegations that were formalised by a decision of the executive director;

7. Stresses the important role of the Agency in promoting, coordinating and developing European integrated border management while fully respecting fundamental rights;

8. Notes that in the context of European integrated border management, the largest operational activities were the 12 joint operations at the external land, air and sea borders, while the main operational focus in 2018 was on the Central, Eastern and Western Mediterranean areas experiencing the most significant migratory pressure; welcomes, furthermore, the close interagency cooperation, in the field of customs and law enforcement cooperation but especially in the field of coastguard function; urges the Agency to act speedily and secure quality of its work towards setting proper quantitative objectives and specific target values for the joint operations, which are expected to be included in the single programming document 2021-2023;

9. Notes with concern that the Court found in its Special Report No 24/2019 that implementation of asylum procedures, especially in Greece and Italy, continues to be affected by long processing times, bottlenecks and a lack of judiciary capacity; asks the Agency to seek cooperation with European Asylum Support Office, the Asylum, Migration and Integration Fund, and the Commission in line with the Court's recommendations;

10. Reiterates its call on the Agency to be more transparent about its activities; welcomes the creation of a section devoted to public access to documents on its website; urges the Agency to create a register of documents, which is a legal obligation under Regulation (EC) No 1049/2001 of the European Parliament and of the Council [5];

[5] 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).

11. Considers that the Agency should proactively provide information regarding its operational activities; invites the Agency to appear before Parliament's Committee on Civil Liberties, Justice and Home Affairs to fulfil its specific reporting duties towards Members of the European Parliament by providing regular detailed briefings; calls on the Agency to make available the report on the practical application of Regulation (EU) No 656/2014 of the European Parliament and of the Council [6] for 2018, as it is legally obliged to do, and to provide more tangible information in the future to allow for a proper assessment of the Agency's activities at sea.

Staff policy

12. Regrets that, on 31 December 2018, the establishment plan was only 72,49 % executed, with 303 temporary agents appointed out of 418 temporary agents authorised under the Union budget (compared with 352 authorised posts in 2017); notes that, in addition, 187 contract agents and 153 seconded national experts worked for the Agency in 2018;

13. Notes furthermore, from the Court's report, that although the Agency continued further recruitment efforts and increased the number of staff from 526 to 630 in 2018, it still did not achieve the number of 760 staff authorised in its 2018 establishment plan; notes the Agency's reply that a total of 187 vacant posts were filled, but that due to a high internal and external turnover, the net staff increase in 2018 as compared to 2017 was 117 since many posts had become vacant during the year; notes furthermore that the Agency faces challenges in attracting a large number of suitable external candidates and achieving a sound geographical balance mainly due to the low correction coefficient, which is the lowest among all the Union agencies; stresses that agencies located in countries where a low correction coefficient is applied should receive further support from the Commission in implementing complementary measures in order to make them more attractive to current and prospective staff; calls on the Commission to assess the impact and viability of applying salary correction coefficients in the future; notes that the Agency continues to have difficulties in maintaining a desirable and sound geographical balance in staff deployed;

14. Notes that 2018 was the third year of the five-year growth plan, following the adoption of Regulation (EU) 2016/1624 which significantly increased resources in the area of budget and staff; notes that, following the extension of its mandate, the Agency's staff is to reach 1 000 by 2020; notes in the light of comments and observations from the discharge authority which stressed that the planned increase in staff would require additional office space, that an analysis to identify the optimal real-estate strategy is under preparation;

15. Notes that, since April 2018, the Agency has been using the revised binding code of conduct for return operations and return interventions; notes that the Agency's fundamental rights officer continuously provides observations and recommendations in respect of all operational plans and evaluation reports, for the consideration of operational units;

16. Deplores the fact that, despite repeated calls from Parliament and a significant overall staff increase for the Agency, the fundamental rights officer still lacks adequate human resources and is therefore clearly hampered in her or his efforts to properly conduct the tasks with which she or he is entrusted; urges the Agency to provide its fundamental rights officer with adequate resources and staff, in particular in relation to further developing and implementing the Agency's strategy to monitor and ensure the protection of fundamental rights; reminds the Agency of the importance of adhering to the Staff Regulations;

17. Notes, in the light of comments and observations from the discharge authority related to the need to develop a comprehensive business continuity plan, that a business continuity officer was nominated in 2018;

18. Notes that the Court has identified a horizontal trend across agencies in the use of external staff hired in IT consultancy roles; calls for the dependency on external recruitment in this important and sensitive area to be reduced as much as possible to limit any potential risks;

[6] Regulation (EU) No 656/2014 of the European Parliament and of the Council of 15 May 2014 establishing rules for the surveillance of the external sea borders in the context of operational cooperation coordinated by the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (OJ L 189, 27.6.2014, p. 93).

19. Notes the lack of information on gender balance within the staff of the Agency; underlines again the fact that there is a persisting significant gender imbalance on the Agency's management board (50 male members and 8 female members); urges that this imbalance be remedied as soon as possible; calls, therefore, on the Agency to proactively remind Member States of the importance of gender balance and calls on Member States to ensure gender balance when nominating their members to the Agency's management board;

Procurement

20. Notes, in light of observations and comments from the discharge authority related to the need to simplify the Agency's entire financial scheme, that the Agency introduced a revised joint operations and returns financing scheme in 2018, which is based on simplified grant agreements with Member States using standardised unit costs for human resources;

21. Notes with satisfaction that the Agency participates actively in inter-institutional tenders led by other institutions, and that, in the procurement procedures for the maritime surveillance domain, the Agency seeks cooperation with Union agencies engaged in similar activities, and that it prepares the terms of reference accordingly; notes furthermore that in 2018 the Agency handled its first Agency-led inter-institutional tender procedure with the European Fisheries Control Agency; strongly encourages the Agency to actively seek further and broader cooperation with all of the Union agencies;

22. Calls on the Agency to follow up on the outstanding recommendation regarding e-procurement, namely the introduction of e-submission, without delay;

Prevention and management of conflicts of interests and transparency

23. Appreciates the Agency's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interest, and whistleblower protection; notes that the whistleblowing policy was adopted on 18 July 2019; welcomes the fact that the Agency provides staff with access to confidential counsellors and trainings concerning whistleblowing procedures; notes, furthermore, that with the aim of being more transparent, the Agency launched a multilingual version of its website in all 24 official languages of the Union; regrets, however, that the Agency publishes statements of commitment declaring the absence of conflict of interest for the members of the management board, the executive director, and the deputy executive director, and not declarations of interest; reiterates that it is not for the members of the management board, the executive director, and the deputy executive director to declare themselves in absence of conflict of interest; calls on the Agency, with the aim of increasing transparency, to publish the CVs and declarations of interest for all members of its management board, the executive director, and the deputy executive director, by June 2020;

Internal control

24. Notes, in the light of observations and comments from the discharge authority related to the considerable increase in the Agency's grant expenditure, that measures have been taken to mitigate the risks identified, and that, specifically in 2018, unit costs verifications were performed for Spain, Greece and Italy, that the policy of *ex post* control was adopted in 2018, that the risk based annual *ex post* control plan was established and will be revised, and that the *ex post* controls for Portugal and Estonia were finalised;

25. Notes with concern from the Court's report that the Agency does not have a 'sensitive post' policy that would identify sensitive functions, keep them updated and define appropriate measures to mitigate the risks of vested interests; calls on the Agency to adopt and implement such a policy in order to be in line with the Agency's internal control standards; acknowledges from the Agency's reply that at the end of 2019 the Agency was finalising the process of adopting a 'sensitive post' policy;

26. Notes that, following the recent revision of its internal control framework, the Agency has ensured that all decisions to override controls, or deviations from the established processes and procedures, are documented, duly approved, and logged centrally;

Other comments

27. Welcomes the fact that, in the light of comments and observations from the discharge authority related to the construction of the new headquarters building and the establishment of a European school in Warsaw, an adequate plot of land was attributed to the Agency by the Polish authorities in 2019, that planning is ongoing to build a purpose-designed premises of the Agency's headquarters by the end of 2024, and that the board of governors of European schools is to be asked by Polish authorities in Autumn 2019 to consider accreditation of a Warsaw associate European school of type II, which would be operational partly as from the 2020-2021 academic year;

28. Calls upon the Agency to focus on disseminating the results of its research to the public, and to reach out to the public via the social media and other media outlets;

29. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 ([7]) on the performance, financial management and control of the agencies.

([7]) Texts adopted, P9_TA(2020)0121.

DECISION (EU) 2020/1978 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the European Union Agency for Law Enforcement Cooperation (Europol) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Law Enforcement Cooperation (Europol) for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0055/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 135, 24.5.2016, p. 53.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

— having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0075/2020),

1. Grants the Executive Director of the European Union Agency for Law Enforcement Cooperation (Europol) discharge in respect of the implementation of the Agency's budget for the financial year 2018;

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 (Europol), 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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1979 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the European Union Agency for Law Enforcement Cooperation (Europol) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Law Enforcement Cooperation (Europol) for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0055/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 135, 24.5.2016, p. 53.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

— having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0075/2020),

1. Approves the closure of the accounts of the European Union Agency for Law Enforcement Cooperation (Europol) for the financial year 2018;

2. Instructs its President to forward this decision to the Executive Director of the European Union Agency for Law Enforcement Cooperation (Europol), 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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1980 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 Cooperation (Europol) for the financial year 2018

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 Cooperation (Europol) for the financial year 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0075/2020),

A. whereas, according to its statement of revenue and expenditure [1], the final budget of the European Union Agency for Law Enforcement Cooperation (Europol) (the 'Agency') for the financial year 2018 was EUR 135 737 021, representing an increase of 13,84 % compared to 2017; whereas the increase was due to additional tasks expanding its mandate; whereas the Agency's budget mainly derives from the Union budget [2].

B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the European Union Agency for Law Enforcement Cooperation (Europol) for the financial year 2018 (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 2018 resulted in a budget implementation rate of 96,10 %, representing a slight decrease of 3,62 % compared to 2017; notes that the payment appropriations execution rate was 86,92 %, representing a decrease of 2,09 % compared to 2017;

2. Welcomes the information provided by the Agency on the tasks and budgetary implications of its EU internet Referral Unit (EU IRU); notes that the activity-based management planning for the EU IRU was EUR 4 860 000 in 2019, which was composed of: (a) EUR 3 710 000 for direct staff-related expenditure (covering 38 members of staff: 26 temporary agents, four contract agents and eight seconded national experts), (b) EUR 1 150 000 covering operational expenditure, running costs and a grant of EUR 510 000 in 2019 (from which seven additional contract agents were funded, bringing the total number of EU IRU staff to 45); notes that those figures do not include the separate costs for the development of ICT operational systems at organisational level;

Performance

3. Notes with satisfaction that the Agency monitored its performance by means of 38 key performance indicators, 51 other performance indicators and the implementation of around 170 specific actions planned in its work programme, with the performance reporting framework aimed in general at assessing the added value of the Agency's activities and at enhancing its budget management;

4. Notes that the Agency achieved 78 % of the targets set for performance indicators and that it progressed in the implementation of 79 % of the actions contained within the 2018 work programme (compared to 80 % in 2017);

[1] OJ C 416, 15.11.2018, p. 46.
[2] OJ C 416, 15.11.2018, p. 48.

5. Notes that the Agency has continued focusing on operational analysis and first-line response speed, including the processing of contributions, while continuing to provide proactive support to high-profile investigations regarding the three areas which pose a continuous threat to the internal security of the Union, namely cybercrime, serious and organised crime and terrorism;

6. Encourages the Agency to pursue the digitalisation of its services;

7. Notes with appreciation that in 2018 the Agency continued to carry out joint activities or shared services with other Union agencies, including Eurojust, the European Border and Coast Guard Agency, the European Asylum Support Office and the European Monitoring Centre for Drugs and Drug Addiction and that the Agency joined 10 inter-institutional and one inter-agency procurement procedures; deems it necessary for the Agency to further develop strong ties with other relevant Union institutions; encourages the Agency to explore ways of sharing resources or staff, or both, allocated to overlapping tasks with other agencies which perform similar activities or with agencies based within the Agency's proximity;

8. Notes that following its continuous operational cooperation with other Justice and Home Affairs (JHA) agencies, the Agency took over the chair of the JHA agencies' network in 2019, which addresses joint work on the further development of JHA agencies' cooperation, including on the aspects of interoperability of Union information systems, innovation, good governance arrangements (including a whistleblowing best practice survey in JHA agencies), diversity and inclusion, as well as interaction and scope for further cooperation with non-JHA agencies;

9. Calls on the Commission to conduct a feasibility study in order to assess the possibility of, at the very least, setting up shared synergies with the European Union Agency for Law Enforcement Training ('CEPOL'), if not of fully merging them; calls upon the Commission to evaluate two scenarios: the transfer of the Agency to CEPOL's headquarters in Budapest and the transfer of CEPOL's headquarters to the Agency's headquarters in The Hague; notes that such an act would mean sharing corporate and support services and the management of common premises, as well as shared ICT, telecommunications and internet-based infrastructure, thus saving huge amounts of money which would be used to fund both agencies further;

10. Notes that the number of operations that the Agency supported grew from 1 496 in 2017 to 1 748 in 2018 (representing an increase of 16,8 %) and that operational meetings funded by the Agency increased from 403 in 2017 to 427 in 2018 (representing an increase of 5,9 %); highlights the importance and added value of the Agency, in particular of the joint investigation teams (the 'JITs'), in the fight against organised crime across Europe; notes, in that regard, that the JITs supported by the Agency increased from 64 in 2017 to 93 in 2018 (representing an increase of 45 %), with 27 of the JITs requiring coordination amongst more than 20 countries ([3]); notes that the increase in the Agency's budget corresponds to an intensification of all its operations, including supporting cooperation in the field of cybercrime and the fight against terrorism online; underlines the importance of adequate funding and resources for JITs in line with the sharp increase in their levels of activity;

11. Requests the Agency to make financial resources for translations available to the extent possible and urges the budgetary authority to provide sufficient financial resources to allow for the translation of the Agency's official reports into all official languages of the Union, given the importance of its work for Union citizens, the obligation to ensure transparency with regard to its activities and the fact that the Joint Parliamentary Scrutiny Group composed of national and European parliamentarians from all Member States should be able to do its work properly; invites the Commission and the Agency to establish a cooperation framework with the Translation Centre for the Bodies of the European Union in order to reduce the financial burden regarding translation;

Staff policy

12. Notes that on 31 December 2018 the establishment plan was 96,35 % executed, with 555 temporary agents appointed out of 576 temporary agents authorised under the Union budget (compared with 550 authorised posts in 2017); notes that, in addition, 201 contract agents and 153 seconded national experts worked for the Agency in 2018;

([3]) https://www.europol.europa.eu/sites/default/files/documents/europolinbrief2019.pdf

13. Notes the uneven gender balance reported for 2018 among the senior managers – 145 men and 27 women, with 43 men and 10 women on the management board;

Public procurement

14. Notes with concern that, according to the Court's report, the Agency irregularly prolonged the duration of a framework contract for the provision of business travel services by signing amendment number 2 after the contract had expired and that, with that same amendment, the Agency also introduced new price aspects not covered by the competitive procurement procedure, rendering amendment number 2 and related 2018 payments irregular; notes the Agency's reply that the framework contract extension had been initiated well in advance of its expiry and that the delay for the extension of the contract was due to the application of the principle of sound financial management; calls on the Agency to strengthen accordingly contract management and *ex ante* controls;

Prevention and management of conflicts of interest and transparency

15. Notes the Agency's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interest and whistleblower protection; notes the potential conflict of interest case identified concerning a recruitment procedure in 2018; notes that no follow-up action was needed as the adviser recused himself; welcomes the declarations of interest, based on the Agency's new model template, that have since been published on the Agency's website, both in relation to its executive director and deputy executive directors and the members of its management board;

16. Regrets that a recent comparative study by Parliament's Committee on Petitions ([4]) established that the Agency's conflict of interest policies are the 'least detailed compared to those of the other agencies'; acknowledges that this is due, in particular, to the fact that the Agency does not have any scientific committees or panels; regrets, however, that the Agency uses neither a system to categorise interest levels nor a blacklist;

Internal controls

17. Notes that in May 2017 the Commission's Internal Audit Service, supported by the Internal Audit Capability, performed a risk assessment and that none of the 36 process areas reviewed were graded 'Enhance risk mitigation';

18. Notes that the Commission's Internal Audit Service issued an audit report entitled 'Human Resources Management and Ethics in EUROPOL' and has prepared an action plan to address any potential areas for improvement; calls on the Agency to report to the discharge authority on developments in that regard;

19. Calls on the Agency to focus on disseminating the results of its research to the public and to reach out to the public via social media and other media outlets;

20. Welcomes the fact that the Agency has no outstanding recommendations to be implemented from the Court's audit reports in previous financial years; the Agency has since addressed the single observation of the Court concerning the 2017 financial year with respect to the publication of vacancy notices on the website of the European Personnel Selection Office;

21. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 ([5]) on the performance, financial management and control of the agencies.

([4]) https://www.europarl.europa.eu/RegData/etudes/STUD/2020/621934/IPOL_STU(2020)621934_EN.pdf
([5]) Texts adopted, P9_TA(2020)0121.

DECISION (EU) 2020/1981 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the budget of the European Medicines Agency (EMA) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Medicines Agency for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0040/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), 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 ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on the Environment, Public Health and Food Safety,

— having regard to the report of the Committee on Budgetary Control (A9-0076/2020),

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 132.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 136, 30.4.2004, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

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 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU) 2020/1982 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on the closure of the accounts of the European Medicines Agency (EMA) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Medicines Agency for the financial year 2018,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2018, together with the agencies' 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 2018, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 18 February 2020 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2018 (05761/2020 — C9-0040/2020),

— 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, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([4]), and in particular Article 70 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 ([5]), 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 ([6]), and in particular Article 108 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([7]), and in particular Article 105 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on the Environment, Public Health and Food Safety,

— having regard to the report of the Committee on Budgetary Control (A9-0076/2020),

([1]) OJ C 417, 11.12.2019, p. 1.
([2]) OJ C 417, 11.12.2019, p. 132.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 193, 30.7.2018, p. 1.
([5]) OJ L 136, 30.4.2004, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.
([7]) OJ L 122, 10.5.2019, p. 1.

1. Approves the closure of the accounts of the European Medicines Agency for the financial year 2018;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2020/1983 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Medicines Agency (EMA) for the financial year 2018

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 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on the Environment, Public Health and Food Safety,

— having regard to the report of the Committee on Budgetary Control (A9-0076/2020),

A. whereas, according to its statement of revenue and expenditure [1], the final budget of the European Medicines Agency (the 'Agency') for the financial year 2018 was EUR 337 761 000, representing an increase of 1,96 % compared to 2017; whereas the Agency is a fee-funded agency, with 90 % of its 2018 revenue stemming from fees paid by the pharmaceutical industry for services provided, and 10 % stemming from the Union budget [2];

B. whereas the Court of Auditors (the 'Court') in its report on the annual accounts of the Agency for the financial year 2018 (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 with concern that budget monitoring efforts during the financial year 2018 resulted in a budget implementation rate of 89,14 %, representing a decrease of 1,91 % compared to 2017; notes furthermore that the payment appropriations execution rate was 73,64 %, representing a decrease of 2,98 % compared to 2017; calls on the Agency to improve its budget implementation and payment appropriations execution rate;

Performance

2. Acknowledges that the Agency continues to use several key performance indicators, including a combination of operational, management/governance and communication/stakeholder indicators to measure its workload volumes, its work programme implementation and its stakeholder satisfaction, in order to assess the added value provided by its activities, and that it furthermore uses budget planning and monitoring methodology to enhance its budget management;

3. Notes with concern that EudraVigilance, an information system used to report suspected side effects of medicines, and other telematics projects had to be postponed or reduced due to the United Kingdom's decision to withdraw from the European Union; however, acknowledges that the Agency reassures that the projects and activities under the Brexit preparedness business continuity plan were carried out in a way which did not affect the functioning of the safety monitoring system for medicines in the Union and allowed all parties involved (industry, the Agency and national competent authorities) to continue complying with their legal obligations under the Union pharmaceutical legislation;

4. Notes that the Agency cooperates with other agencies on joint scientific outputs and exchanges support or scientific data; acknowledges furthermore that the Agency continues to have formal working arrangements with its four main agency partners;

5. Notes that in the context of the implementation of the EU Telematics strategy for the European medicines regulatory network, major milestones were achieved by the network, but some activities were reduced due to preparations for the Agency's relocation and the consequent increased consumption of resources in other areas of IT;

[1] OJ C 108, 22.3.2018, p. 26.
[2] OJ C 108, 22.3.2018, p. 28.

6. Notes with concern that, according to the Court's report, the Agency has made excessive use of consultancy services for its two main IT projects, making it critically dependent on external expertise and leading to disproportionate cost overruns and delays; notes that the Agency started the implementation of mitigating measures in 2017, which, however, are not yet fully effective, as evidenced, for instance, by what is still an excessively high number of consultants working on the basis of Time and Means contracts; calls on the Agency to speed up the implementation of mitigating actions not only for the completion of the ongoing IT projects, but also to get ready for significant new projects;

7. Encourages the Agency to pursue the digitalisation of its services;

8. Notes that the Court has identified a horizontal trend across agencies in the use of external staff hired in IT consultancy roles; calls for the dependency on external recruitment in this important and sensitive area to be reduced as much as possible in order to limit any potential risks;

9. 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;

10. Highlights the fact that in 2018, the Agency recommended 94 new medicines for marketing authorisation (84 for human use and 10 for veterinary use), and that those included 46 new active substances (42 for human use and 4 for veterinary use); notes that in 2018, in the framework of its pharmacovigilance activities, the Agency recommended the immediate suspension of the sale of and recall of a medicine for multiple sclerosis due to it causing serious and sometimes fatal immune reactions, and the suspension of the sale of several antibiotics;

11. Notes that in 2018 the second and third phases of the business continuity plan were implemented, in order to safeguard the core activities of the Agency; stresses, in this respect, the need to ensure maximum transparency, expertise and independence in the Agency's work;

12. Is concerned about the delays observed in the development of the EU clinical trials portal and database; draws attention, in that connection, to the need to resolve the problems with regard to the Agency's IT infrastructure, which is under heavy strain;

13. Points out that the Agency's data centre was successfully moved to Hamburg in 2018;

Staff policy

14. Notes that, on 31 December 2018, the establishment plan was 98,31 % executed, with 581 temporary agents appointed out of 591 temporary agents authorised under the Union budget (compared with 596 authorised posts in 2017); notes that in addition 170 contract agents and 30 seconded national experts worked for the Agency in 2018;

15. Notes that further efforts are needed for achieving an even gender balance among senior managers (in 2018: 17 men and 11 women) and the management board members (20 men and 13 women);

16. Notes that the Agency has an employees' assistance programme in place, which is a support programme offered free of charge to its staff; notes furthermore that the Agency has a policy on providing support to staff subject to external accusations and attacks;

17. Notes with concern that, according to the Agency and to the Court's report, while significant new tasks were assigned to the Agency, the Agency's staff establishment plan was not increased; notes the measures already taken by the Agency to mitigate the risks involved, such as the cost-neutral recruitment of time-limited contract agents; regrets that, according to the Court's report, those measures are not yet fully effective;

18. Notes that the Agency now complies with the Court's recommendation of 2017 to publish vacancy notices, not only on its website and the Union Agencies' websites but also, with a view to getting more publicity, on the website of the European Personnel Selection Office;

Procurement

19. Notes that the Agency had in the past introduced e-tendering for its procurement procedures; notes with satisfaction that the e-submission tool has now also been successfully implemented and is in use since early 2019; notes that, according to the Agency's reply, it is now working on implementing the e-invoicing tool;

Prevention and management of conflicts of interests and transparency

20. Stresses that the Agency's clients – pharmaceutical industry companies – pay for the procedure, not for the outcome of the Agency's assessments; understands that, according to the Agency, its recommendations are made independently and therefore do not create conflicts of interest; notes with satisfaction that the Agency ensures that its scientific committee members and experts, staff and management board members, do not have any financial or other interests in the pharmaceutical industry;

21. Recalls that the Agency is a fee-funded agency, with 89,69 % of its 2018 revenue stemming from fees paid by the pharmaceutical industry, 10,28 % stemming from the Union budget and 0,03 % stemming from external assigned revenue; is concerned that the high reliance on fees from industry may compromise the public perception of the Agency's independence;

22. Acknowledges the Agency's existing measures and ongoing efforts to secure transparency, prevent and manage conflicts of interest, and provide whistleblower protection; is highly concerned that, in 2018, the Agency received 21 reports on cases of whistleblowing from an external source raising the problem of maladministration at the Agency, 5 of which were closed in 2017 and 17 cases are still ongoing; calls on the Agency to address the cases and the problems as a matter of urgency and report to the discharge authority on any developments in that regard; welcomes that the Agency has in place a declaration of conflict of interest for management board members, for senior management and for experts and makes it available online;

23. Welcomes that, in February 2018, the General Court of the European Court of Justice upheld, in three landmark judgments (Cases T-235/15, T-718/15 and T-729/15 ([3])), the Agency's decision to release documents in accordance with Regulation (EC) No 1049/2001 of the European Parliament and of the Council ([4]);

24. Welcomes that, on 22 January 2020, the Court of Justice upheld the Agency's policy of access to documents in its appeal rulings in T-235/15 and T-718/15;

25. Notes that the Agency meets with interest representatives and has rules in place to govern its interactions with stakeholders, and furthermore that it continues to publish the minutes of meetings with interest representatives on its website; notes that the Agency continues to implement a framework for stakeholder relation management, in consultation with the Commission, which encompasses transparency measures;

26. Notes that, in light of the comments and observations made by the discharge authority relating to the need to strengthen the accounting officer's independence by making him or her directly responsible to the Agency's director and management board, the Agency is currently reviewing the accounting officer's reporting line as one more measure aimed at further strengthening the accounting officer's independence; furthermore, welcomes that the overall conclusion of the validation exercise of the accounting systems ran by the accounting officer with an external audit firm was positive;

Internal audit

27. Notes that following the Commission's Internal Audit Service's audit of the Agency's 'Implementation of the pharmacovigilance fees Regulation', in which the ongoing deficit between income from some pharmacovigilance fees and the related costs was highlighted, a revision of Regulation (EU) No 658/2014 of the European Parliament and of the Council ([5]) is currently being prepared by the Commission; notes that the Agency continues to participate actively in the Commission's review of the economic basis for the entire Agency fee system and that new provisions regarding fees are expected to come into force in January 2022; understands that the Agency sent the status of implementation of actions to the Commission's Internal Audit Service in July 2019; calls on the Agency to report to the discharge authority on the actions taken in this regard;

([3]) Judgments of the General Court of 5 February 2018, *Pari Pharma v EMA*, T-235/15 ECLI:EU:T:2018:65, 5 February 2018, *PTC Therapeutics International v EMA*, T-718/15 ECLI:EU:T:2018:66, and 5 February 2018, *MSD Animal Health Innovation and Intervet international v EMA*, T-729/15, ECLI:EU:T:2018:67.

([4]) 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).

([5]) Regulation (EU) No 658/2014 of the European Parliament and of the Council of 15 May 2014 on fees payable to the European Medicines Agency for the conduct of pharmacovigilance activities in respect of medicinal products for human use (OJ L 189, 27.6.2014, p. 112).

Ombudsman recommendations

28. Notes that in its inquiry on how the Agency engages with medicine developers in the period leading up to applications for authorisations to market new medicines in the Union, the European Ombudsman suggested the Agency should introduce improvements to:

— ensure that there is a separation between those responsible for providing scientific advice to a medicine developer and those subsequently involved in evaluating a market authorisation application for the same medicine;

— take into account whether individuals were already involved as coordinators in providing advice on the same medicine in the pre-submission phase when appointing rapporteurs to evaluate market authorisation applications;

— document and publish the reasons for its decision to appoint as a rapporteur an expert who had a prominent role in providing advice for the same medicine during the pre-submission phase;

— ensure that at least one of the two rapporteurs had no prominent role in the pre-submission phase concerning that medicine;

— attach to the European public assessment report a detailed log of all relevant activities during the pre-submission phase, including the names of the experts involved;

Other comments

29. Notes that the Court issued an emphasis of matter paragraph in relation to the two London-based agencies, concerning the United Kingdom's decision to withdraw from the European Union; notes that the seat of the Agency moved to Amsterdam in March 2019 and that the Agency's accounts at 31 December 2018, included provisions for related costs amounting to EUR 17 800 000; regrets that the lease agreement for the London-based premises sets a rental period until 2039 with no exit clause; also regrets that on 20 February 2019, the High Court of Justice of England and Wales ruled against the Agency's request to cancel the lease; notes, however, that the lease agreement allows reassignment or subletting of the premises to third parties, subject to the landlord's consent; deeply regrets that the notes to the accounts at 31 December 2018 disclosed an amount of EUR 468 000 000 remaining rent until 2039, of which an amount of EUR 465 000 000 for the lease period after the Agency's planned move to Amsterdam is disclosed as a contingent liability; recognises the Agency's significant efforts to find a subtenant for its London premises; highlights that although a sublease of the premises was concluded by the Agency with effect from 1 July 2019, the future net cost of the lease agreement being uncancellable is unknown; urges the Commission to do its utmost to minimise the long-term financial, administrative and operational impact on the Agency of the unfavourable lease agreement; calls on the Agency to involve the Commission, in particular the legal service and the negotiating team acting in relation to the United Kingdom's decision to withdraw from the European Union, in an examination of the legal problem since it raises the legal and financial responsibility of the government of the United Kingdom for invoking Article 50 of the Treaty on European Union, a situation which the High Court did not recognise as a matter of force majeure; calls on the Agency to report back to the discharge authority on the matter;

30. Is concerned that the Agency, being a Union public health agency, will have to manage commercial property in a third country and will remain liable for paying rent until June 2039; requests that solutions to release the Agency from its contractual and financial liabilities in respect of its former United Kingdom premises are sought in the ongoing negotiations between the Union and the United Kingdom if the latter's responsibility cannot be established;

31. Notes that the Agency worked closely with the Commission and the network to ensure an orderly redistribution of the work so far carried out by the United Kingdom; notes that the Agency successfully managed to move to Amsterdam with the aim of retaining its existing staff to the highest degree possible, and also to move its data centre to Hamburg; notes that the seat agreement between the Netherlands and the Agency was signed on 1 July 2018;

32. Notes that, according to the Agency, significant resources and new tasks had to be redistributed following the relocation to Amsterdam, with the consequent loss of short-term contract staff combined with a reduction of 10 % of the Agency's establishment plan imposed since 2014 and an increased workload; notes the Agency's concern that a shortage of human resources may put the fulfilment of its core and legislative responsibilities at risk; calls upon the Agency to research the possibility of sharing of resources on overlapping tasks among other agencies with similar activities, including sharing of staff; strongly encourages the Agency to actively seek further and broader cooperation with all of the Union agencies;

33. Calls on the Agency to focus on disseminating the results of its research to the public, and to reach out to the public via social media and other media outlets;

34. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 [6] on the performance, financial management and control of the agencies.

[6] Texts adopted, P9_TA(2020)0121.

DECISION (EU) 2020/1984 OF THE EUROPEAN PARLIAMENT

of 13 May 2020

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2018, Section VI — European Economic and Social Committee

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2018 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2018 (COM(2019) 316 — C9-0055/2019) ([2]),

— having regard to the European Economic and Social Committee's annual report to the discharge authority on internal audits carried out in 2018,

— having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2018, 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 2018, 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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([6]), and in particular Articles 59, 118, 260, 261 and 262 thereof,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0078/2020),

1. Postpones its decision on granting 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 2018;

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 and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([1]) OJ L 57, 28.2.2018.
([2]) OJ C 327, 30.9.2019, p. 1.
([3]) OJ C 340, 8.10.2019, p. 1.
([4]) OJ C 340, 8.10.2019, p. 9.
([5]) OJ L 298, 26.10.2012, p. 1.
([6]) OJ L 193, 30.7.2018, p. 1.

RESOLUTION (EU) 2020/1985 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 2018, 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 2018, Section VI — European Economic and Social Committee,

— having regard to the in camera presentation by the European Anti-Fraud Office (OLAF) to Parliament's Committee on Budgetary Control of 3 February 2020 on the outcome of an investigation by OLAF relating to the European Economic and Social Committee;

— having regard the Report of the European Ombudsman on dignity at work in the EU institutions and agencies: SI/2/2018/AMF,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0078/2020),

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 the payments as a whole for the year ended 31 December 2018 for the administrative expenditure of the European Economic and Social Committee (the 'Committee') were free from material error and that the examined supervisory and control systems were effective;

2. Notes that the European Anti-Fraud Office (OLAF) from July until November 2018 received allegations about harassment concerning a senior member of the Committee, the president of the Employer's Group (Group I) since April 2013, from five different sources and that on 6 November 2018 OLAF decided to open an investigation;

3. Notes that one case of harassment was reported in 2018 through the formal procedure (article 24 of the Staff Regulations and article 12§1 of the Committee's decision on the prevention of harassment); reminds that the administrative inquiry has been concluded and a minimal disciplinary sanction has been imposed on the person accused although all possibilities of appeal have not yet been exhausted; notes that three additional cases of harassment, to some extent connected to each other, were reported in 2018 through seven whistleblowing reports; notes that two administrative inquiries were launched and the matters were referred to OLAF in January 2019;

4. Notes that on 17 January 2020 OLAF addressed its report and recommendations to the president of the Committee as provided in the cooperation agreement between the Committee and OLAF; expresses concern that OLAF made findings of harassment against two staff members, of improper behaviour (serious misconduct) against one staff member and one member of the Committee, and of misconduct against other staff members, and that it also decided to refer the matter to the Belgian authorities;

5. Deplores the findings of OLAF as regards psychological harassment, grave misconduct and inappropriate behaviour by the president of Group 1 towards his subordinates between 2013 and 2018; notes that under Belgian law harassment constitutes a criminal offence; notes, furthermore, that Article 4 of the code of conduct for the members of the Committee on dignity has been breached and that such behaviour is not compatible with the Union values of respect for and protection of human dignity within the work place as provided for in the Charter of Fundamental Rights of the European Union; calls on the Committee to report to the discharge authority in a timely manner on what it has done to follow up on the recommendations by OLAF;

6. Expects the Committee to duly inform the discharge authority before September 2020 of the measures taken to follow up OLAF's recommendations and to rectify the wrongdoings;

7. Calls on the Committee to consistently apply Article 8 of its code of conduct without any delay, namely by starting the necessary procedure against persons concerned and by promptly referring such matters to the advisory committee on the conduct of members;

8. Stresses its concern with respect to the current work environment within the Committee, particularly in Group I, and asks the Committee to take the necessary measures to establish the respectful and trustworthy environment necessary for the personal wellbeing and professional development of the staff; further reminds the Committee that a bad work environment causes inefficiency, stress and lack of productivity;

9. Notes that on 22 January 2020 Group I proceeded to the election of its current president as candidate to become president of the Committee from October 2020 when the presidency of the Committee is to be held by Group I for two-and-a-half years;

10. Recalls the Report of the European Ombudsman on dignity at work in the EU institutions and agencies: SI/2/2018/AMF, which states with respect to high-ranking personnel that individuals 'are particularly vulnerable to harassment where there is a power imbalance between the parties involved. This can be mitigated through more demanding rules for high-ranking personnel, who are not covered by the Staff Regulations, such as commissioners, judges, members of the Court of Auditors, members of the Economic and Social Committee and so on. These could include aggravated disciplinary measures, such as compulsory retirement or removal of pension rights. High-ranking personnel should be informed of all anti-harassment rules and policies at the beginning of their mandates in a comprehensive manner and at regular intervals.';

11. Requests that the Committee put in place and implement an action plan to actively prevent and tackle harassment in the working environment, to raise awareness of harassment and to foster a culture of zero tolerance with regard to harassment;

12. Calls on the Committee to improve measures allowing staff to make formal harassment complaints, to organise regular training for confidential counsellors and to set up a pool of independent investigators which the Committee can call on during formal harassment investigations;

13. Notes with satisfaction the examples of good practice from the Court's anti-harassment policy which has strong disciplinary measures for culpable members, such as compulsory retirement or denial of pension rights, and calls on the Committee to emulate those examples;

14. Regrets, as a general observation, that chapter 10 'Administration' of the Court's Annual Report has a rather limited scope and conclusions, notwithstanding the fact that Multiannual Financial Framework (MFF) Heading 5 'Administration' is considered to be low risk;

15. Notes that the Court selected a sample of 45 transactions from the MFF Heading 5 'Administration' of all Union institutions and bodies; notes that the sample was designed to be representative of the range of spending under Heading 5, which represents 6,3 % of the Union budget; notes that the Court's work indicates administrative expenditure as low risk; considers, however, the amount of transactions selected in relation to the 'other institutions' to be insufficient and asks the Court to increase the number of transactions to be examined by at least 10 %;

16. Notes that in 2018 the Committee's budget amounted to EUR 135 630 905, compared to EUR 133 807 338 in 2017, corresponding to an increase of 1,36 %; notes an overall rate of implementation of 98,66 %, compared to 96,5 % in 2017 and 97,2 % in 2016;

17. Welcomes the overall prudent and sound financial management of the Committee in the 2018 budget period; welcomes the fact that the commitment rate for Title 1 'Expenditure relating to persons working with the Committee' was 98,94 % and for Title 2 'Buildings, equipment and miscellaneous operating expenditure' 97,97 %;

18. Observes with concern that the final appropriations for travel and subsistence allowances for Members are slightly increasing, to EUR 20 247 625 in 2018 (compared to EUR 19 819 612 in 2017 and EUR 19 561 194 in 2016), despite the reduction in numbers of meetings; acknowledges that the related unused appropriations only amount to 1,05 %;

19. Welcomes the Committee's Decision No 2018/C 466/02 of 10 December 2018, according to which the Committee's members are reimbursed upon presentation of the supporting documents the actual costs of their travel tickets up to a maximum of the discounted business class (preferably economy class or similar) air fare; notes that the current system, which is based on actual costs, is in line with both the relevant Council decision and with the system in place at Parliament; appreciates that the Committee encourages shared transport solutions such as public buses and car-sharing as well as hiring coaches when this proves to be the most cost-efficient solution;

20. Notes that in 2018 the budget group of the Committee focused in particular on assessing how to control spending and improve forecasting for the budget item covering members' travel and subsistence allowances and that as a result, a call for tender on 'Analysis and proposal for improvements of the current projection system concerning cost reimbursement of EESC members, delegates and experts' was launched in October 2018; calls on the Committee to inform Parliament's Committee on Budgetary Control on any results achieved;

21. Observes that the appropriations carried forward (EUR 8 204 796) from 2018 to 2019 (compared to EUR 9 232 069 from 2017 to 2018) amount to 6,05 % of the total appropriations, which is again mainly due to the budget lines 'Members of the institution and delegates', 'buildings' and 'data processing'; deplores the fact that many appropriations automatically carried forward from 2017 to 2018 were particularly overestimated; reminds the Committee that it is essential to make a realistic budget adjustment in accordance with real needs; recalls that excessive overestimation or underestimation indicates poor budgetary planning and entails negative pressure on the sound and prudent financial management;

22. Stresses that the Committee's budget is purely administrative; notes that the Committee assessed how to apply the principles of performance-based budgeting to administrative appropriations only; welcomes the Committee's initiative to work together with other institutions to establish a set of interinstitutional guidelines on the implementation of performance-based budgeting for institutions that have only administrative expenditure;

23. Recognises that in 2018 a decision on internal control standards was updated, formalising the existence of an internal control process within the Committee, including the appointment of an internal control coordinator; notes that the Committee launched an exercise for compliance with the 16 internal control standards by means of an ad hoc questionnaire, followed by a report, which was the basis for the authorising officer to decide on a catalogue of measures for 2019 aiming to further improve compliance with the internal control standards; welcomes the training and awareness raising taking place in this context;

24. Notes the fact that salaries make up approximately half the Committee's budget; welcomes the internal audit on salary payments which was finalised in 2018 and is to provide assurance that procedures had improved after an audit carried out in 2010; notes that the audit found the salary payment process to be stable and not to pose any undue risks; notes the agreed action plan which had already been implemented partly by the end of 2018 with all the other elements scheduled for implementation by the end of 2019;

25. Observes that in 2018 the Committee adopted a total of 215 opinions and reports (compared to 155 in 2017); welcomes the efforts made to increase its overall efficiency; specifically welcomes all the efforts, in particular in 2018, which led to a vision to shape the Committee's future IT environment to be compatible with modern administration and to envisage a digitally transformed, user focused and data-driven Committee for the next 10 years; notes that currently only 3 % of the Committee's budget is devoted to IT products; notes that the implementation of the digital strategy of the Committee will need extra resources;

26. Acknowledges that artificial intelligence (AI) will change the labour market and displace a big proportion of jobs currently existing; encourages the Committee to follow this issue closely; supports the work done by the Committee on AI by issuing an opinion and organising a first stakeholder summit on AI in June 2018 with the Commission in order to stress the importance for the Union of ensuring that AI is safe, unbiased and in line with Union values;

27. Welcomes the Committee's efforts to increase the data protection and cybersecurity of the Committee; further welcomes the cooperation with the Computer Emergency Response Team for the EU Institutions, bodies and agencies and the active participation in the IT Interinstitutional Committee Security subgroup;

28. Stresses that a service level agreement between the Commission and the Committee on human resources, including training, was concluded in 2018 and has increased the transparency and predictability of costs related to IT training as requested in Parliament's 2017 discharge resolution [1]; notes with concern, however, that the advantage of increased transparency is partly offset by a substantial increase in prices charged by the Commission and asks the Committee to analyse the situation together with the Commission in the interests of finding improvements;

29. Points out that the establishment plan approved by the budgetary authority confirmed a staff increase from 665 posts in 2017 to 668 in 2018 (compared to 727 in 2013); recognises that a 5 % reduction is much more difficult to absorb when applied to a relatively small establishment plan because of the need to maintain certain key functions in terms of business continuity and that such an overall reduction rate requires a greater effort from smaller institutions;

30. Notes the measures to implement the whistleblowing decision of 2016, such as the adoption of an internal decision on ethics counsellors; acknowledges that three additional members of staff were selected in 2018 to join the active team of trained counsellors; notes the role of the ethics counsellors to advise and assist members of staff in order to help them fulfil their obligations in the best way possible regarding the reporting of serious misconduct (whistleblowing), as stated in Parliament's 2016 discharge resolution [2];

31. Notes with concern that the number of the requests of assistance addressed to the ethics counsellors increased from 25 in 2017 to 42 in 2018 and stresses with particular concern that 33 of such requests were from women while the number of requests from men remained stable at nine;

32. Notes all the measures undertaken to strengthen the effectiveness of the anti-harassment policy, such as training on specific topics, opportunities for the confidential counsellors to network, and regular supervision by an external consultant; notes that a revision of the current decision on harassment is under consideration to ensure better synergies with other relevant regulations, such as on whistleblowing; notes that the course on ethics and integrity is compulsory for all staff and covers standards of behaviour in the workplace, including what harassment is and how to deal with it; deeply regrets that all these measures have failed to avoid the related cases of harassment and to protect the victims; reminds the Committee that a proactive, real and urgent protection (including against threats, blackmail and bribery attempts) of all of the victims and whistleblowers must be one of the key priorities of these measures; calls on the Committee to reinforce and improve the measures undertaken until now and above all effectively protect all of the victims; asks the Committee to report back to the Parliament's Committee on Budgetary Control in this regard;

33. Notes with appreciation the cooperation between the Committee and OLAF; observes that both institutions signed administrative arrangements in 2016 which set out the procedure to be followed for the handling of fraud cases; further notes that in July 2019 the Committee's president and secretary-general met OLAF's director-general in order to create better synergies and ensure more efficient exchange of information;

34. Notes that the new code of conduct for members, which is annexed to the Committee's new rules of procedure that entered into force in March 2019, for the first time contains penalties for members involved in situations where a member does not fulfil his or her obligations according to the code of conduct; regrets that such penalties are neither sufficiently severe nor aligned with the recommendations of the European Ombudsman; recalls that using Union funds to defend the institutional reputation or members subject to an adverse judgment of the Court of Justice of the European Union (CJEU) or by courts of the Member States is a misuse of public funds and recalls that institutional legal services are to be used for the purpose of defending the institution only, not to defend the interests of individuals; asks the Committee to urgently strengthen the code of conduct for members in order particularly to add penalties that may be more effective and dissuasive; notes that an advisory committee on the conduct of members has been established and that this committee will give any member who so requests guidance on the interpretation and implementation of the code of conduct, and advise the president of the Committee on possible steps to be taken and on alleged breaches of the code of conduct; strongly recommends that harassment training is made available to all members, as it has been the case in Parliament since the beginning of the current parliamentary term;

[1] OJ L 249, 27.9.2019, p. 118.
[2] OJ L 248, 3.10.2018, p. 134.

35. Recalls that the Parliament's Committee on Budgetary Control asked for regular updates of the Committee's ethics and integrity framework; welcomes that in 2018 preparations started for a campaign on 'Respect@work', meant to foster respectful workplace relations for all, which among other actions will feed into a revision of the ethics and integrity framework in 2019; calls on the Committee to report back in the next annual activity report;

36. Recalls that the legal service of the Committee was substantially weakened for four years from March 2010 when the head of the legal service was dismissed with immediate effect from his duties after having denounced serious irregularities and illicit pressures by the secretary-general at the time; also recalls that this position was vacant for three-and-a-half years, that the European Civil Service Tribunal found against the Committee in this case (judgment in Case F-41/10 RENV, *Bermejo Garde v European Economic and Social Committee* ([3])), that the Committee had to pay more than EUR 100 000 and that only in 2014 a new head of the legal service was appointed and the legal service reinforced with five lawyers;

37. Is very concerned about the recent changes which may again weaken the legal service of the Committee, including that it since 1 January 2020 is attached directly to the secretary-general as the only legal service among the Union institutions, that since September 2019 it has lost one of its five lawyers on a permanent basis, that some staff members, including the head of unit, have been included in mobility instead of being considered specialised staff as in the other institutions and that it has suffered a drastic reduction in the number of formal consultations;

38. Stresses the importance of having a strong and independent legal service, taking into account that since their creation, the Union institutions have provided themselves with internal legal services whose main functions are legal advice and representation and defence before the CJEU; therefore asks the Committee to ensure that its legal service has a sufficient number of staff to perform its duties and is able to keep its independence; asks the Committee to eliminate all measures that could weaken the legal service in the exercise of its corresponding activities and functions; also reminds the Committee of the importance of consulting the legal service on the Committee's decisions in order to assure they comply with the law and to avoid making serious mistakes and subsequent legal, long and onerous proceedings;

39. Fully regrets public allegations caused by the recruitment procedure for the new secretary-general of the Committee; notes the arguments raised by the secretary-general in the answers to Parliament's questions for the 2018 discharge; stresses the importance of strictly ensuring the accomplishment of complete transparency in all the phases of the entire the whole procedure (publication, selection, appointment and establishment) without any exceptions as set out in the Committee's rules of procedure and in the Staff Regulations in order to comply with them and also to avoid any reputational risk, not only for the Committee but for all the Union institutions;

40. Welcomes the efforts made to increase the Committee's visibility, by both strengthening its relations with the media and putting the focus on online communication to further remove language-related and disability-related barriers; highlights in relation to social media communication the accompanying training policy and on-demand tailored coaching sessions for both the members and the staff of the Committee; notes the slight reduction in the number of press releases in 2018 (approximately 60 compared to 70 in 2017) as part of a strategy aiming to develop the format of 'web stories' in order to have a more focused communication on the most important topics of the Committee; asks the Committee to report back to Parliament on its experiences in this respect;

41. Notes that the Committee implemented a wide range of communication activities to mark its 60th anniversary in May 2018; welcomes the fact that the Committee received 9 419 visitors in 2018 (compared to 7 820 in 2017) and that the traditional Open Day on 5 May attracted some additional 2 888 visitors (compared to 2 700 in 2017); notes that the Committee's plenaries which are web-streamed has a potential reach of between three and eight million people; notes that the overall online interaction, such as retweets, 'likes' and replies, has been increasing and has reached between 680 and 1 840 mentions per plenary;

42. Notes that the appropriations for translation outsourcing increased (20,2 %, in 2018, slightly above the 20 % target, compared to 17,1 % in 2017 and 16,61 % in 2016) in the context of the cooperation agreement signed with Parliament and the resulting reduction in translation staff; notes further that the total cost of outsourced translation in 2018 was EUR 4 417 613 compared to EUR 7 208 710 that would have been the total cost of in-house translation;

([3]) Judgment of the Civil Service Tribunal (First Chamber) of 2 June 2016, *Bermejo Garde v European Economic and Social Committee*, F-41/10 RENV, ECLI:EU:F:2016:123.

43. Invites the Committee to continue its rationalisation measures in the area of translation;

44. Notes that the administrative cooperation agreement entered into between the Committee, the Committee of the Regions and Parliament in 2014 came to end on 31 December 2019; notes that to date the 2014 agreement has not been renegotiated or extended; is of the opinion that the 2014 agreement was very unbalanced for the Committee and the Committee of the Regions (the 'Committees'), that transferred a total of 60 translators to Parliament (36 from the Committee) and, in exchange obtained only the use of the services of the European Parliamentary Research Service (EPRS); notes with concern that as a consequence the Committees had to hire contract staff and outsource their translation service; notes with concern that to compensate for the reduction in translation staff, Parliament has provided additional funds (EUR 1 200 000 from 2015 to 2016) to the Committees to cover the outsourcing of the translation services and that these funds can be reallocated to other policy areas if they are not fully used for outsourced translation (the Committee used this reallocation possibility in the last three years); is of the opinion that these circumstances are not in line with the criteria of overall prudent and sound financial management and should be reviewed in the event of an extension of the present agreement or in the negotiation of a new agreement; recognises that, from a political point of view, the agreement must be updated to face current challenges, such as the new MFF or the new cohesion policy rules; recognises the Committees' good cooperation in promoting citizen's participation in the 2019 European elections;

45. Recognises the follow-up to the Committee's 2016 staff survey on psychosocial risks at work by the launch of several initiatives, such as workshops for managers on absence management, conflict management and how to handle poor performance; also welcomes the mentoring system for new colleagues and actions to increase the wellbeing and commitment of staff; notes that the staff absence rate seems to have reached its peak in 2017 (5,5 %), and that it decreased slightly to 5,35 % in 2018 (compared to 4 % in 2015); notes with concern, however, the increase in long-term sick leave among the Committee's heads of unit; calls on the Committee to report back on all achievements relating to the reduction of the staff absence rate;

46. Welcomes the ongoing progress towards achieving geographical balance for the Committee's managers, in particular with respect to the Member States that joined the Union in or after 2004; notes with regard to gender balance that the Committee now has a higher proportion of female than male managers (52 % in 2018, 41,4 % in 2017 and 37,5 % in 2016); notes that 80 % of the colleagues requesting part-time work were women in 2018 even though the right is the same for men and women; welcomes the fact that the Committee regularly raises awareness of the available working patterns;

47. Welcomes the Committee's efforts to build a more diverse and inclusive work environment and culture by taking actions in favour of people with disabilities, such as making the intranet and website digitally accessible to persons with visual impairment, publishing a brochure called 'Access Able Brussels' to provide all necessary information for newcomers with disabilities moving to Brussels, and hosting the Inter COPEC conference dedicated entirely to disability issues;

48. Recalls the necessity of developing a long-term human resources policy framework which promotes work-life balance, lifelong guidance and career development, gender balance, teleworking, non-discrimination, geographical balance and the recruitment and integration of people with disabilities;

49. Recognises that by means of an administrative cooperation agreement, the Committees have set out a large number of procedures for collaboration between their services and have also established and organised joint services in which both human and financial resources from the two Committees are pooled together (namely translation and logistics); welcomes that the internal audit service of the two Committees collaborate closely concerning the joint services under the provisions of the cooperation agreement; encourages the Committee to extend its administrative cooperation agreement with the Committee of the Regions beyond 2019;

50. Welcomes the annual savings amounting to EUR 11,8 million as regards infrastructure and EUR 0,72 million as regards rent, maintenance, consumables and staff due to the fact that the Committees are sharing resources in these areas; also welcomes the fact that the annual budgetary savings as regards IT due to the cooperation between the Committees amount to approximately EUR 5 million; notes that an example of synergies through the cooperation with Parliament, which creates savings in terms of staff costs amounting to EUR 3,3 million (at 2016 salary levels), is the Committees' use of EPRS (36 Committee posts were transferred to the EPRS for this purpose);

51. Calls on the Committee to analyse further the situation in order to identify additional areas for joint services with the Committee of the Regions; highlights that this kind of interinstitutional cooperation can significantly reduce the overall expenditure of the Committee; calls on the Committee to inform Parliament's Committee on Budgetary Control on any results achieved;

52. Notes that the cooperation agreement between the Committees, signed in 2016, establishes a firm legal framework for long-term, efficient and effective cooperation and demonstrates that the Committees are acting in partnership while respecting each other's powers and prerogatives; notes that the agreement ended on 31 December 2019 and that it was decided to extend it for one year while a new agreement is being negotiated; asks the Committees to make the necessary efforts to conclude a new agreement as soon as possible in order to allow further synergies and savings;

53. Recalls that once again the Committees dedicated less than 3 % of its total budget to IT and that IT projects and equipment have suffered from structurally underfinancing for several years; notes with concern that in order to address their backlog in IT projects and systems, the Committees continue to use mopping-up exercises at the end of the year to finance IT projects; asks the Committees to implement as soon as possible the new digital strategy and multiannual IT expenditure plan;

54. Notes that the agreement between the Committees and the Commission on the exchange of the Commission's VMA building for the Committees BEL68/TRE 74 buildings was signed on 28 August 2019; notes that the exchange will become effective on 16 September 2022; notes with concern that the main priority identified by the Committees' buildings policy is the geographical concentration of the buildings; notes with concern that this exchange results in a loss of office space of 10 440 m^2 for the Committees and, thus, a need to find extra offices to accommodate around 200 members of staff after the exchange, which cannot be entirely offset by alternative measures in the short-term, such as a more intensive use of space in the other buildings or an increased use of teleworking, but will necessitate the purchase of another adjacent building to compensate for this reduction; notes also the need to renovate the VMA building in the short to medium term; fears the consequences that this agreement will have not only for the finances of the Committee but also for the wellbeing of the staff concerned; regrets that the legal service has not been consulted on a matter of such scope and importance for the Committee;

55. Notes that the Committees have recently established a joint working group for the purpose of preparing a further analysis in order to find adequate solutions; notes that another working group is tasked with reflecting on new ways of working; stresses that the well-being, manner of work and work space of staff must suffer no negative consequences arising from the exchange of buildings; welcomes that the administration of the Committee is keeping all stakeholders informed via staff meetings and through the management of the concerned services and will take into consideration the concerns and suggestions put forward; calls on the Committees to inform Parliament's Committees on Budgetary Control and on Budgets on any results achieved;

56. Expresses serious concerns about the confirmation of the presence of asbestos in critical places of the VMA building including the parking area; deplores the fact that an inventory realised by a specialised external contractor was carried out in September 2019 only one month after the signature of the agreement with the Commission; deplores the fact that the agreement was signed without informing all stakeholders in due time about the possibly presence of asbestos in the VMA building; also deplores the fact that members and staff have not been informed about the situation and asks the Committee to remedy the situation in an adequate and effective way;

57. Notes that the Committees received an asbestos-safe certificate for the VMA building in September 2019 and that this certificate specifies the building contains asbestos without risk for normal use of the building; taking into account especially that the next use of the building will not be normal use, but a situation of construction, is deeply concerned about the future developments on the issue;

58. Notes that the effects of prolonged and unsafe asbestos exposure on human health are well documented and are always a source of concern and alarm among the population in general and therefore asks the Committees to carry out a policy of total and proactive transparency and information about the management of the situation before and after the effective occupation of the VMA building while at the same time avoiding alarmism;

59. Is concerned that 19,56 % (2 835) of the payments with a payment time of 30 days were delayed (with an average payment delay of 46,12 days); calls on the Committee to strengthen its efforts to respect the payment deadlines set in the Financial Regulation;

60. Welcomes the fact that the rate of unused slots of interpretation services decreased over the last years (2,61 % in 2018, 3,6 % in 2017 and 4,38 % in 2016); acknowledges the measures implemented throughout 2018 and encourages the Committee to keep its positive trend towards fewer cancellations of interpretation services;

61. Appreciates the Committee's intention to further improve transparency and facilitate access to the Committee's documents based on an interinstitutional meeting on transparency held in Luxembourg on 25 September 2018; notes that the Committee has launched an exercise to take advantage of the best practices of other Union institutions and bodies resulting in an action plan to be launched in 2019 covering topics such as its rules of procedure, its code of conduct for members, creation of a transparency register and access to documents;

62. Notes that the European Ombudsman in June 2017 issued the 'Recommendation of the European Ombudsman concerning the alleged failure by the European Economic and Social Committee to ensure that a member declared all relevant interests', resulting in the Committee amending its rules of procedure in order to reflect the changes requested by the European Ombudsman and that the amended rules of procedure entered into force on 15 March 2019; notes that the European Ombudsman came to a conclusion about the absence of maladministration in an inquiry regarding a complaint related to a selection procedure in 2018;

63. Notes that the declarations of interests for the president and the vice-presidents of the Committee are available and accessible on the Committee's members' internet pages; notes that following the amended rules of procedure members must upon appointment draw up a declaration of any interest, financial or other, that might have an impact on their work at the Committee; notes that these declarations are also made available to the general public on the Committee's website; notes that members have to confirm explicitly the validity of the content of their declarations at least once a year and make revisions as soon as any change in their situation occurs;

64. Notes that members are not obliged to declare the address of the organisation or company by which they are remunerated; notes, however, that upon taking office and in the case of any changes members are required to complete and sign declarations of interests; notes that 25 members have provided the administration with a registered address in Belgium;

65. Notes that the Committee does not have the intention to change the system of requiring one signature to confirm the presence of Members in meetings to a system requiring two signatures, one at the beginning of the meeting and one at the end of the meeting; asks the Committee, in order to improve its working methods, to further study practices and experiences at Parliament and other Union institutions and bodies regarding the presence record and will benchmark best practices; asks the Committee to report back on any achievements in its next annual activity report;

66. Notes the Committee's work done related to the Decision of the European Ombudsman in the case 1306/2014/OV to prepare guidelines on managing conflicts of interests at work with the aim of providing guidance in cases where staff members need to perform overlapping functions when handling a single subject, which is particularly the case in relation to staff representation activities;

67. Welcomes the Committee's policy relating to 'revolving doors', which includes following up on the external activities carried out by its former senior officials; notes that the Committee publishes a related report every year;

68. Notes that the Committee established a group in 2017 to monitor developments with respect to the United Kingdom's decision to withdraw from the Union and assesses the need for reactions or positions by the Committee; notes that on the assumption that the United Kingdom's withdrawal from the Union would take place, a total of EUR 318 600 was deducted from the 2019 budget and an additional amount of EUR 173 062 from the 2020 budget to reflect the 'evident changes' to Members' travel costs and to the co-financing of IT equipment for members;

69. Reiterates the need to streamline, accelerate and improve the discharge procedure; 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; regrets that this deadline was not respected for the 2018 annual activity report as requested in the 2017 discharge resolution; welcomes the Committee's readiness to follow this best practice which would provide the discharge institution with time for a more in-depth and better conducted discharge procedure;

70. Notes that the second ad hoc group on the future of the Committee with a focus on how to rationalise the Committee's internal bodies presented its follow-up report at the end of 2017; notes that the bureau of the Committee decided in January 2018 to reduce the number of Members sitting on a large number of the Committee's internal bodies and to limit the number of their meetings held each year; notes that the bureau decided to refocus the remits of some of the Committee structures; asks the Committee to provide Parliament with clarifications on savings in connection with this modernisation in order to boost transparency and accountability;

71. Welcomes the efforts of the Committee to promote the circular economy through its opinion and, in cooperation with the Commission, through the European circular economy stakeholders' platform compiling initiatives and best practices;

72. Supports the efforts made by the Committee to decrease its environmental footprint; notes with satisfaction a slight decrease in the consumption of electricity (3 %) and paper (17 %) and of office waste (3 %); observes, however, the increase in the consumption of gas (5 %) and water (17 %) caused by the installation of a new gas heater and water leakages during construction work;

73. Highlights all the achievements in recent years in areas such as the performance-based budgeting, the ethical framework with all its related rules and procedures, the enhanced communication activities and the increasing amount of measures to improve transparency; welcomes the significant amount of interinstitutional service and cooperation agreements; underlines the importance of the collaboration and sharing of experience among the Union institutions and bodies; suggests that the Committee analyse the possibility of formalised networking activities in different domains in order to share best practises and develop common solutions;

74. Notes the importance of political dialogue between the Committee and Parliament to make sure that valid contributions from the Committee can be incorporated into the work of Parliament; in that context reiterates its request to pursue its best efforts in strengthening the political cooperation between these two institutions.

RESOLUTION (EU) 2020/1986 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 (now European Centre for the Development of Vocational Training (Cedefop)) for the financial year 2018

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 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Employment and Social Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0040/2020),

A. 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 2018 was EUR 17 850 210, representing a slight decrease of 0,11 % compared to 2017; whereas the budget of the Centre derives mainly from the Union budget [2];

B. whereas the Court of Auditors (the 'Court'), in its report on the Centre's annual accounts for the financial year 2018 (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;

Budget and financial management

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2018 resulted in a budget implementation rate of 100 %, representing a slight increase of 0,04 % compared to 2017; notes that the payment appropriations execution rate was at 96,50 %, representing an increase of 6,84 % compared to the 2017;

Performance

2. Notes that the Centre uses an exemplary performance measurement system that includes key performance indicators to assess the added value provided by its activities in the project, activity and organisational levels and other measures to improve its budget management;

3. Notes furthermore that the Centre's Work Programme 2018 has been fully implemented in line with the set objectives, targets and indications;

4. Welcomes the fact that the Centre is developing synergies and sharing resources with the other agencies;

5. Notes the Centre's continued and formalised close cooperation with the European Training Foundation (ETF) and the European Foundation for the Improvement of Living and Working Conditions (Eurofound);

6. Notes that the external evaluation, to which the Centre was submitted in 2017, as required by the financial rules, concluded that the Centre's reinforced cooperation with the three other decentralised agencies within the remit of the Commission's Directorate-General for Employment – ETF, the European Agency for Safety and Health at Work (EU-OSHA) and Eurofound – emerged as a feasible option; notes that the Centre's recast founding regulation (Regulation (EU) 2019/128), which came into force in February 2019, took up the outcome of that external evaluation;

[1] OJ C 108, 22.3.2018, p. 1.
[2] OJ C 108, 22.3.2018, p. 2.

7. Calls on the Commission to conduct a feasibility study in order to assess the possibility of, if not fully merging, then at the very least setting up shared synergies with Eurofound; calls on the Commission to evaluate both scenarios, namely the transfer of the Centre to the Eurofound Headquarters in Loughlinstown, Ireland, and the transfer of the Eurofound Headquarters to the Centre's Thessaloniki Headquarters; notes that this would result in the sharing of corporate and support services and the common management of premises, as well as the sharing of ICT, telecommunications and internet-based infrastructures, saving a significant amount of costs, which could be used on further funding for both agencies; acknowledges that the effective, efficient and error-free work of the agencies is closely linked to an adequate level of funding to cover their operational and administrative activities; therefore, calls on Member States to accommodate the activities the agencies have to perform to the funding they are assigned;

8. Calls on the Centre to pursue the digitalisation of the institution;

9. Encourages the Centre to implement the Court's recommendations;

10. Appreciates the Centre's expertise and its continued high-quality work to provide research, analyses and technical advice to assist the development of European lifelong learning and vocational education and training (VET), qualifications and skills policies with the aim of promoting high-quality training tailored to the needs of the labour market; stresses, to that end, the importance of ensuring adequate material and human resources allowing the Centre to implement its growing and changing tasks, while ensuring, in general, the Centre's pre-eminence over private contractors;

11. Welcomes the Centre's contributions and expertise in providing new knowledge, evidence and policy analysis, monitoring policy trends and acting as a knowledge broker to highly relevant policy themes on the Union agenda; acknowledges the Centre's quality work on different projects, in particular the Skills Agenda for Europe, Europass, the revision of the Skills Panorama and its role in supporting the participants of the Copenhagen process, the European Skills Index and Skills forecast;

12. Considers it to be noteworthy that the Centre has launched a new strand of digitalisation, and in particular with regard to its online tools, providing country-specific information and improved visualisation opportunities of online data, such as guidance resources on labour market information or skills forecasts; acknowledges to that end the Centre's targeted marketing campaigns in raising awareness of the content of its website;

13. Highlights that transparency and citizens' awareness of the existence of the agencies are essential for their democratic accountability; considers that the usability and ease of use of agency resources and data are of paramount importance; calls therefore for an assessment of how data and resources are currently presented and made available and of the degree to which citizens find them easy to identify, recognise and use; recalls that public awareness in this respect can be raised by Member States through developing a comprehensive plan to reach out to more Union citizens;

Staff policy

14. Notes that, on 31 December 2018, the establishment plan was 96,70 % executed, with 12 officials and 76 temporary agents appointed out of 78 temporary agents and 13 officials authorised under the Union budget (compared to 92 authorised posts in 2017); notes that in addition 26 contract agents and three seconded national experts worked for the Centre in 2018;

15. Notes that the Centre has been taking measures in light of the observations and comments from the discharge authority related to the Centre's new head of service for human resources, which took up duties in January 2019, as well as to the decision to externalise the Centre's legal service; notes with concern that, given the high number of legal cases with which the Centre is involved, the full outsourcing of legal services creates a risk to the consistent treatment of cases and to the principle of efficiency; calls on the Centre to report to the discharge authority of any developments in that regard;

16. Notes the Centre's ongoing process to improve selection procedures by ensuring compliance with designing criteria assessed by the selection boards and increased controls by human resources; notes with concern that, according to the Court's report, the two audited recruitments made in 2018 from two reserve lists established in 2015 and 2016 were inadequately managed and documented, as was the case for several other recruitment procedures audited in previous years; urges the Centre to take immediate corrective actions to ensure regular recruitment procedures and to report to the discharge authority on the measures taken to that effect;

17. Notes the Centre's concern that its new founding regulation extends the mandate of the Centre to include qualifications and skills policies in addition to VET, but without accompanying the new duties by additional resources; notes that the Centre has already experienced a 10 % staff reduction and this experience has led to an increased workload and pressure for staff in the Centre;

18. Welcomes the fact that the Centre has close to an overall gender balance among its staff (59 % women female and 41 % men), but regrets the lack of detail provided regarding gender balance at management levels;

19. Notes with satisfaction that gender balance was achieved in 2018 with respect to the members of the management board (50 % women and 50 % men);

20. Regrets the lack of clarity provided regarding the geographical balance of the staff;

Procurement

21. Deplores the fact that, according to the Court's report, in the procurement procedure for the Centre's travel agency services, price and quality criteria were not always detailed enough to ensure the procurement of the best value for money contracts; regrets the fact that the Centre's methodology and documentation of potentially abnormally low offers was insufficient;

Prevention and management of conflicts of interests and transparency

22. Notes the Centre's existing measures and ongoing efforts with regard to ensuring transparency, the prevention and management of conflicts of interests, and the protection of whistleblowers; points out with concern, however, that the Centre does not yet publish the CVs of its senior management on its website, and that the Centre's senior management, in-house experts and assistants declare potential conflicts of interests only as they occur in accordance with the Centre's 2014 policy on the prevention and management of conflicts of interests; notes the Centre's updated guidelines on reporting conflicts of interests in selection and recruitment processes and its preparation of revised rules for the prevention and management of conflicts of interests for management board members, independent experts and other staff;

23. Welcomes the fact that, in light of the observations and comments of the discharge authority, the Centre adopted implementing rules concerning Regulation (EC) No 1049/2001 ([3]) on 2 September 2019;

24. Notes, in light of the observations and comments of the discharge authority, the establishment of an independent disclosure, advice and referral body for whistleblowers by the appointment of the Centre's internal control coordinator as the Centre's ethics and integrity correspondent;

General

25. Calls on the Centre to focus on disseminating the results of its research to the public, and to reach out to public via the social media and other media outlets;

Internal audit

26. Notes with deep concern that following the audit conducted by the internal audit service on the Centre's human resources management and ethics from 14 to 18 January 2018, recruitment procedures were still ranked as critical;

27. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 ([4]) on the performance, financial management and control of the agencies.

([3]) 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).

([4]) Texts adopted, P9_TA(2020)0121.

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