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II

(Non-legislative acts)

DECISIONS

DECISION (EU) 2016/1456 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2014, Section I — European Parliament

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2014 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2014 (COM(2015)377 – C8-0200/2015) ([2]),

— having regard to the report on budgetary and financial management for the financial year 2014, Section I — European Parliament ([3]),

— having regard to the Internal Auditor's annual report for the financial year 2014,

— having regard to the Court of Auditors' annual report on the implementation of the budget for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([6]), and in particular Articles 164, 165 and 166 thereof,

— having regard to the Bureau decision of 27 April 2005 on the Internal Rules on the implementation of the European Parliament's budget ([7]), and in particular Article 13 thereof,

— having regard to the Bureau decision of 16 June 2014 on the Internal Rules on the implementation of the European Parliament's budget ([8]), and in particular Article 22 thereof,

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

— having regard to the report of the Committee on Budgetary Control (A8-0135/2016),

A. whereas its President adopted Parliament's accounts for the financial year 2014 on 8 July 2015;

([1]) OJ L 51, 20.2.2014.
([2]) OJ C 377, 13.11.2015, p. 1.
([3]) OJ C 247, 28.7.2015, p. 1.
([4]) OJ C 373, 10.11.2015, p. 1.
([5]) OJ C 377, 13.11.2015, p. 146.
([6]) OJ L 298, 26.10.2012, p. 1.
([7]) PE 349.540/Bur/ann/fin.
([8]) PE 422.541/Bur.

B. whereas its Secretary-General, as principal authorizing officer by delegation, certified, on 18 September 2015, his reasonable assurance that the resources assigned for the Parliament's budget have been used for their intended purpose and in accordance with the principle of sound financial management;

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

1. Grants its President discharge in respect of the implementation of the budget of the European Parliament for the financial year 2014;

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
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1457 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

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 2014, 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 2014, Section I — European Parliament,

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

— having regard to the report of the Committee on Budgetary Control (A8-0135/2016),

A. whereas in his certification of the 2014 final accounts, Parliament's accounting officer stated his reasonable assurance that the accounts present a true and fair view of the financial position of Parliament in all material respects and that no issues requiring a reservation have been brought to his attention;

B. whereas, through its audit, the Court of Auditors concluded that the audit did not identify any significant weaknesses in the selected systems and annual activity reports of the institutions and bodies;

C. whereas, in accordance with the usual procedure, a questionnaire was sent to the Parliament's administration and replies were received and discussed by the Committee on Budgetary Control, in the presence of the Vice-President responsible for the Budget, the Secretary-General and the Internal Auditor;

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

The European Parliament's accounts

1. Notes that Parliament's final appropriations for 2014 totalled EUR 1 755 631 742, or 20,13 % of heading 5 of the multiannual financial framework (MFF) set aside for the 2014 administrative expenditure of the Union institutions as a whole representing a 0,3 % increase over the 2013 budget (EUR 1 750 463 939);

2. Notes that total revenue entered in the accounts as at 31 December 2014 was EUR 174 436 852 (2013: EUR 158 117 371), including EUR 26 979 032 in assigned revenue (2013: EUR 25 991 783);

3. Recalls that four chapters accounted, in 2014, for 72 % of the total of the 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);

4. Takes note of the figures on the basis of which Parliament's accounts for the financial year 2014 were closed, namely:

(a) **Available appropriations (EUR)**	
appropriations for 2014:	1 755 631 742
non-automatic carry-overs from financial year 2013:	734 000
automatic carry-overs from financial year 2013:	277 774 604
appropriations corresponding to assigned revenue for 2014:	26 979 032
carry-overs corresponding to assigned revenue from 2013:	106 934 452
Total:	2 168 053 830

(b) **Utilisation of appropriations in the financial year 2014 (EUR)**	
commitments:	2 138 652 789
payments made:	1 742 390 229
appropriations carried forward automatically including those arising from assigned revenue:	383 988 975
appropriations carried forward non-automatically:	0
appropriations cancelled:	39 918 558
(c) **Budgetary receipts (EUR)**	
received in 2014:	174 436 852
(d) **Total balance sheet at 31 December 2014 (EUR)**	1 476 824 398

5. Notes that a total of EUR 71 500 000 was transferred from provisional appropriation headings and from other sources, so as to help fund the annual lease payments for the Konrad Adenauer Building in Luxembourg and its extension and modernisation; remarks that this accounts for 4 % of the final appropriations for 2014;

Court of Auditors' opinions on the reliability of the 2014 accounts and on the legality and regularity of the underlying transactions

6. Recalls that the Court of Auditors performs a specific assessment of administrative and other expenditure as a single policy group for all the Union institutions, including the European Parliament and that overall, audit evidence indicates that spending on administration is not affected by a material level of error; takes note that checks of transactions indicate that the estimated level of error present in heading 5 of the MFF on administration is 0,5 % (down from 1 % in 2013);

7. Recalls that the audit involved an examination of a sample of 129 payment transactions, including 92 payments of salaries and pensions, related allowances and other staff costs, 14 payments in respect of contracts related to buildings and 23 payments connected with other expenditure (energy, communication, information technology, etc.); stresses that out of the 129 transactions audited, 20 (or 15,5 %) were affected by error; takes note that for the 12 quantifiable errors, the estimated level of error is 0,5 %;

8. Emphasises the Court of Auditors' recommendation that Parliament reinforce its checks on the costs reimbursed by European political parties to their affiliated organisations, develop appropriate rules for European political parties on public procurement and monitor their application through appropriate checks and better guidance; insists on full transparency on the expenditure by European political parties and that in future the competent committee examine and discuss this information in detail in the context of the ordinary discharge procedure;

The internal auditor's annual report

9. Notes that at the competent committee's meeting with the internal auditor on 25 January 2016, the internal auditor presented his annual report signed 16 July 2015, stating that in 2014, he performed the following audit work on Parliament's administration:

— a transversal follow-up of open actions from internal audit reports — phases I and II of his work in 2014;

— a consulting assignment on internal management and control procedures in the Directorate for Democracy Support (DG EXPO);

— a periodic review of the Konrad Adenauer building project — see 'Phase 2: Estimation, reporting and control of project costs of the report';

— an audit of Members' salaries and transitional allowances;

— an audit of the grants process in DG Communication (DG COMM);

— an information systems audit of IT infrastructure and operations — see 'Assignment 1 — first report: Resource optimisation and IT continuity';

— an audit of implementation of the Code of Conduct on Multilingualism, concerning interpretation services;

10. Emphasises that in his audit of the grants process the internal auditor concludes that there is significant scope for improving certain management and control procedures and thus providing more assurance that the grants programme achieves its objectives by:

— ensuring that the multi-annual grants programme is fully aligned with and supports the objectives of the institution's long-term communication strategy;

— ensuring that the value added by the programme is measured by appropriate performance indicators and tools;

— concluding agreements with a more limited number of strategic partners capable of proposing an action plan that would cover the whole period of the partnership agreement;

— improving the evaluation of proposed projects by defining a common methodology for their assessment by all evaluation committees;

— improving the financial and operational evaluation of completed projects at the final payment stage, namely that actions have been realised in accordance with their initial objectives;

Audit of Parliament's internal control framework

11. Notes that at the end of 2014, after substantial progress, only four actions remained incomplete out of the 452 internal control framework actions initially agreed; calls on the internal auditor to keep the Committee on Budgetary Control informed on the progress achieved on those remaining actions;

Follow-up to the 2013 discharge resolution

12. Takes note of the written answers to its 2013 discharge resolution for the financial year 2013 ([1]), provided to its Committee on Budgetary Control on 15 October 2015; welcomes the presentation by the Secretary-General on the various questions and requests made by Parliament in that resolution and the exchange of views with Members that followed;

13. Notes that there was an inconsistency between the dates of the presentation of the draft report for the Parliament discharge and the scope for tabling additional questions to the Secretary-General;

14. Notes the reply from the Secretary-General regarding the accessibility of the ePetition application to Members and to the general public; calls on the Secretary-General to inform Parliament of the outcome of the Legal Service consultation and to assess the technical and budgetary cost of expanding the application's accessibility;

15. Recalls that canteen services aim to provide quick restaurant services to Members and staff; is concerned by the limited space of the canteens in peak periods, in particular during plenary weeks in Strasbourg; welcomes the availability of the new outdoor space that will partly address this whenever weather conditions allow; calls on the administration further to improve the Strasbourg canteen by making a more efficient use of all available space;

16. Notes that Parliament started applying 'fixed price contracts' for catering services; points out that the budgetary means required for catering services were quite limited, accounting for only 0,23 % of the annual budget; expects stability in the prices charged in Parliament catering outlets following the repeated and substantial increases in the prices of the menus offered;

([1]) Resolution of the European Parliament of 29 April 2015, with observations forming an integral part of its decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2013, Section I — European Parliament (OJ L 255, 30.9.2015, p. 3).

17. Notes that the new contracts for catering activities in Brussels concluded in 2015 do not foresee exclusivity for one catering provider any longer; expects that the planned smaller catering outlets in Brussels will be operated in a manner that includes SMEs and promotes diversity among the catering providers, to ensure a quality service at an affordable price;

18. Notes with concern that, as price levels have risen, this has led to unjustified disadvantageous pricing, especially for assistants, interns and visitors; stresses that the increases mean that prices in Parliament are now practically equivalent to the ones in the surrounding restaurants and bars; moreover notes with concern that while the price has risen, the quality of the food decreased significantly;

19. Considers that the numerous constituency and plenary weeks represent periods during which the canteens and cafeteria facilities are not fully utilised; suggests that the agreements with the caterers take into account the option of employing the staff of these facilities elsewhere during weeks when not all canteens and cafeteria facilities are open;

20. Calls on the administration to evaluate and propose a price scheme that combines the new rules whilst ensuring the possibility of discounts for interns, with affordable choices for menus;

21. Is disappointed that the administration is not able to provide data on the variable number of meals served during the different parliamentary days and weeks; wonders how any control can be exerted on contract providers if basic information like this is not available; calls on the administration to make available to the committee responsible the catering contract which came into force on 26 September 2015 and to provide details of the meals served;

22. Stresses that the Court of Auditors' report adopted on 11 July 2014 states that the potential saving for the Union budget would be about EUR 114 million per year if Parliament centralised its activities; reiterates its call on Parliament and the Council to address, in order to create long term savings, the need for a roadmap to a single seat, as stated by Parliament in several previous resolutions;

Discharge for 2014

23. Acknowledges the quality of the exchange of views between the Vice President responsible for the budget, the Secretary-General and the Committee on Budgetary Control in the presence of the Member of the Court of Auditors and the Internal Auditor on 4 February 2016; welcomes the Secretary-General for his availability and calls for more frequent opportunities to debate with him in the Committee on Budgetary Control on matters with an impact on Parliament's budget;

24. Notes the signature of the cooperation agreement with the European Economic and Social Committee (EESC) and the Committee of the Regions on 5 February 2014; calls for specific detailed provisions to be laid down concerning the functioning of the services shared by the three institutions; stresses that the implementation of the agreement must be balanced and benefit the three institutions equally; asks that the mid-term review of the agreement should include an assessment by each institution of the impact that the agreement is having in terms of human resources, synergies, added value, and substance, and to provide a detailed breakdown of the savings and/or increased budgetary expenditure resulting from the agreement, paying particular attention to staff chapters; asks to continue to be informed of the agreement follow-up;

25. Recalls that a maximum of 80 officials from the EESC and the Committee of the Regions (from the translation service and assistants) will be transferred to Parliament under this agreement, who will work for the new European Parliamentary Research Service (EPRS); takes the view that this transfer should make it possible for Parliament's in-house productivity to increase with fewer budgetary means devoted to outsourcing studies, assessments or evaluations; notes with concern that, up to now, 25 officials from the EESC and 24 officials from the Committee of the Regions have been transferred to the EPRS, for the most part very near to retirement age, whereby those two institutions will make significant savings in staff chapters while Parliament's budget will increase considerably in the short term (salaries) and in the medium and long term (pensions);

26. Welcomes the publication of the names of service providers on each Member's home page, alongside details of the accredited parliamentary assistants (APAs) and local assistants employed by the Member;

27. Deplores the transfer of responsibilities from the administration to the offices of Members; calls for a review by and about the administration to check which obligations (e.g. responsibility for insuring trainees) can be returned to the administration;

28. Stresses the need to make the work of Parliament's internal decision-making bodies, in particular the Bureau, more transparent and accessible; calls for meeting agendas and minutes to be published on the internet and forwarded to members systematically and in good time;

29. Points out that the administrative burden for the offices of Members have also increased more generally and requests a rationalisation of the forms that have to be used for internal parliamentary procedures, such as recruitment of new assistants;

30. Notes that after considerable delay, internal whistleblowing rules have been adopted and are in force since January 2016; expresses concern at the lack of protection granted to whistle-blowers and calls on Parliament to ensure that their rights are fully respected; calls on the Bureau to extend internal whistleblowing rules to APAs and calls for equivalent national legislation to be applied to local assistants;

31. Calls for clarification about what form official and unofficial cooperation with OLAF about Members' accounts takes; points to the information passed on to third parties in at least one case; sees this as a breach of independence of Members' mandates;

32. Notes that it was difficult to differentiate fully the President's political activities from his preparation as '*Spitzenkandidat*' to head his Party in the 2014 European elections, and it was also difficult to make a differentiation for other '*Spitzenkandidaten*'; considers that an unequivocal distinction has not been made between the two roles; calls for a clear segregation of office holders' functions and candidacies for European election campaigns; regrets the at least indirect use of Parliament staff to help prepare the campaign and calls for action to ensure that it does not happen again in future; regrets in this regard that the President transformed the Twitter profile of the European Parliament Presidency into his personal profile and used it during the campaign;

33. Mandates EPRS to conduct a comparative analysis of the legal framework governing the compatibilities of candidates who run for election campaigns in other international organisations and in the Member States (election of Prime minister, Secretary General, Chancellor, etc.);

34. Notes that in the period from 22 January to 18 April, the official international missions undertaken by the President were mostly with government and official representations attached to socialist parties and organisations; calls for further information in this regard;

35. Requests further information on the campaigns of all '*Spitzenkandidaten*', in particular whether they were accompanied by officials and other statutory staff not on leave during the election campaign; welcomes the complementary information given by the President and requests the same level of transparency from the other candidates;

General expenditure allowance (GEA)

36. Recalls that the GEA is intended to cover expenditure in the Member State of election, such as a Members' office rent, equipment, supplies, documentation or logistical organisation of events; takes note that a comprehensive system of control of the Member's parliamentary mandate allowance would represent 40 to 75 new administrative posts, which would go against the staff reduction scheme;

37. Supports full transparency regarding the GEA in order to allow European citizens to have an insight into the general expenditure of the Members of the European Parliament; urges the Bureau to revise the list of expenses which may be defrayed from the GEA;

38. Reiterates the appeal for greater transparency regarding the GEA for the Members; calls on the Bureau to work on a definition of more precise rules regarding the accountability of the expenditure authorised under this allowance, without generating additional costs and administrative burden for Members;

39. Reminds the Bureau of the urgent need to audit the GEA;

Management of the subsidy scheme for visitors' groups

40. Welcomes a better alignment of Parliament's subsidies to visitors' groups with the real costs incurred in this regard; is deeply worried, however, that this is the single critical action identified by the Parliament's internal auditor;

41. Is concerned that funding for visitors' groups in 2014 is still being paid mostly in cash: expenditure of EUR 24 593 928,16 in 2013 was paid 73,14 % in cash and 26,86 % by bank transfer, while expenditure of EUR 22 281 749,46 in 2014 was paid 71,15 % in cash and 28,85 % by bank transfer;

42. Notes the Court of Auditors' finding in its landscape review of the financial management of the Union budget that the practice of making cash payments for the reimbursement of costs to visitor groups was a 'high risk concern'; demands therefore that cash payments be limited as far as possible when reimbursing costs to visitor groups; points out the high reputational risk for Parliament and the significant security risk entailed in making cash payments to visitor groups; acknowledges the practical concerns and calls for an evaluation of alternative and efficient methods to making payments before adopting new rules governing the reception of visitors' groups;

Transparency register and conflicts of interest

43. Welcomes the fact that the Commission has started a public consultation procedure in respect of the revision of the current transparency register of the Commission and Parliament and its extension to the Council; requests that immediately after the public consultation an inter-institutional working group be set up for preparing proposals concerning the revision of the register, the accompanying code of conduct, and the functioning thereto;

44. Calls additionally for a report by Parliament's administration on which former managers, CEOs, directors and board members in relevant European NGOs are now Members of the Parliament;

45. Calls for a report by Parliament's administration on the use of the Parliament's premises by interest groups and other external organisations; calls on the Bureau to examine the compatibility of these events with parliamentary work whilst ensuring that Parliament remains an institution open to exchange with civil society and to public debate;

46. Recalls the obligation on Members to inform the administration immediately of any change in their declarations of interests; regrets that the CVs and declarations of interests of the Members elected in 2014 were uploaded to Parliament's website very late;

47. Urges the Parliament to adopt rules in order to disclose all input received from lobbyists/interest representatives on draft policies, laws and amendments as a 'legislative footprint';

48. Calls on the Bureau to create the technical possibility for Members who wish to do so to publish their calendars on their official webpage and in particular their meetings with lobbyists;

Directorate-General for Internal Policies and Directorate-General for External Policies

49. Notes that the costs of delegations, joint parliamentary assemblies, ad hoc delegations and election observation missions outside the Union in 2014 were curbed from EUR 5 794 360 (2013) to 1 351 212 (2014) following the remarks made by Parliament in its above-mentioned discharge resolution for the financial year 2013 and as a result of a reduction in duty travel during the changeover from one parliamentary term to the next, when there were no delegation visits for several months; criticises the fact, nonetheless, that some of Parliament's missions were excessively expensive, especially where distant destinations were concerned; expects those costs to be further explained and reduced in the near future and calls for details of the cost of each mission to be published in the annual activity report;

50. Believes that thought should be given to how IT tools such as videoconferencing might be used to reduce the number of delegation visits;

51. Calls for the websites of the interparliamentary delegations to be developed and supplied with content as a matter of urgency; also considers it vital that, budget permitting, public meetings of the delegations should be broadcast live via web streaming, as parliamentary committee meetings are;

Directorate-General for Parliamentary Research Services

52. Recalls that the new Members' research service began to provide a dedicated research capability for individual Members through briefing publications across all major policy fields; points out that in its first full year of activity the research service generated over 450 publications, responded to 1 675 requests for research from Members and dealt with 745 similar requests from Parliament's other clients; notes that this facility grants access to a large amount of pertinent information that should significantly reduce recourse to external expertise, representing a considerable saving; calls for all briefings on topics in key areas to be translated into the official languages of the Member States;

53. Requests clearer definition of the tasks of the various service areas (research service, impact assessment) and that these areas of responsibility be made known to Members;

54. Requests that the Ex-Ante Impact Assessment Unit improve its visibility, via email, with respect to the excellent services it provides to committee members and rapporteurs as well as to its working methods; encourages the pursuit of training sessions for advisors and assistants to Members; demands a substantial improvement in the staff resources available in this area, as this will contribute significantly to enabling Parliament to participate as an equal partner in the decision-making process;

55. Welcomes the fact that there have so far been no complaints regarding one-sided impact assessments and calls on the unit to continue to ensure neutrality in this connection;

56. Urges DG EPRS to further differentiate its publications from the official positions of Parliament to avoid confusion in the public and media; welcomes the introduction of the disclaimer in all publications; calls on DG EPRS to make it more visible and not only on the back page, and to introduce additional features for an easy distinction with the official adopted positions of Parliament;

Directorate-General for Communication

57. Notes that VoteWatch received two grants (EUR 149 172 in 2012 and EUR 350 000 in 2013) for the co-financing of specific projects related to the European elections; requests an added value assessment of those projects;

58. Is concerned at the lack of actual results from Parliament's communication activities, considering the ever decreasing turn-out during European elections, as well as the general lack of knowledge in society about the role of Parliament and its activities;

59. Criticises the presentation of statistical data on explanations of vote, speeches in plenary, parliamentary questions, amendments, motions for resolutions, written questions to the President of the European Council, the Council, the Commission or the Vice-President of the Commission/High Representative of the Union for Foreign Affairs and Security Policy on the Parliament website, which appear designed to prove which Members of the Parliament are supposedly 'active' on platforms such as MEPRanking; calls on Parliament to stop providing the raw numbers in a statistical form and to take into account more suitable criteria to identify a Member as 'active';

60. Notes that DG COMM is extremely vocal in calling for a reduction in expenditure and a greater stress on efficiency; calls for greater emphasis on the effective rather than costly deployment of information and communication technologies (ICT); notes that despite the large sums spent on the Parliament website, it remains complex, difficult to navigate and fails to generate the desired visibility; advises a review of the marketing strategy; stresses that a transparent and accessible website is key to the involvement of citizens;

61. Calls for a new and efficient Parliament website search engine, which provides both strong search engine optimisation and a fully comprehensive search engine results page alongside a dedicated effort to enhance access to the site by means of improved keyword recognition; recommends intense inter-institutional cooperation to connect all the website databases of Union institutions; notes that this will ensure greater transparency of Union activities for all citizens;

House of European History

62. Is disappointed to learn that the works on the Eastman Building, which will provide the premises for the House of European History, has continued to accumulate delays; calls for a communications plan/ promotion and website projects/marketing plan that will detail how the House of European History is to achieve the desired level of impact;

63. Recalls that the works should have been completed by the end of 2014; expects the initially agreed global budget for the construction of the project to be respected, despite the delays, and the first exhibition to open at the end of 2016;

64. Calls for a strict separation with the contents of information provided in the already-existing Parlamentarium; warns again of the risk of overly high subsequent costs, which are by no means proportionate to the commission of the facility;

European Parliament Visitors' Centre

65. Welcomes the fact that the Parlamentarium is one of the most visited tourist attractions in Brussels and received 340 500 visitors in 2014 (in 2013 it was 337 000 visitors); stresses the importance of informing the Belgian authorities of those figures and the benefits therein;

66. Is concerned that the budget line for the European Parliament Visitors' Centre increased by 24 % over the previous year in comparison with the visitors increase which was only 1 %;

67. Recommends that the Member State in which the Parliamentarium facilities are established partly finance their establishment and running costs;

Lux Prize

68. Notes that the expenditure on the LUX Film Prize itself in 2014 amounted to EUR 391 506, which is significantly reduced from previous years (2013: EUR 448 000; 2012: EUR 434 421) and which covered the official selection, the competition including subtitling into the Union's 24 official languages and prints for screenings in the 28 Member States, and the awards ceremony; Recalls that advertising and promoting the LUX Film Prize, together with the Sakharov prize and women's rights, aims to illustrate Parliament's commitment to consensual values such as human rights and solidarity, as well as its commitment to cultural and linguistic diversity; regrets the fact that the results of a survey on awareness and impact of the LUX-Prize, requested in the 2013 discharge report, is not yet available; calls for the results of this study to be available to the public by mid-May 2016 and an official presentation of the results to be made to its Committee on Budgetary Control and its Committee on Culture and Education;

Directorate-General for Personnel

69. Takes note that in 2014, 309 officials and other temporary staff were recruited to the Secretariat and 8 temporary staff to the political groups; takes note that, as at 31 December 2014, a total of 6 040 officials and temporary staff were employed within Parliament (5 295 in the Secretariat and 745 in the political groups); stresses that, for 2013, those figures were, respectively: 6 105 (total), 5 308 (Secretariat) and 797 (political groups);

70. Asks for clearer qualification requirements for staff particularly in sensitive functions such as, for instance, in the committee secretariats or the department for *ex ante* impact assessments; requests the review of specific requirements with respect to staff's ideological and political neutrality; requests that Parliament be presented with criteria for staff selection;

71. Points out that 114 former interim staff members for the Strasbourg plenary sessions were recruited in 2014 by Parliament as contract agents; underlines that the judgement by a French court on these '*intérimaires*' in itself cannot justify the decision to recruit them under the staff regulations;

72. Stresses that in the context of the 2014 revision of the staff regulations and the current MFF as at 1 January 2014, 67 posts (66 permanent and 1 temporary) had been deleted from the establishment plan in order to achieve the reduction of 5 % of the number of posts over the period from 2013 to 2017, excluding political groups;

73. Points out that the increase in working hours from 37,5 to 40 hours a week under the revision of the staff regulations is the equivalent of over 350 extra posts and that this virtually offsets the staff cuts of 5 % over several years agreed as part of the reform of the staff regulations; calls on Parliament to present a transparent report with annual indications of planned reductions in posts and to take account of the increase in working time in so doing;

74. Notes that the proportion of female officials remains very high and had risen to 59,2 % at the end of 2014, compared to 58,8 % at the end of 2013; is concerned at the lack of parity in the administration, where only 30 % of heads of unit, 34 % of directors and 18,2 % of directors-general are women; calls for an equal opportunities programme to be introduced, in particular for managerial posts, with a view to redressing this imbalance as quickly as possible; recalls that one out of eight directors and 9 out of 31 heads of unit who were recruited in 2014 were women; is of the opinion that the recruitment procedure should be balanced; reiterates its call for the need of a more balanced representation of women in senior managerial positions;

75. Regrets the fact that Parliament has not yet published information on an annual basis about senior officials who have left Parliament's administration, as well as a list of the cases of potential conflicts of interest that have been addressed, as required by Article 16, paragraph 4 of the Staff Regulations;

76. Takes note that at the end of 2014 there were 1 686 (2013: 1 763) APAs working at Parliament and 4 453 local assistants had an employment contract with a Member;

77. Voices its concern at the fact that the number of local assistants employed varies widely from Member to Member, ranging from 0 to 46 in 2014 as against 0 to 43 in 2013; draws attention to the fact that 91 Members employed more than 10 assistants in 2014 as against 84 in 2013;

78. Welcomes the fact that the Bureau adopted on 26 October 2015 a new set of rules for the management of the parliamentary assistance allowances, reinforcing the requirements for the reimbursement of local assistant contracts, namely by earmarking at least 25 % of the parliamentary assistance allowance to cover expenditure on accredited assistants;

79. Notes that APAs made up 26,7 % of Parliament staff at the end of 2014; recalls that the contracts of some 1 700 APAs employed during the seventh parliamentary term came to an end in July 2014 and a major operation undertaken by the Directorate-General for Personnel for the recruitment of 1 686 APAs was drawn up before the end of 2014 to work with Members during the eighth parliamentary term;

80. Emphasises that subsistence allowances received by APAs travelling to Strasbourg are at least 21 % lower than those of other staff; deplores the fact that the Bureau has not responded to the request made by Parliament in paragraph 74 of its resolution of 29 April 2015; calls once again on the Bureau to take the necessary measures to remedy this inequality and bring APAs' allowances into line with those of other staff;

81. Deplores the fact that the Bureau has failed to take any action at all in response to paragraph 71 of Parliament's resolution of 29 April 2015; calls on the Bureau to take the necessary measures as a matter of urgency to ensure that the composition of the advisory committee on harassment and its prevention at the workplace responsible for APAs is balanced and that it includes at least two representatives of the APAs;

82. Notes with satisfaction the measures taken to organise the management of APAs' contracts in view of the start of the eighth parliamentary term, and in particular the smooth operation of the APA People application; considers, however, that more administrative staff should have been assigned to APAs' recruitment in certain areas to ensure greater speed and efficiency; points out that staffing and technical resources were insufficient to avoid delays in the signing of contracts for some assistants, interruption of contracts, and delays in the calculation of expenses and other allowances, and hence in the payment of salaries; acknowledges, nevertheless, that the process has improved significantly compared to 2009, while also noting that Parliament must persevere in its efforts to increase the speed and efficiency of its recruitment procedures;

83. Calls on the Secretary-General and the Bureau to look into and resolve problems in relation to APAs, for example delays in signing contracts at the beginning of the present parliamentary term, interruption of contracts, the implications of early European Parliament elections for minimum contribution periods, etc.; calls for APAs' representatives to be involved in the search for solutions;

84. Notes the progress made in adapting training courses to the specific needs of APAs; nevertheless considers it vital to make further progress in this direction, in particular as regards specific training, tailored timetables and intensive language courses, which are organised only during periods when most APAs have to take their annual leave; calls for account to be taken of the specific circumstances of APAs with regard to the timing of activities organised to increase well-being at work (mindfulness), lunchtime conferences, etc.;

85. Takes note of the report on the evaluation of the Statute for parliamentary assistants drawn up by Parliament and submitted in July 2015; deplores the fact that the report goes no further in practice than to assess the results from the APA-People application and highlight certain problems the administration has encountered in implementing the provisions of the Statute and with the internal implementing rules; expresses its unhappiness and total disagreement with certain value judgements made in the second part of the report; hence considers the evaluation to have failed to achieve its objectives, except in the case of the APA-People application; calls on Parliament, as a result, to conduct a comprehensive and in-depth evaluation of the Statute and the implementing rules before the end of this year, with that evaluation also covering all those aspects of a legal nature causing difficulties, so that the foundations can be laid for improving, adjusting and reforming individual rules in the near future; calls also for the official representatives of the APAs to be involved in this process, especially bearing in mind the very positive role they played in the first review;

86. Asks that, in the interests of transparency, Parliament's annual report cover activities organised and financed by the Staff Committee from the institution's budget, detailing the types of activity, the expenses incurred and compliance with sound financial management;

87. Asks to be given the findings of the assessment of the APA People application for recruiting APAs that was introduced at the beginning of the present parliamentary term;

Directorate-General for Infrastructure and Logistics

88. Emphasises that the new medium-term buildings strategy will involve efforts to find new premises to meet Parliament's needs within a set perimeter close to the main buildings; stresses that the multiannual planning for renovation works should be based on realistic and detailed forecasts both with respect to their financial parameters and timescales; recalls that Parliament owns 81 % of all surface area it occupies and that the budget needs to be protected against the renovation costs for ageing buildings in what will be a major challenge facing Parliament in the coming years;

89. Points out that at its three places of work Parliament occupies premises with a total floor area of 1,1 million m^2; considers it of the utmost importance to establish measures to ensure that Parliament's buildings remain sustainable in the face of increasing maintenance costs;

90. Insists on absolute prudence before committing to new acquisitions or rentals and the need for regular monitoring and adjustment of the strategic accommodation plan, considers that concepts in the strategic execution framework should also provide the opportunity for the Parliament to reduce the need for new buildings as it drives the organisation to a greater focus on results and staff work-life balance; points out that commonly available technologies and practices such as teleworking could also contribute to a more efficient use of time and a more environmentally-friendly Parliament;

91. Notes that since June 2014, some 1 000 staff from DGs IPOL, EXPO and EPRS moved into the Square de Meeûs building; recalls that this move was the first key stage in the process of making additional space available to Members in Parliament's main buildings; wishes to be informed of Parliament's next steps, with a concrete timeline for when additional offices will be made available;

92. Calls on the administration to arrange facilities in the main Parliament buildings for the staff working in the Square de Meeûs, including a room to consult restricted access documents for Members;

93. Regrets that a cooperation agreement between Parliament and the Commission on joint management of Europe Houses was still not possible; urges the two institutions to find a mutually acceptable agreement setting out a framework for purchasing or leasing property and to simplify the administrative and financial procedures for the Europe Houses' day-to-day management; calls for the political hierarchy to intervene, if necessary;

94. Deems overdue a renovation of the Paul-Henri Spaak building, including an extension of the building and an expansion of the seminar rooms for visitors and offices spaces for Members of the Parliament; supports the administration's planning, but stresses that it must be conducted on the basis of the current number of Members and not on the numbers in a possible — and unrealistic — enlargement of the Union;

95. Demands concrete planning and cost projections for the renovation works; urges greater transparency and the participation of individual Members in decisions that have a decisive bearing on administrative and financial aspects of the institution; deems insufficient the information given and prior agreements concluded at the level of the Conference of Presidents and the Bureau; requests that all strategic documents on the organisation and future development of Parliament be distributed to all its Members;

96. Is concerned about the proposal to bring the drivers' service in-house and the resulting additional costs, which will mean an increase of more than 50 % in 2017 compared to 2016;

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

97. Notes that the calculation done by the Parliament shows that the average number of hours per week that staff interpreters spent in their booths in 2014 delivering interpretation services was 10,7 hours/week; notes however that the hours in the booth represent only a part of the interpreters' work, which also consists of meeting preparation, language learning and maintenance, on-call duty, subject-based and other specialised training; calls on the Secretary-General to provide indicators that measure all activities performed by the interpreters; deplores the spread in the delivery of interpretation assignments by individual interpreters between 6 and 16 hours per week on an annual average, leading to an unequal workload for interpreters; acknowledges that due to the elections, 2014 was not a typical year as concerns the volume of parliamentary activity;

98. Notes with concern that the calculation method with regard to statistics has not been clarified and calls on the administration to better communicate its processes on the relevant representatives of the interpreters;

99. Calls on the administration to exclude leave and sick leave when calculating the average number of hours spent by interpreters in the booth;

100. Reiterates the importance of multilingualism for the democratic legitimacy of the institution; welcomes the fact that as a result of the resource-efficient multilingualism policy adopted by the Bureau in 2011 and of subsequent organisational reforms, savings in expenditure on the budget lines dedicated to interpretation have been achieved; requests that the working conditions should contain safeguards designed to protect both quality of interpretation and interpreters' health; while also addressing the needs resulting from the changed patterns of Parliamentary work and an efficient use of resources; calls on the Secretary-General to continue his efforts in working closely with the interpreters;

101. Insists that efficiency gains are still possible in the supply of interpretation, notably by enhancing the efficiency of a service currently hampered by rules dating from 2005 that are no longer compatible with the current meeting patterns of the institution; requests an examination of whether efficiency gains can also be achieved in the administrative support units of DG INTE;

102. Requests a review to evaluate whether an appropriate number of internal interpreters is also guaranteed during the core business days of Parliament;

103. Calls on the Directorate-General for Interpretation and Conferences to take all the necessary management measures to improve the IT tools and technical support for interpreters to match those of the Commission, to increase productivity in terms of interpretation assignments, to realign interpretation workloads of individual interpreters, to ensure that staff interpreters are present and available during Parliament's core business days, whilst fully respecting their social rights; finally requests the Secretary-General to present a new concept with the aim of an efficient and cost effective use of staff, the concept should also be based on an agreement with the interpreters;

104. Takes the view that improving the provision of interpreting services, in particular together with the Commission within the framework of institutional cooperation, would help ensure that these services are used more efficiently;

105. Is concerned by the fact that responsibility for meeting organisation and conference management is scattered across different DGs;

Directorate-General for Finance

Travel agency

106. Welcomes that DG FINS's instructions to the travel agency to look for best prices are being implemented effectively; further encourages the travel agency to intensify comparison and try to reach agreements with major airlines for more flexibility and more economical prices while ensuring the possibility to have modifications and cancellations to travel arrangements; calls on the travel agency to actively seek less expensive tickets and offers when booking and, in general, to offer more competitive prices taking all airlines into consideration; calls DG FINS to elaborate a survey among users on the level of service satisfaction with the travel agency in order to identify further areas of improvement;

107. Takes note of the difficulties of dealing with requests of travel arrangements for an institution of the size and duties of Parliament and with the particularities (flexibility, last minute cancellations) inherent to the nature of its work;

108. Calls DG FINS in close cooperation with DG SAFE and DG COMM to re-evaluate contingency plans for emergency situations to better address new security threats, in particular for missions between the different sites of the institution;

Voluntary pension fund

109. Notes that the voluntary pension fund increased its estimated actuarial deficit, calculated on the basis of the assets of the fund, to EUR 270,3 million at the end of 2014 (in 2013: EUR 207,9 million); stresses that this raises concerns about the premature dissipation of the fund's capital;

110. Points out that the fund's projected future liabilities are spread over several decades; calls on the Bureau to consider options to improve the liquidity of the fund;

111. Calls for the results of the external assessment requested by Parliament in its above-mentioned discharge resolution for the financial year 2013 to be delivered without further delay; identifies the board of the voluntary pension fund as primarily responsible for the extent of the fund's deficit; calls for a sole concept for the private pension fund, to decrease the liabilities of this fund; calls on the Bureau to make a proposal for a comprehensive action plan to address Parliament's responsibilities immediately after the reception of the external assessment; estimates it necessary to decrease the retirement benefits for the participant members of the fund;

112. Calls on the Bureau to make an assessment of the current situation of the pension fund as soon as possible;

Parliamentary assistance

113. Welcomes the new, stricter rules applying to local assistants and service providers; notes that some of the points of the new rules remain vague and are a source of misinterpretation; calls on further clarification of these points, especially with regard to side activities of local assistants and service providers; stresses that both groups should be under very strict scrutiny;

114. Welcomes the creation of the Members' e-Portal; considers this to be a cost-efficient and effective tool for review of finances in line with the paperless policy pursued by Parliament; calls on the DG FINS to actively promote its usage amongst all MEPs;

Directorate-General for Innovation and Technological Support

115. Notes that Parliament's information security policy requires a coordinated and harmonised corporate security strategy;

116. Calls for stronger information security systems for protecting information from unauthorised access whilst ensuring disclosure, as well as from disruption, modification or destruction, in order to provide integrity, confidentiality and availability;

117. Calls for the creation of an emergency rapid alert system which allows DG ITEC in collaboration with DG SAFE to send swift communications by SMS or email to Members and staff that opt to be part of such a communication list to be used in specific security emergency situations;

118. Takes note that an external ICT audit was carried out by an independent third party as requested during the 2013 discharge; further notes that the objective of this audit was to assess Parliament's ICT security capabilities and its systems' potential exposure to cyber threats, with a view to developing an ICT security improvement plan including a suggested roadmap to enhance Parliament's global security level; calls for a cybersecurity regulation to guarantee that Parliament be able to protect its information systems effectively and ensure the safety and security of Members in the face of cyberattacks;

119. Is concerned that the assessment of Parliament's ICT security organisation, maturity and capabilities carried out according to the ISO 27002:2013 standards and international best practices showed a relatively weak level of maturity of organisational security;

120. Calls for regular stress-testing of the Parliament's security systems in the domain of ICT;

121. Notes that the Bureau adopted an ICT systems security policy in its meeting on 7 September 2015; stresses the urgency of implementing a considerably more robust ICT security policy in line with Parliament's roadmap for a global information security strategy;

Directorate-General for Security and Safety

122. Takes note that the internalisation of security services was completed in Brussels on December 2014 and in Strasbourg on 1 July 2015 following the adoption of a global security concept; stresses that further security measures and an urgent revision of the global security concept as adopted by the Bureau in 2011 should take place in view of the recent security context;

123. Expresses concern with regard to the different approaches taken by the Brussels and Strasbourg authorities concerning the security of parliamentary premises; considers it indispensable to work closely with the Belgian, French and Luxembourg authorities to enhance the security perimeter around the Parliament's buildings;

124. Calls for effective screening of all security staff with a view to ensuring their aptitude for the completion of their tasks in terms both of reliability and levels of professional competence;

125. Insists that reinforcing the security of the Parliament's buildings and their immediate surroundings be given the highest priority; considers it necessary to ensure appropriate equipment and working conditions for security staff in view of the current security situation;

126. Calls for a revision of building security measures and for greater control at the entrance to the Parliament's carparks by means of automatic number plate recognition; demands the implementation of a central external control point to check all outside providers entering the Parliament's buildings;

127. Recalls the incidents regarding thefts occurring in MEP's offices; calls on DG INLO and DG SAFE to ensure greater security and transparency in regard to contractors and maintenance staff having access to offices;

128. Considers it fundamental to have robust pre-employment screening, binding procedures regulating the departure of staff, appropriate security management structures and adequate crisis management training;

129. Recalls the incident on 7 October 2014 involving Kurdish protesters; calls for a comprehensive and confidential assessment of the Parliament's security services to be performed; welcomes, as a first step, that a high-level group comprising representatives of the Parliament, the Commission, the Council and the Belgian state has been established to enhance cooperation in the security domain; calls for further cooperation with national and international security services;

130. Insists on the need for greater levels of cooperation between DG SAFE and DG ITEC, with a view to ensuring the appropriate level of protection of information and communication in the Parliament;

131. Notes that Union institutions and bodies, when addressing today the security and anti-terrorist challenges, display segregated resources, different rules and diverse equipment, which are not compatible; considers that this situation not only implies the weak management of resources within the respective administrations (the annual budget for security-related expenditure for the Commission and Parliament is around EUR 40 million each, with Council having around EUR 15 million and the European External Action Service (EEAS) having more than EUR 5 million for the security of their headquarters in Brussels alone) but also could increase the vulnerability of the Union institutions;

132. Is concerned about the current security environment where a severe terrorist threat is extended across Europe and beyond, notably since the coordinated attacks in Brussels and Paris and the foiled attack in the Thalys train; calls on all Union institutions to proactively promote reinforced cooperation amongst themselves, as well as with the national authorities of the host countries where they are based, have offices or delegations, or carry out their tasks;

133. Urges the Secretary-General, as well as the respective administrative authorities of the Commission, the Council, the EEAS and the parliamentary committees to explore the possible grounds for a Common Interinstitutional Security Policy including an action plan to develop common elements such as risk assessment assets and methodologies, personnel and means for the protection of the respective political authorities and VIP guests, training syllabus and resources for security staff, access control equipment and technologies, cybersecurity and communications security, as well as specialised resource management, which should be in synergy with the competent authorities of the host countries of the Union's main sites, external offices and delegations;

Environment-friendly Parliament

134. Welcomes the encouraging findings of the audit carried out in 2013 and 2014 by the Court of Auditors, which stated that, of the 14 European institutions audited, Parliament had the most ambitious strategy for cutting carbon emissions;

135. Draws attention to the fact that videoconferencing and teleworking can help to ensure more efficient use of time in a more environment-friendly Parliament, and at the same time to reduce administrative and travel costs;

136. Highlights the need to implement Green public procurement for all contracts and calls for tenders; calls for ambitious binding targets for green contracts, notably in the areas of food and catering, vehicles and transport, sanitary and water equipment, paper, waste management, IT and imaging equipment, lighting, cleaning, and furniture;

Green public procurement and EMAS

137. Calls on the Secretary-General to design a plan to reduce the number of trunks available for parliamentary travels; suggests that a 'canteen on demand system' or a 'canteen sharing system' be introduced, thus reducing the costs in financial and carbon footprint terms;

138. Welcomes additional measures to offset unavoidable emissions; calls on Parliament to develop further CO_2 offsetting policies;

Political groups (budget item 4 0 0)

139. Notes that in 2014, the appropriations entered under budget item 4 0 0, attributed to the political groups and non-attached Members, were used as follows:

Group	2014 first half-year					2014 second half-year				
	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 (2015)
EPP	11 147	7 813	11 311	101	7 649	8 772	7 744	6 485	74	9 960
S&D	7 956	4 619	8 415	106	4 160	7 663	4 194	6 435	84	5 422
ECR	2 128	1 053	2 731	128	450	2 886	457	1 745	60	1 598
ALDE	3 401	1 759	3 644	107	1 516	2 813	1 531	1 847	66	2 498
GUE/NGL	1 374	417	1 519	111	272	2 153	272	1 170	54	1 255
Greens/EFA	2 211	1 388	2 689	122	911	2 081	912	1 707	82	2 146
EFDD	1 229	1 137	1 544	126	822	2 002	827	1 164	58	1 287
Non-attached Members	753	441	715	95	92	1 238	92	566	46	533
Total	**30 200**	**18 626**	**32 567**		**15 872**	**29 608**	**16 030**	**21 118**		**29 442**

(*) all amounts in thousands EUR

European political parties and European political foundations

140. Notes that in 2014 the appropriations entered under budget item 4 0 2 were used as follows ([1]):

Party	Abbreviation	Own resources (*)	EP grant	Total revenue	EP grant as % of eligible expenditure (max. 85 %)	Revenue surplus (transfer to reserves) or loss
European People's Party	EPP	2 126	9 327	13 605	85	345
Party of European Socialists	PES	1 083	5 297	7 864	85	78
Alliance of Liberals and Democrats for Europe Party	ALDE	759	2 813	3 582	85	173
European Green Party	EGP	575	1 918	2 493	84	50

([1]) Source: PV BUR. 20.10.2014 (PE 538.295/BUR) and PV BUR. 20.10.2014 (PE 538.297/BUR) point 12.

Party	Abbreviation	Own resources (*)	EP grant	Total revenue	EP grant as % of eligible expenditure (max. 85 %)	Revenue surplus (transfer to reserves) or loss
Alliance of European Conservatives and Reformists	AECR	373	1 943	2 376	85	0
Party of the European Left	EL	282	1 219	1 501	85	54
European Democratic Party	EDP/PDE	123	565	730	85	13
EU Democrats	EUD	49	274	340	85	0
European Free Alliance	EFA	126	526	708	85	0
European Christian Political Movement	ECPM	73	388	475	85	4
European Alliance for Freedom	EAF	93	521	614	84	– 3
European Alliance of National Movements	AEMN	117	363	480	85	37
Movement for a Europe of Liberties and Democracy	MELD	124	635	941	85	5
Total		**5 903**	**25 789**	**35 709**	**85**	**756**

(*) all amounts in thousands EUR

141. Notes that in 2014 the appropriations entered under budget item 4 0 3 were used as follows ([1]):

Foundation	Abbreviation	Affiliated to party	Own resources (*)	EP grant	Total revenue	EP grant as % of eligible expenditure (max. 85 %)
Wilfried Martens Centre for European Studies	WMCES	EPP	831	4 203	5 034	85
Foundation for European Progressive Studies	FEPS	PES	636	3 087	3 723	85
European Liberal Forum	ELF	ALDE	169	941	1 110	85

([1]) Source: PV BUR. 20.10.2014 (PE 538.295/BUR) and PV BUR. 20.10.2014 (PE 538.297/BUR) point 12.

Foundation	Abbreviation	Affiliated to party	Own resources (*)	EP grant	Total revenue	EP grant as % of eligible expenditure (max. 85 %)
Green European Foundation	GEF	EGP	174	914	1 088	85
Transform Europe	TE	EL	111	587	698	85
Institute of European Democrats	IED	PDE	43	265	308	85
Centre Maurits Coppieters	CMC	EFA	48	216	264	85
New Direction — Foundation for European Reform	ND	AECR	195	915	1 110	85
European Foundation for Freedom	EFF	EAF	45	244	289	85
Organisation for European Interstate Cooperation	OEIC	EUD	21	135	156	85
Christian Political Foundation for Europe	CPFE	ECPM	37	187	224	85
Foundation for a Europe of Liberties and Democracy	FELD	MELD	62	271	333	85
Identités & Traditions européennes	ITE	AEMN	42	174	216	85
Total			**2 414**	**12 139**	**14 553**	**85**

(*) all amounts in thousands EUR.

DECISION (EU) 2016/1458 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2014, Section II — European Council and Council

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2014 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2014 (COM(2015) 377 – C8-0201/2015) ([2]),

— having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

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

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

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Constitutional Affairs (A8-0101/2016),

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 2014;

2. Sets out its observations in the resolution below;

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

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ L 51, 20.2.2014.
([2]) OJ C 377, 13.11.2015, p. 1.
([3]) OJ C 373, 5.11.2015, p. 1.
([4]) OJ C 377, 13.11.2015, p. 146.
([5]) OJ L 298, 26.10.2012, p. 1.

RESOLUTION (EU) 2016/1459 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

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 2014, 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 2014, Section II – European Council and Council,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Constitutional Affairs (A8-0101/2016),

A. whereas transparency and the scrutiny of public accounts are overarching democratic principles which also apply to the Union;

B. whereas the discharge procedure is part of the concept of representative democracy;

C. whereas, under the terms of Article 319 of the Treaty on the Functioning of the European Union (TFEU), the European Parliament has sole responsibility for granting discharge in respect of the implementation of the general budget of the European Union;

D. whereas the Council's budget is a section of the budget of the European Union;

E. whereas, under the terms of Article 319(2) TFEU, the Commission must submit to the European Parliament, at the latter's request, any necessary information concerning the execution of expenditure and the operation of financial control systems;

F. whereas following Article 335 TFEU each of the Union institutions has administrative autonomy, and according to Article 55 of Regulation (EU, Euratom) No 966/2012 ('Financial Regulation') the institutions are individually responsible for the implementation of the sections of the budget relating to them;

G. whereas without the necessary information, Parliament would not be in a position to make an informed decision on granting discharge;

H. whereas legal and academic experts agreed on Parliament's right to information at the European Parliament workshop on Parliament's right to grant discharge to the Council held on 27 September 2012;

1. Notes that on the basis of its audit work, the Court of Auditors concluded that the payments as a whole for the year ended on 31 December 2014 for administrative and other expenditure of the institutions and bodies were free from material error;

2. Takes note that in its 2014 annual report, the Court of Auditors observed that a small number of errors relating to the calculation of staff costs and some weaknesses in the management of family allowances were detected in respect of the audited topics for the European Council and the Council;

3. Calls on the European Council and the Council to improve the management of the identified weaknesses and to correct the errors observed by the Court;

4. Notes that in 2014, the European Council and the Council had an overall budget of EUR 534 200 000 (EUR 535 511 300 in 2013), with an implementation of 91,3 %; notes the increase of the utilisation rate in 2014;

5. Takes note of the decrease of EUR 1,3 million (– 0,2 %) in the Council's budget for 2014;

6. Continues to be concerned at the high underspending rate that covers almost all categories; reiterates its calls for the development of key performance indicators to improve the budgetary planning;

7. Is concerned at the very high number of appropriations being carried over from 2014 to 2015, particularly those on property, plant and equipment; firmly believes that the repeated trend of carrying over appropriations is against the principles of annuality and sound financial management of the Financial Regulation;

8. Finds that the Council's major transfers within budget lines could be avoided with better budgetary programming;

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

10. Insists that the Council must be accountable and transparent, as are the other institutions, and calls on the Council to join the Union transparency register;

11. Reiterates its call on the European Council and the Council to send Parliament their annual activity report with a comprehensive overview of all human resources available to both institutions, broken down by category, grade, sex, nationality and vocational training;

12. States that the annual reports of the Union institutions and agencies could play an important role in compliance regarding transparency, accountability and integrity; calls for the Union institutions and agencies to include a standard chapter on these components in their annual reports;

13. Considers it regrettable that the Council has still not adopted a code of conduct; is of the opinion that all the Union institutions and agencies should agree on a common code of conduct, which is indispensable to the transparency, accountability and integrity of those institutions; calls on those Union institutions and bodies which still do not have a code of conduct to develop such a document as soon as possible;

14. Calls on the Council to implement internal whistle-blowing rules without further delay;

15. Calls for a clear declaration of financial interests of the Members of the Council to be published on the internet;

16. Notes with concern that there are no integrity rules, conflicts of interest declarations and detailed biographical information for the President of the European Council and his cabinet members; further notes that there are no common integrity rules for national representatives in the Council; calls on the Council to put in place measures that will remedy the situation and to report on this to the discharge authority;

17. Welcomes the Council's draft regulation determining the emoluments of high-level Union public office holders and the savings planned under that regulation;

18. Calls on the Council to develop detailed anti-corruption guidelines and independent policies within its structures;

19. Notes with concern that there is a worrying lack of transparency with regard to the legislative process, negotiations, Member States' positions and meetings within Council; urges the Council to disclose the relevant documents and to put in place a clear reporting system that will enable the public to follow the legislative procedures in an open and transparent manner;

20. Is concerned at the lack of transparency of the trilogues and conciliation meetings; calls on the Council to systematically increase transparency and integrity with regard to the negotiations;

21. Acknowledges the results achieved by the inter-institutional agreement committee for translation and interpretation in settling a harmonised methodology which enables direct comparisons of the translation costs of all the institutions; welcomes the fact that the Council is providing data according to this methodology;

22. Stresses that one of the main financial objectives of the General Secretariat of the Council for 2014 — the delivery of the Europa building by the end of 2015 — was not achieved; regrets the delay and asks to be informed of the financial consequences of the postponement;

23. Reiterates its call for the Council's buildings policy to be attached to its annual activity report, especially given that it is important that the costs of such a policy be properly rationalised and not excessive;

Reasons for postponement of the decision on granting discharge

24. Reiterates that the Council ought to be transparent and fully accountable to Union citizens for the funds entrusted to it by taking part fully and in good faith in the annual discharge procedure just as other Union institutions do; considers, in this regard, that effective supervision of the Union's budget implementation requires cooperation between Parliament and the Council through a working arrangement; regrets the difficulties encountered in the discharge procedure to date; stresses the need to improve the capacity for dialogue between the two institutions in order to find a solution as soon as possible that will enable compliance with the Treaties' mandate and accountability to citizens;

25. Notes that the procedure of giving discharge separately to the individual Union institutions and bodies is a long-standing practice, which it has developed to guarantee transparency and democratic accountability towards Union taxpayers; underlines that this effectively guarantees Parliament's right and duty to scrutinise the whole of the Union budget;

26. Notes further that the Commission, in its letter of 23 January 2014, expressed the view that all institutions are fully part of the follow-up process to the observations made by Parliament in the discharge exercise and that all institutions should cooperate to ensure the smooth functioning of the discharge procedure in full respect of the relevant provisions in the TFEU and in the relevant secondary law;

27. Emphasises that the Commission also states in its letter that it will not oversee the implementation of the budgets of other institutions and that giving a response to questions addressed to another institution would infringe the autonomy of that institution to implement its own section of the budget;

28. Recalls that each of the institutions, as defined in Article 2(b) of the Financial Regulation, has autonomy to implement its own section of the budget pursuant to Article 55 of that Regulation; affirms that, according to the practice and the interpretation of the current rules, and in order to maintain transparency and democratic accountability towards Union taxpayers, Parliament grants discharge to each institution individually;

29. Underlines the Parliament's power to grant discharge pursuant to Articles 316, 317 and 319 TFEU and Articles 55 and 164 to 167 of the Financial Regulation; considers that those provisions are a sufficient legal basis for the exercise by the Parliament of its right to take a separate discharge decision regarding the Council, in addition to its right to grant discharge to the Commission; affirms that granting or not granting discharge is a Parliament's right and a duty Parliament has towards Union citizens;

30. Emphasises that since 2009, the Council has refused to cooperate with the discharge procedure as implemented by Parliament, failing to provide the necessary information, answer written questions and attend hearings and debates on the implementation of its own budget, and that, as a result, more than EUR 3 billion in public funds have been spent without proper scrutiny; considers this to be a negative sign sent to Union citizens;

31. Reiterates that without the cooperation of the Council, Parliament is not in a position to make an informed decision on granting discharge;

32. Takes the view that this constitutes a serious failure to comply with the obligations laid down by the Treaties, in particular the principle of sincere cooperation between the institutions, and that a solution must be found quickly so that the whole of the Union budget can be scrutinised; in this respect refers also to Article 15 TFEU, which stipulates that each Union institution, body, office or agency shall ensure that its proceedings are transparent;

33. Reiterates that it is only possible to implement effective budgetary control if there is cooperation between Parliament and the Council, the main elements of which must comprise formal meetings between representatives of the Council and Parliament's Committee on Budgetary Control, answering questions asked by the committee's members on the basis of a written questionnaire and submitting documents to serve as background material for budgetary controls on request;

34. Recalls that Parliament grants discharge to the other institutions after considering the documents provided and the replies given to its questions; regrets that Parliament repeatedly encounters problems in receiving answers from the Council;

35. Takes note of the letter from the Secretary-General of the Council in response to the invitation of Parliament's Committee on Budgetary Control to attend an exchange of views on 11 January 2016; stresses that the letter does not reply to the invitation, nor to the written questionnaire sent to the General Secretariat of the Council on 25 November 2015 with questions from Members of Parliament, but simply reiterates the Council position on the exchange of financial information already expressed in the past;

36. Believes that the discharge procedure is an important instrument of democratic accountability to the citizens of the Union;

37. Calls on the Council to enter into negotiations with Parliament with a view to ensuring that the latter can exercise its right of access to information concerning the implementation of the Council's budget; believes that this entails an obligation by the Council to deliver the requested information;

38. Regrets the fact that not all the Union institutions respect the same standards in relation to transparency and believes that the Council should make improvements in that regard;

39. Takes the view that, while in the meantime the situation could be improved with better cooperation between Union institutions inside the Treaties framework, a revision of the Treaties may ultimately be required in order to render the discharge procedure more clear, in the sense that Parliament is tasked expressly with the competence to grant discharge to all institutions and bodies individually;

40. Calls on the Commission to amend the Financial Regulation to clarify the objectives of the discharge procedure and to clearly define sanctions for not respecting the regulations; highlights that this should be done in order to hold the Union institutions accountable with the aim of protecting the financial interests of the Union citizens; stresses that there should be no exceptions.

DECISION (EU, EURATOM) 2016/1460 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2014, Section III — Commission

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2014 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2014 (COM(2015) 377 — C8-0199/2015) ([2]),

— having regard to the Commission's report on the follow-up to the discharge for the 2013 financial year (COM(2015) 505), and to the accompanying Commission staff working documents (SWD(2015) 194, SWD(2015) 195),

— having regard to the Commission communication of 3 June 2015 entitled 'Synthesis of the Commission's management achievements in 2014' (COM(2015) 279), and to the accompanying Annexes,

— having regard to the Commission's annual evaluation report on the Union's finances based on the results achieved (COM(2015) 313) and to the accompanying Commission staff working documents (SWD(2015) 124, SWD(2015) 125),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2014 (COM(2015) 441), and to the accompanying Commission staff working document (SWD(2015) 170),

— having regard to the Court of Auditors' annual report on the implementation of the budget for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2014 (05583/2016 — C8-0042/2016),

— having regard to the communication from the Commission of 8 October 2015 to the European Parliament, the Council and the Court of Auditors on Protection of the EU budget to end-2014 (COM(2015) 503),

— 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 51, 20.2.2014.
([2]) OJ C 377, 13.11.2015, p. 1.
([3]) OJ C 373, 10.11.2015, p. 1.
([4]) OJ C 377, 13.11.2015, p. 146.

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 [1] and in particular Articles 62, 164, 165 and 166 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A8-0140/2016),

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 2014;

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 2014, Section III — Commission and executive agencies, and in its resolution of 28 April 2016 on the Court of Auditors' special reports in the context of the Commission discharge for the financial year 2014 [2];

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 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

[1] OJ L 298, 26.10.2012, p. 1.
[2] Texts adopted of that date, P8_TA(2016)0148 (see page 91 of this Official Journal).

RESOLUTION (EU, EURATOM) 2016/1461 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

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 2014, 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 2014, 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 2014,

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

— having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A8-0140/2016),

A. whereas Union spending contributes significantly to achieving policy objectives and represents on average 1,9 % of Union Member States' public expenditures, however in some particular cases well over 10 %;

B. whereas when the Parliament grants discharge to the Commission it verifies, on the one hand, whether funds have been spent legally and regularly, and on the other hand, whether policy goals have been achieved, appropriate results reached and the principles of sound financial management and a 'performance culture' respected;

C. whereas the 2014 discharge procedure covers a year in which two programming periods coincide and that in many cases recorded spending is related to the 2007-2013 programming period;

D. whereas the main 2014 Commission discharge priorities are the following ones:

(a) adoption of a strengthened performance-based and result-oriented approach to contribute to a balance between its traditional way and implementation of new elements reflecting the current and future needs for Union finance;

(b) focus on 2014 as the first year of a new programming period introduced with important results-orientated elements;

(c) outline some improvement in data availability and disposability to assess real benefits;

(d) include in the discharge process some evaluation of the quality of the regulatory framework for the allocation of Union budget expenditure;

(e) approach the discharge process not exclusively as it is related to the particular year, but as a continuous process; of which follow-up constitutes a substantial part;

(f) approach the discharge process from the perspective of the close relationship between the Union budget and the new Union macroeconomic policy paradigm [1], keeping in mind the genuine aim of the Union budget to contribute to achievement of Union sectoral policy goals;

(g) approach the discharge process as an important platform for policy recommendations to be applied and implemented in Union financing;

[1] Europe 2020 Strategy; European Semester; 'Six-Pack', 'Two-Pack'; country-specific recommendations (CSRs) among others; close compliance with the CSRs as a benchmark for effective EU budget expenditure allocation could be the way.

E. whereas the new aspects of the 2014-2020 new Multiannual Financial Framework (MFF) that are relevant for the 2014 Commission discharge are:

(a) thematic concentration — Union funding should support only priority areas, not everything; priorities should be precisely defined and backed by quantitative analysis and feasible plans to achieve them, where appropriate; the set of priorities should be sharply limited; priorities should be covered by substantial funding to reach real results and benefits;

(b) an integrated and place-based approach and synergies — programmes and projects should bring not only their own results and benefits, but the results and benefits should complement those of other programmes and projects through synergies while respecting the subsidiarity and proportionality principle; synergies should be achieved within a given territorial area; for that system to function, it is important to create a management matrix to create appropriate conditions for integrated projects;

(c) conditionalities and performance reserve — sound financial management principles are based on the fact that Union funding is allocated in appropriate national fiscal, macroeconomic and institutional circumstances that serve as a precondition for funding itself; on the other hand, as a bonus for good performers, a performance reserve has been introduced;

(d) simplification — the system of Union funding is extraordinarily complicated in several ways, which presents an impediment to effective management and to measuring real results and benefits;

(e) better quantified results — it is important to measure effectively the results that have been achieved and to draw policy lessons from these observations; it is therefore crucial to improve benchmarking and systems for data analysis and also for management to focus on such data and on other indicators of improvement;

F. whereas the Commission is ultimately responsible for the implementation of the Union budget while the Member States have a duty of sincere cooperation with the Commission to ensure that the appropriations are used in accordance with the principles of sound financial management; whereas Member States, especially in the context of a shared management of funds, have a special responsibility for implementing the Union budget;

G. whereas it is crucial that, where a shared management of funds is concerned, the data communicated by the Member States are fair and accurate; whereas it is crucial that Member States understand their own responsibility for the management of Union funds under shared management;

A. **GENERAL CHAPTERS**

Commission commitments with regard to discharge priorities

1. Recalls that pursuant to Article 319(3) of the Treaty on the Functioning of the European Union: 'The Commission shall take all appropriate steps to act on the observations in the decisions giving discharge and on other observations by the European Parliament relating to the execution of expenditure, as well as on comments accompanying the recommendations on discharge adopted by the Council';

2. Regrets that the Commission's answers remain ambiguous in a number of respects;

3. Notes the Commission proposal amending Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council [1], as regards the secretariat of the Supervisory Committee of the European Anti-Fraud Office (OLAF);

4. Calls again on the Commission to submit a communication to the Parliament in time for the mid-term review of the MFF with proposals on how the new and potential challenges requiring Union budgetary support could be met and explaining how it will in future reconcile long-term political objectives (such as the Europe 2020 Strategy) with the future, post-2020, MFF;

5. Reminds the Commission that the Court of Auditors ('the Court') has been asking for the establishment of a long-term cash flow plan for several years; calls on the Commission to submit such a plan before the end of 2016;

[1] Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1).

6. Calls on the Commission to revise the Code of Conduct for Commissioners in light of demands made in the 2014 Commission discharge resolution in time for the 2015 Commission discharge procedure;

7. Urges the Commission not to adopt the new framework for Commission expert groups until a meeting of Vice-President Timmermans, the European Ombudsman, key Members of Parliament and civil society has taken place to discuss the final issues concerning both the contents of the new horizontal rules and their implementation;

8. Calls on the Commission to instruct its directorates general to publish all country-specific recommendations they have issued in the context of the European Semester in their respective annual activity reports;

Strategy and mission: continuity and innovation

9. Notes the need to respect the existing discharge principles and new aspects and principles in the latest MFF; notes therefore the need for an innovative approach to evaluate the first year of the MFF and to adjust the approach to the discharge better to the changed needs and requirements in the Union budget;

10. Considers that the main innovation in the discharge's content should consist in striking an improved balance between on the one hand the formal and procedural matters of the Union budget's utilisation, and on the other performance-based and results-oriented approaches, while taking into account absorption capacity utilisation;

11. Underlines that in the past, the discharge procedure primarily verified the legality and regularity of financial transactions; believes, in the context of the Commission initiative 'An EU budget focused on results', that more emphasis should also be given in future, beyond the above verifications, to examining whether the results achieved by projects and programmes match the intended objectives;

12. Notes that the discharge strives to create a common approach to the particular elements of Union budgetary policy, especially those that have been newly introduced, namely the performance aspects and the aspects related to the preventive and corrective capacity of supervisory and control systems;

13. Considers that a results-oriented budget requires strong, solid and commonly agreed indicators; notes, however, that these indicators still need to be agreed with the co-legislators, the Commission and through extensive consultation with Member States' authorities and other stakeholders. Welcomes in this sense the establishment of the inter-institutional working group on performance-based budgeting of results-oriented budget that has only recently started its work; encourages all parties involved to accelerate its work while ensuring that a high quality set of indicators is agreed;

14. Underlines that the main objective of the Union budget is to benefit Union citizens and, in parallel, to protect the Union's financial interests and comply with the obligations and objectives laid down in the Treaties; the benefits consist in support oriented towards development and current priorities compatible with the economic policy context and economic performance, also taking into account the necessary flexibility to cope with new situations that may arise and with emergencies; the protection of Union financial interests requires the correct utilisation of expenditures in line with rules and without errors or fraud. The discharge approach should contribute to reaching a balance between these elements;

15. Further underlines the Commission's obligation to ensure the correct application of Union law pursuant to Article 17(1) TEU and asks the Court to prepare a special report on whether the Commission has made good use of its powers in supporting and controlling Member States when implementing Union law;

Getting results from the Union budget

16. Notes that the key principle for the 2014 Commission discharge is the soundness of financial flows and real programmes and projects behind them, in light of an assessment of the optimal utilisation of Union funds in all respects;

17. Welcomes the fact that the structure and content of the Court2014 annual report follows the headings of the MFF and places greater emphasis on performance and results; appreciates that the shared management chapters of the report include, as a pilot exercise, the preliminary results of performance assessments of programmes;

18. Is aware that the move to an increased level of performance auditing cannot be done in a single step, as it is only once the basic legal acts and the budget are drafted with the intention to align policy objectives with qualitative indicators or to produce measurable results that performance audits can move forward;

19. Believes in this context that the MFF represents an important step forward by introducing *ex ante* conditionalities, performance reserves, and more possibilities for simplification and synergies between funds;

20. Points out that since the periods covered by the Union's 10-year strategy and its seven-year budgetary period are not aligned, the Commission's ability to monitor the contribution of the Union budget to the Europe 2020 Strategy is limited for the first half of the strategy period, albeit that all the data necessary for performing annual checks are available;

21. Points out, nevertheless, that the objectives and the budget for results must be geared to the objectives laid down in the Treaties, the Europe 2020 Strategy and sectoral and cohesion policies and must be sufficiently flexible so that it can be adapted to emergency situations that may arise, such as the economic crisis and/or the refugee crisis;

22. Notes that 2014 was a zero year of absorption for some programmes, funds and instruments of the 2014-2020 MFF due to the late adoption of the relevant regulations and the resulting late approval of secondary legislation and programming documents;

23. Recalls that the 2014-2020 MFF is the first to make fewer budgetary means available than its predecessors and that pressure on the payment ceilings is much greater than in previous MFFs;

24. Recalls that in its resolutions [1] accompanying the discharge decisions, the Parliament has since 2013 asked the Commission to focus its implementation of Article 318 of the Treaty on the Functioning of the European Union (TFEU) — concerning its evaluation report — on the implementation of the Union's 10-year growth and jobs strategy and its real performance and results; welcomes the fact that the Court has chosen to focus Chapter 3 of its 2014 annual report on the Europe 2020 Strategy and asks the Court to continue and to develop this performance- and results-oriented approach;

25. Stresses that the architecture of the Europe 2020 Strategy is extremely complex (comprising five headline targets, seven flagships initiatives and 11 thematic objectives for the European Structural and Investment Funds (ESIFs)); notes that those various tools are not designed to translate the political objectives of the strategy into practical operational objectives, by means of synergies;

26. Regrets that despite some progress mentioned by the Court in its 2014 annual report [2], the Commission has so far only reported on the contribution of the Union budget to achieving the objectives of the Europe 2020 Strategy (in accordance with Article 318 TFEU) in an evaluation report in a limited way; points out that the 2007-2013 MFF does not require comprehensive reporting on the Union budget contribution to the Europe 2020 Strategy objectives as was intended prior its adoption;

27. Welcomes the fact that some elements of an effective monitoring and reporting system are in place, in particular as regards the statistical tools created by Eurostat, but regrets that the Commission's review of the Europe 2020 Strategy has been delayed until early 2016 and that the results of public consultation on the Europe 2020 Strategy do not provide any substantial feedback for the role of Union funding;

28. Deplores the fact that high-level Europe 2020 Strategy targets are not systematically translated into operational objectives in partnership agreements and programmes; notes that current legislation does not require the European Agricultural Funds for Rural Development (EAFRD) and European Maritime and Fisheries Fund (EMFF) to be structured around thematic objectives;

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[1] European Parliament Resolution of 17 April 2013 with observations forming an integral part of the decisions on Discharge in respect of the implementation of the general budget of the Union for the financial year 2011, Section III Commission and executive agencies (OJ L 308, 16.11.2013, p. 27), paragraph 328; European Parliament Resolution of 3 April 2014 concerning discharge for the financial year 2012 (OJ L 266, 5.9.2014, p. 32) paragraphs 314 and 315; European Parliament Resolution of 29 April 2015 concerning discharge for the financial year 2013 (OJ L 255, 30.9.2015, p. 27) paragraph 305.

[2] 2014 Court's annual report, point 3.10.

29. Points out, as acknowledged by the Commission in its replies to the remarks made by the Court ([1]), that the Union's objectives are defined in the treaties and have to be pursued and respected (e.g. the common agricultural policy), and within this framework, the Union budget is allocated to the various activities and aligned as much as possible with the changing headline Union priorities (i.e. Lisbon strategy, Europe 2020 strategy);

30. Regrets that the potential benefits from achieving synergies between the five ESIFs by placing them under one umbrella of regulatory and management framework and one partnership agreement per Member State have not yet been realised and that different rules continue to apply at fund and thus at programme level; stresses that only carefully considered partnership agreements and programmes should be adopted in order to ensure an effective implementation of ESIFs;

31. Expects the Commission to report on the contribution of the Union budget to the achievement of Europe 2020 Strategy objectives; agrees that it is a challenging task to report consistently on the thematic objectives for all five ESIFs and hence on the contribution of these funds to the Europe 2020 Strategy; notes that the Commission must in 2017 deliver the first strategic report on the contribution to the Europe 2020 Strategy;

32. Underlines however that 3/4 of Structural Funds projects achieved their policy goals entirely or in parts and that only in 2 % of the cases none of the objectives set up in the operational programme or on the grant agreement were attained;

33. Observes that the Court has focused mainly on analysing consistency of Member States' partnership agreements with the Europe 2020 Strategy targets as a prerequisite for better performance; asks the Court to present information in its next annual report about translation of the Europe 2020 Strategy targets into expected achievements under other programmes and funds directly managed by the Commission;

34. Points out that the introduction of common performance indicators for each fund would be an important step, while regretting that:

(a) Member States are not required to include common indicators in their programmes, with the exception of the Youth Employment Initiative and EAFRD, and results-based assessments do not form part of the initial control stage in the Member States;

(b) except for two funds (the European Regional Development Fund (ERDF) and the Cohesion Fund (CF)), common indicators are not shared between different funds;

(c) milestones only exist for the performance framework whilst targets may lack ambition;

(d) the Commission continues to have limited capacity for performance monitoring and evaluation;

35. Takes note that according to the Court, there are inherent weaknesses in the performance framework of the common provisions regulation on ESIF ([2]), as poor results do not lead to the loss of the performance reserve for Member States and as the financial sanctions available to the Commission are limited; however, considers that before asking for sanctions a better system for performance measurement should be in place and potential sanctions should be preceded by a process of assisting Member States to improve performance;

36. Calls on the Commission to make fuller use of the scope afforded by existing legislation with regard to the performance reserve so as genuinely to create a financial incentive to improve financial management in practice; calls furthermore for greater use to be made of the performance reserve as an instrument to increase the element which is conditional on performance when the legislation is next revised ([3]);

([1]) 2014 Court's annual report, point 3.5.

([2]) Regulation (EU) No 1303/2013 of the European Parliament and 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, the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (OJ L 347, 20.12.2013, p. 320).

([3]) Court's annual report for 2014, point 3.65.

37. Takes note that the guidance given by the Commission's central services has improved in the annual reporting on performance by the directorates-general (DGs), but reiterates that the DGs' objectives are not fit for management purposes and that difficulties remain with indicators for monitoring performance; notes also that all the indicators put in place in the preceding years to measure the progress of the Europe 2020 Strategy reforms at both Union and national levels have been removed from the annual activity report of the Secretary General of the Commission in 2014 and been included instead in the management plans and annual activity reports of operational DGs;

38. Requests that the Commission consider making proposals with a view to:

(a) better aligning the MFF to the Europe 2020 strategy and proposing its revision if needed to better match the Europe 2020 Strategy;

(b) reflecting the high-level political goals of the Europe 2020 Strategy in Union-level objectives;

(c) making sure that partnership agreements and programmes translate the Union-level objectives into thematic objectives that can be linked to operational objectives at the level of the Member States or in the programmes directly managed by the Commission;

39. Asks the Commission to propose to the legislator that:

(a) Member States include in their partnership agreements and programmes a statement of the quantifiable results that the funding is intended to achieve, where appropriate;

(b) all partnership agreements and programmes include common results indicators, where possible shared by different funds, designed to monitor progress at the local, Member-State and Union level;

(c) the performance framework be based as far as possible on these common results indicators;

40. Asks the Commission to include in the next evaluation reports provided for in Article 318 TFEU an analysis of the efficiency, the effectiveness and the results achieved in terms of growth and jobs by the investment plan of EUR 315 billion announced by the President of the Commission Jean-Claude Juncker, on 26 November 2014 in the plenary session of the Parliament;

Follow-up of the 2013 Commission's discharge

41. Regrets that the overall error rate remained at almost the same level and that payments remained materially affected by error;

Chapter	2013		2014	
	Transactions	Error rate [1] (%)	Transactions /EUR	Error rate (%)
Revenue	55	0,0	55	0,0
Competitiveness, Research, Education, Transport, Other Programmes	160	4,0	166/13 billion	5,6
Cohesion	343	5,3	331/55,7 billion	5,7
Regional and urban policy area	168	6,4	161	6,1
Employment and social affairs policy	175	3,1	170	3,7
Natural resources	360	4,4	359/57,5 billion	3,6
EAGF — market and direct support	180	3,6	183	2,9

Chapter	2013		2014	
	Transactions	Error rate [1] (%)	Transactions /EUR	Error rate (%)
Rural development, environment, climate action and fisheries	180	7,0	176	6,2
Global Europe	182	2,1	172/7,4 billion	2,7
Administration	135	1,1	129/8,8 billion	0,5
Total	1 180	4,5	1 157/142,4 billion	4,4

[1] The figures for 2013 have been recalculated to match the structure of annual report 2014 and thus to enable a comparison between the two years.

42. Regrets that a lack of reliability of the first-level checks performed by the Member States in shared management and weaknesses in excluding ineligible land from the land parcel identification system (LPIS) still persist; points out that according to the Court's annual report for 2014, both the shared management areas and all other operational expenditure (which is mostly directly managed by the Commission) have an estimated error rate of 4,6 %; notes however that considerable remedial work had been carried out;

43. Notes with concern that implementation of the following recommendations and requirements in the 2013 Commission discharge is still pending:

(a) a sanction system if Member States transmit incorrect programme information and declarations and in the case of false or incorrect reporting by paying agencies including the three following dimensions, namely inspection statistics, statements by the paying agencies, and the work carried out by the certification bodies;

(b) publishing, where they have voluntarily decided to present them, not only the national declarations but also the annual summaries and management declarations, as 'confidential documents' where applicable, in order to give more insight into and achieve a real improvement in financial management; however it is still not clear how effective these measures will be considering the differences in Member States' structures and the political accountability of the different national authorities;

(c) analysis and information on the preliminary results achieved by the investment plan for Europe as announced by the President of the Commission, Jean-Claude Juncker, in November 2014 to the Parliament;

44. Notes with concern that only 20 recommendations were implemented fully, 26 recommendations are being implemented in most respects and 19 are being implemented in some respects out of 65 of the Court's recommendations made in years 2011-2012; calls on the Commission to adopt Parliament's recommendations and requirements and to continue implementing the Court's recommendations;

45. Stresses that from the point of view of the Parliament it is unsatisfactory when adversarial procedures end with the Commission and the Court drawing different conclusions; calls therefore on both institutions to avoid such an outcome;

46. Requests an action plan from the Commission with deadlines and objectives to strengthen the prevention of these recurrent errors;

Position of the Court: the Court's statement of assurance

47. Welcomes the fact that the Court gives a clean opinion on the reliability of the accounts for 2014, as it has done since 2007, and that the Court concluded that revenue was free from material error in 2014; notes also with satisfaction that the commitments underlying the accounts for the year ended 31 December 2014 are legal and regular in all material respects;

48. Notes that the overall results correspond generally with the Court's previous observations;

49. Deplores the fact that for 21 years in a row, payments have been materially affected by error due to the partial effectiveness of the supervisory and control systems;

50. Regrets that payments are affected by an error rate of most likely 4,4 %; recalls that the most likely error rate for payments was estimated in the financial year 2013 at 4,7 %, in the financial year 2012 at 4,8 % and in the financial year 2011 at 3,9 % ([1]); among particular items, the highest levels of error were identified in spending in favour of economic, social and territorial cohesion (5,7 %) and competitiveness for growth and jobs (5,6 %); on the other hand, administrative expenditures are connected with the lowest estimates of identified error (0,5 %);

51. Wonders whether the error rate for particular transactions is based on a comparable basis and therefore should serve as a comparable benchmark; notes that the error rate for cost reimbursement schemes (5,5 %) is based on cost eligibility in comparison with entitlement programmes (2,7 %), where it is based only on a necessity to meet a set of conditions;

52. Notes that if the corrective measures taken by the Member States and the Commission had not been applied to the payments audited by the Court, the overall estimated level of error would have been 5,5 % rather than 4,4 %; urges therefore the Commission, authorities in the Member States or independent auditors to use all information available to prevent, detect and correct possible errors;

53. Stresses that for the operational expenditure the estimated level of error for spending under shared management with the Member States amounts to 4,6 % (2013: 4,9 %) which remains at an very high level; is worried that for the other forms of operational spending where the Commission has a leading role, the estimated level of error has rocketed up to 4,6 % (2013: 3,7 %);

54. Notes that the Commission recognises that spending is affected by a material level of error, as it presents in its 2014 synthesis report the amount at risk as a range from EUR 3,7 to 5 billion which represents between 2,6 % and 3,5 % of payments; notes that the Commission estimates that it will in future years identify and correct errors for a total of approximately EUR 2,7 billion;

55. Endorses the Court's view that despite improvements in its analysis of the impact of corrective action, the Commission has not eliminated the risk that the impact of corrective actions is overstated or of limited relevance ([2]);

56. Is of the opinion that for more than three quarters of 2014 expenditure, Commission DGs base their estimates of the amount at risk on data provided by national authorities; notes that the Commission states in its synthesis report that the reliability of Member States control reports remains a challenge;

57. Notes the fact that for 12 Commission DGs, the estimated corrective capacity is higher than the estimated amount at risk, which reflects the multiannual nature of corrective systems;

58. Calls on the Commission to revise the method for calculating the corrective capacity in time for the 2015 discharge procedure;

59. Remarks that whenever the Commission has evidence of reduced absorption capacity in Member States, the Commission should assess all flexibility provisions of the MFF Regulation and in the first instance propose measures for overcoming insufficient absorption capacity before taking other actions;

([1]) According to the Court's annual report for 2014 the comparable estimated level of error for 2013 and 2012 are 0,2 and 0,3 percentage points lower because the Court has updated the way it quantifies serious infringement of public procurement rules.
([2]) Court's annual report 1.54 and 1.65.

60. Points out that more than two thirds of financial corrections recorded for cohesion in 2014 are cases where authorities in the Member States withdrew declared expenditure and replaced it with new expenditure; welcomes that such procedures are limited in the 2014-2020 programing period;

61. Asks the Commission in cooperation with the Member States to assess for each policy domain and for the Union budget as a whole, the level of error remaining after all corrective measures, taking into account the multiannual nature of programmes;

62. Calls on the Commission to apply strictly Article 32(5) of the new Financial Regulation if the level of error is persistently high, and consequently to identify the weaknesses in the control systems, analyse the costs and benefits of possible corrective measures and take or propose appropriate action in terms of simplification, improvement of control systems and redesign of programmes or delivery systems before the mid-term review of the 2014-2020 programming period;

63. Underscores the Court's observation that if the Commission, authorities in the Member States or independent audits had made use of all the information available to them, they should have been able to prevent, detect, or correct a significant proportion of the errors before these were made; expresses concern at the fact that the Commission has admitted that it takes at least 10 years to correct errors; points out that using all the information available might have reduced the level of error by 3,3 percentage points for both expenditure under regional and urban policy (6,1 %) and for rural development, the environment, climate action and fisheries (6,2 %); stresses that using all the information available might have reduced the level of error by 2,8 percentage points for competitiveness for growth and jobs, which are directly managed by the Commission;

64. Notes that in 2014, new emphasis was laid on results-oriented budgeting and analysis accompanied with a change in methodological approaches; in this context, underlines the need for a clear and transparent survey of the 2014 Union budget contribution to results achieved in connection with the Europe 2020 Strategy and sectoral policy objectives;

65. Notes also that the practice of the annual activity reports aims at allowing identification of the results brought by interventions, but it still looks rather to output than to results;

66. Endorses the reservations issued by the Director-General of DG REGIO in its annual activity report concerning the ERDF/Cohesion Fund management and control systems for the 2007-2013 programming period in 12 Member States (77 programmes) and ETC programmes; is of the opinion that those reservations demonstrate that the control procedures put in place in the Commission and the Member States cannot give the necessary guarantees concerning the legality and regularity of all the underlying transactions in the corresponding policy areas;

67. Endorses the reservations issued by the Director-General of DG AGRI in its annual activity report concerning the following items of expenditure:

— ABB02 — Expenditure on Market Measures: where there are EUR 77,7 million at risk and eight elements of reservation; involving four aid schemes in seven Member States: Austria, France (where two aid measures are concerned), the Netherlands, Poland, Spain, Romania and the United Kingdom,

— ABB03 — Direct payments: where there are EUR 831,6 million at risk, involving 15 paying agencies in six Member States: Spain (where 10 paying agencies are concerned), France, the United Kingdom (the Rural Payments Agency in England), Greece, Hungary and Portugal,

— ABB04 — Rural development expenditure: where there are EUR 532,5 million at risk, involving 28 paying agencies in 16 Member States: Bulgaria, Germany (where three paying agencies are concerned), Denmark, Spain (six paying agencies), France (two paying agencies), the United Kingdom (two paying agencies), Hungary, Greece, Italy (where four paying agencies are concerned), Lithuania, Latvia, Netherlands, Poland, Portugal, Romania and Sweden;

— ABB05 — IPARD expenditure for Turkey: where there are EUR 5,07 million at risk;

is of the opinion that those reservations demonstrate that the control procedures put in place in the Commission and the Member States cannot give the necessary guarantees concerning the legality and regularity of all the underlying transactions in the corresponding policy areas;

68. Endorses the reservations issued by the Director-General of DG EMPL in its annual activity report; notes that its annual activity report contains a reservation relating to payments made for the 2007-2013 programming period for an amount at risk of EUR 169,4 million in 2014, involving expenditure on management and control systems for 36 specific European Social Fund (ESF) operational programmes in Belgium, Czech Republic, France, Germany, Greece, Hungary, Italy, Romania, Slovakia, Spain and the United Kingdom for the programming period 2007-2013; is of the opinion that those reservations demonstrate that the control procedures put in place in the Commission and the Member States cannot give the necessary guarantees concerning the legality and regularity of all the underlying transactions in the corresponding policy areas;

69. Requests the director general of DG DEVCO to provide a more risk differentiated assurance in his annual activity report and to subsequently direct more of their control resources towards areas covered by specific reservations;

70. Calls on the Council to adopt a more vigilant position on the discharge and welcomes the critical stance taken by Sweden and the United Kingdom in asking the Commission and the Court to:

— focus on areas and recipients with a high risk of errors instead of adding more controls for all;

— focus on *ex ante* controls rather than *ex post* controls;

— preserve the unanimously agreed payment ceilings, in particular by maintaining fiscal discipline in relation to commitments, effectively de-committing unused appropriations in order to make room for new priorities and programmes, increasing transparency by providing long-term forecasts, ensuring a balance between commitments and payments and reducing excessive cash balances in financial instruments, given that more than EUR 14 billion in unutilised funds remains locked within such instruments, which could be used for more urgent needs and priorities;

welcomes also Sweden's and the United Kingdom's exhortation to Member States authorities to make better use of the available information to prevent, detect and correct errors before declaring expenditure to the Commission;

Summary

71. Concludes that the discharge:

(a) priorities include a balanced approach between traditional methods and a strengthened focus on performance and results, taking account in every case of the obligations arising from the Treaties, the sectoral policies and the flexibility necessary to deal with unforeseen events;

(b) requires improvement in data availability and management to declare the performance and results;

(c) appreciates a strengthened linkage of the Union budget with key Union policy strategies and concepts (as the Europe 2020 Strategy) and their correlation with key sectoral policies;

(d) respects improved management and control methods in line with sound financial management principles;

(e) provides room to develop the observations from the previous discharges in the form of regular follow-up;

(f) regrets the significant increase in errors in operational expenditure directly managed by the Commission, which have risen to a point where they now match the level of error for spending under shared management with the Member States for the first time;

B. **SPECIFIC CHAPTERS**

General budgetary and financial management

72. Points out that sound financial management is about the real results of Union budget interventions, provided of course that they respect legality and regularity rules and contribute to the Union budget's added-value from a Union perspective; stresses that minimising the error rates and cases of fraud are a necessary precondition to following sound financial management principles;

73. Underlines that the level of error rate does not necessarily mean a case of fraud, inefficiency, or waste, but an estimate of financial flows that should not have been paid out as they were not used in line with rules and regulations; emphasises, however, that the sharp increase of serious errors in the context of public procurement procedures is a matter of grave concern, as Member States have had years of experience with the existing procurement rules, and that if they already face difficulties with these rules, this does not bode well for when they have to adapt national legislation and procedures to the new directives on procurement and concessions; recognises that the error rate is not well understood by Union citizens and asks the Court in this context to launch a debate with the Commission with a view to identifying potential methodological shortcomings and agreeing on common standards in reporting the error rate;

74. Recommends that the rules and regulations be verified via a regulatory impact assessment (RIA) ([1]) process to test their compatibility and compliance with Union needs and targets, as in the case of cost reimbursement schemes, while the most typical example of errors include payments for ineligible costs (41 %) and errors in public procurement (27 %); notes that those errors can differ from a fraud or an act of deliberate deception to gain benefit;

75. Draws attention in this regard to the fact that implementation of the 2014 Union budget was exercised under differing regulatory frameworks, due to the fact that in that year there were two frameworks in force for the periods 2007-2013 and 2014-2020;

76. Points out therefore that it is correct and substantial to distinguish between different types of error rate related to the different types of Union budgetary expenditure, as they are allocated under different criteria and therefore it is very difficult to compare them;

77. Notes that in its effort to support a reinforced performance culture, the Court's 2014 annual report pays strong attention to Union budget performance issues, having tested as a pilot the real complementarity between Union funding and the Europe 2020 Strategy; notes that the Court underlined and identified a low and weak inter-connection between partnership agreements/operational programmes and the Europe 2020 Strategy; however, draws attention to the fact that such complementarity should be considered within the overall context of the fund-specific missions pursuant to their Treaty-based objectives, including economic, social and territorial cohesion;

78. Expresses concern at the rate of absorption of funds in Member States, which varies between 50 % and 92 %; calls on the Commission to present a thorough analysis of why it is that some regions still exhibit low rates of absorption and to assess specific ways of remedying the structural problems underlying those imbalances;

79. Appreciates the innovative nature of the Court's 2014 annual report which included a results- and performance-based approach, assessing the application and orientation of Union budgetary interventions against the Europe 2020 Strategy priorities; considers that a results- and performance-based approach should be applied in the coming years, when drafting country-specific recommendations (CSRs) in the context of the European Semester;

80. Underlines that the Court's observations on achievements highlight the need to apply measures to improve budgetary performance and shared management standards;

Budgetary performance

81. Notes that budgetary performance means an appropriate focus of Union budget expenditures on real Union priorities for the particular period;

82. Points out that the performance culture is based on three key pillars: strategy, simplification, and the budgetary procedure;

([1]) As the RIA represents a very effective instrument for making the financial management really sound.

83. Recommends a continuation of the process of simplification of both procedures and budgetary content leading to a reduction of excessive administrative burdens and to limitations on gold-plating in particular Member States; stresses that the process of simplification should not lead to deregulation and should not mean forgetting about control mechanisms and procedures i.e. *ex ante* audits; underlines that simplification should not cause overly frequent changes in the regulatory framework, leading to additional burdens for administration and beneficiaries, thus undermining intended positive developments of simplification; welcomes the existence of the high-level group created by the Commission and is expecting results;

84. Recommends an improvement in the budgetary procedure in terms of providing performance information and management, including the cost-effectiveness of controls, declaration of assurance and discharge, project databases and communication;

85. Calls on the Commission to improve communication and cooperation between actors involved in budget planning, implementation and discharge, and with the wider public, by aligning expectations, sharing experiences on implementation and reporting on the attainment of results;

86. Calls on the Commission to consider using tools such as social media, surveys and focus groups to measure public awareness and assess ways to improve their communications strategy in future regarding the results of the projects to the citizens;

87. Welcomes the new interinstitutional working group on performance-based budgeting in order to reach a common understanding of performance-based and results-oriented budgeting principles;

88. Recommends corresponding improvements in areas such as the alignment of control intensity with risk, mapping performance reporting or the reliability of control results reported by Member States;

89. Notes that the Commission has created enormous analytical capacity, focused mostly on sectors relevant for individual DGs, without analysing horizontal, multi-disciplinary issues and the real results of its policies (co-)financed by the Union budget;

90. Recommends focusing on the performance-based approach and on the issue of market imperfections/failures, as this approach helps focus Union funding interventions on areas where criteria of economy, efficiency and effectiveness are best accommodated; points out that the design should be tailored to a set of different market imperfection/failure types, one connected with information asymmetry and the other related to commercial assessments of return that broadly do not include all positive externalities and wider social benefits whereas both are justifiably supported by Union funding;

91. Suggests that the Commission adopt a criterion based on what would likely have occurred if the project or activity concerned had taken place or had not received Union funding, when evaluating Union added-value;

92. Calls urgently for clarification as to how much money was paid from Union funds to media undertakings in each Member State, which undertakings have received payments and whether the reason was to publicise the funds or another reason;

Shared management

93. Recalls that a large responsibility for correct allocation of the Union budget lies with the Member States, as 76 % of expenditure is spent under shared management; stresses that Member States have an important responsibility for correctly and lawfully implementing the Union budget when they are responsible for the management of Union funds;

94. Stresses that a key to correct allocation is a correct definition of Union needs combined with the Member States' development priorities;

95. Underlines that the better Member States strive to fulfil the national and quantified Europe 2020 Strategy targets, the more Union budgetary spending can be targeted, and the more those targets will reflect the real Union economic, social, territorial and environmental needs, the better the Union will ensure an environment for sound financial management; in this context, recommends the creation of a permanent platform composed of the Commission, national governments' representations, including the permanent representations to the Union, regional governments and authorities;

96. Shares the Court's finding that the Commission, national authorities and independent auditors must use all the available relevant information to prevent, or detect and correct errors before reimbursement; firmly states that when data are available there should be no reason for the Commission, the national authorities and the independent auditors not to take the appropriate measures to prevent, detect and correct errors;

97. Calls on the Court to develop a system, together with national audit authorities, which will allow the Court to evaluate the follow-up Member States have given to its recommendations;

98. Calls on the Commission to provide guidance to the Member States so that partnership agreements and operational programmes transpose more fully the Europe 2020 Strategy and also implement the concept of common results indicators as proposed in the Court's 2014 annual report;

99. Deems it useful that the Parliament and the Council find together a way how to address the issue of Member States' spending under the shared management;

100. Endorses the inclusion of CSRs in partnership agreements;

101. Urges the Commission to strengthen the negotiations with the Member States regarding the necessity of publishing national declarations and annual summaries;

Financial corrections and recoveries

102. Is concerned that for the financial corrections implemented in 2014 (as compared to Union payments received) some Member States' rates lay three times above the average percentage of 2,3 % (Slovakia 8,7 %, Czech Republic 8,1 %, Greece 4,7 %);

103. Notes that for the 2007-2013 programming period, EUR 209 million of financial corrections under ESF have been confirmed and EUR 156 million implemented, out of which EUR 95 million were confirmed in 2014; remarks that Member States with the highest level of corrections are Spain (EUR 56 million), Romania (EUR 43 million); Poland (EUR 32 million) and France (EUR 20 million);

104. States that the cumulative amounts corrected for cohesion policy in 2007-2013 represent 0,9% of the budget allocations; shares the Commission's view that financial corrections for the 2007-2013 period are expected to continue to increase in the coming years as its programmes start to close;

105. Notes that for ERDF/CF programmes, the Commission has imposed around EUR 2 billion of financial corrections cumulatively since the beginning of the 2007-2013 programming period, which includes EUR 782 million of financial corrections applied by the Member States before or at the same time as declaring the expenditure to the Commission; observes with concern that the principal Member States concerned are Czech Republic (EUR 719 million), Hungary (EUR 298 million), Greece (EUR 257 million), Spain (EUR 237 million), Slovakia (EUR 152 million), Romania (EUR 146 million) and Italy (EUR 105 million);

106. Notes that for ESF, the Member States with the highest level of cumulative financial correction figures are Romania (EUR 355 million), Spain (EUR 213 million) and Poland (EUR 152 million);

107. Considers financial corrections and recoveries are effective means to protect the Union's budget; regrets however that due to the legal framework for protecting Union financial interests, the complexity of the related procedures and the number of control layers involved in many areas, errors can only be corrected several years after they have occurred;

Protection of financial interests

108. Underlines that corruption and fraud erode trust in public institutions and democracy, and undermine the functioning of the Union's internal market; notes that an integrated approach whereby Union institutions (and Member States) work together is necessary; regrets that several Union institutions (Commission and agencies, European Anti-Fraud Office, the Court) report on fraud in different ways;

109. Recommends that the Commission fit all reporting arrangements into a single coherent system to protect the financial interests of the Union, thereby making the fight against fraud and corruption more effective; recalls the importance of a coherent legislation inside the Union to efficiently fight against organised crime operating at a transnational level;

110. Points out that transparency is the most effective instrument for combating abuse and fraud; calls on the Commission to improve legislation in this regard, making it compulsory to publish data relating to all the beneficiaries of Union funding, including data on subcontracts;

111. Urges the Commission to join the Criminal Law Convention on Corruption (ETS No 173) of the Council of Europe and to speed up the negotiations on the participation of the Union in the Group of States against Corruption (GRECO), in order to contribute to more co-ordinated anti-corruption policies in Europe;

112. Calls on the Commission to assume full responsibility for the recovery of funds unduly paid into the Union's budget and to establish uniform reporting principles in all Member States with a view to ensuring comparable, reliable and adequate data collection;

113. Welcomes the Commission's statement in its 2014 Annual Protection of Financial Interest Report (PIF), which reminds that both the PIF directive and the European Public Prosecutor's Office regulation (EPPO regulation) 'would complement and strengthen the legal framework and would considerably reinforce the fight against fraud'; reiterates its views that there is an urgent need to adopt the PIF Directive, with VAT included in its scope and with a clear definition of PIF offences, minimum rules for maximum applicable imprisonment penalties, and minimum rules on the statute of limitations as soon as possible; recalls the Taricco Case, in which the Court of Justice of the European Union draws attention to the fact that VAT fraud is indeed included in the 1995 PIF Convention's definition of PIF fraud; calls on the Commission to clarify the relations between Eurojust, the European Public Prosecutor's Office (EPPO) and European Anti-Fraud Office (OLAF) and to examine the possibility of a stronger integrated approach of these agencies in order to make investigations more effective;

114. Welcomes the Commission's decision to increase transparency by improving its system of expert groups, particularly as regards the procedure for selecting experts, through the development of a new conflict-of-interest policy for experts appointed in a personal capacity, implying the possibility for Parliament to exercise direct control over such appointments; takes note of the requirement for experts to be registered in the transparency register where relevant; urges the Commission, however, to take into account the recommendations both of the European Ombudsman concerning the composition of the expert groups and of the study 'Composition of the Commission's expert groups and the status of the register of expert groups' when drafting amendments to the current horizontal rules governing expert groups, in order to create a more systematic and transparent approach; requests that the Commission engage in a dialogue with Parliament before the rules are formally adopted, especially in relation to the upcoming report of the Committee on Budgetary Control and the Committee on Legal Affairs on this matter; encourages the European agencies to consider reforms in a similar sense;

115. Stresses that Member States are not following up alleged cases of fraud affecting the financial interests of the Union as submitted to them by OLAF; calls on the Commission to take appropriate measures and on OLAF to continue to support the Member States in improving their performance in the prevention and detection of fraud against European funds;

116. Invites the Commission to develop a system of strict indicators and uniform criteria; is concerned about the reliability and quality of data coming from the Member States; calls on the Commission, therefore, to work closely with Member States to guarantee comprehensive, exact and reliable data keeping in mind the goal of full implementation of the Single Audit Scheme;

117. Reiterates its request that the Commission report biannually to Parliament and to the Council on the implementation by the Union institutions of their internal anti-corruption policies, and is looking forward to reading the next report in early 2016; asks the Commission to add a chapter on the performance of the Union institutions in fighting corruption and is of the opinion that the Commission's future anti-corruption reports should always cover all the Union institutions and bodies;

118. Expresses concern about the data provided by Eurodad on money laundering, in which Luxembourg and Germany rank top for the risk of money laundering; regards it as essential that the Member States should transpose in full the Union directive on money laundering and introduce a public register of the ownership of companies, including trusts;

119. Calls for switching from a voluntary to a mandatory Union register for all lobbyists performing their activities towards the Commission;

120. Considers the Commission's first biennial anti-corruption report to be a promising attempt to better understand corruption in all its dimensions, to develop effective responses with a view to tackling it, and to pave the way for enhanced accountability of the public sphere to Union citizens; reaffirms, in this context, the importance of the Union's zero-tolerance policy on fraud, corruption and collusion; considers it regrettable, however, that this report did not include the anti-corruption policies of the Union institutions themselves;

121. Demands that in its second anti-corruption report, at the latest, the Commission carries out further analysis at the level of both the Union institutions and the Member States of the environment in which policies are implemented, in order to identify inherent critical factors, vulnerable areas and risk factors conducive to corruption;

122. Calls upon the Commission to fulfil without delay its reporting obligations under the UN Convention against Corruption;

Error rate in general

123. Notes with concern that the most common types of errors detected are ineligible costs included in cost claims (41 %), serious errors in public procurement (27 %) and incorrect declarations of area by farmers (20 %);

124. Notes however that the percentage of serious errors by Member States in public procurement was significantly reduced from 45 % in 2013 in the regional policy area to 25 % of all qualified errors for the combined policy area economic, social and territorial cohesion in 2014;

125. Finds it alarming that in many cases of quantifiable errors, the Commission, national authorities or independent auditors had sufficient information to prevent or detect and correct the errors before accepting the expenditure; if all this information had been used to correct errors, the estimated level of error could have been significantly lower;

126. Notes that for entitlement programmes the estimated level of error is 2,7 % (3 % in 2013), thus significantly lower than in reimbursement expenditures where the estimated level of error is 5,5 % (5,6 % in 2013); asks the Commission to evaluate switching from a reimbursement scheme to an entitlement scheme where appropriate, as a means of simplification;

Best practice

127. Urges Member States to take their obligations to reach Union 2020 Strategy targets as seriously as they do in the case of CSRs and the European Semester procedure; this would reflect a visible change in performance understanding, which should be further followed by implementing evaluating processes with impact, such as the performance reserve for responsible beneficiaries, and sanctions and limitations for the others;

Evaluation and analysis of the main results of 2014 Union budget

128. Notes that a total of about EUR 142,5 billion in 2014 represent almost 2 % of total public expenditure in Union Member States, or 1 % of Union GDP;

129. Requests that identifying the real effects of the Union budget utilisation on Union macroeconomic indicators becomes a subject of discharge procedures;

130. Regrets that only 47 % of the contributions to the financial engineering instruments (FEI) were paid out to the final recipients by the end of 2013 in shared management (37 % paid out at the end of 2012) and that cash held in FEI under indirect management remain high (EUR 1,3 billion in 2014; EUR 1,4 billion in 2013);

131. Notes the Court's recommendation to the Commission to submit a legislative proposal to amend the applicable regulation concerning the extension of the eligibility period for FEI under Council Regulation (EC) No 1083/2006 [1] and of the Commission's reply thereto;

132. Following the Court's recommendation, calls upon the Commission to consider in its budgetary and financial management the capacity constraints in some Member States, in order to avoid the under-utilisation of funds and to increase the absorption rates, especially in the area of the ESIFs; while acknowledging the actions taken so far, such as the set-up of the Task Force for Better Implementation, which has already generated improvements;

133. Requests that the Commission take measures to reduce outstanding commitments, including a timely closure of the 2007-2013 programmes and a reduction of cash held by fiduciaries;

134. Reiterates that the Commission should establish annually a long-term cash flow forecast covering budgetary ceilings, payments needs, capacity constraints and potential withdrawal of commitments in order to better match payments needs and funds available [2];

135. Is of the opinion that the MFF mid-term revision, to be presented by the Commission by the end of 2016, is the first and best opportunity to structurally tackle the high level of RAL; urges the Commission to come up with a proposal to revise the MFF regulation in order to fix, among other matters, the RAL;

Outstanding payments

136. Stresses that commitments made amounted in 2014 to EUR 109,3 billion, i.e. 76,6 % of commitment appropriations available and that as result a very high level of appropriations for commitments is available in 2015 (with carry-over EUR 12,1 billion, the ceiling being increased by EUR 16,5 billion);

137. Regrets that despite the level of payments continuing to be higher than the MFF ceiling, use of the contingency margin unpaid payments claims rose by EUR 1,4 billion to EUR 25,8 billion; stresses the importance of fully respecting the joint statement on a payment plan 2015-2016 agreed between Parliament, Council and Commission, following the shared commitment to reduce the backlog of outstanding payment claims for the 2007-2013 cohesion programmes to around EUR 2 billion by the end of 2016; takes the view that in de facto terms this state of affairs constitutes a breach of Article 310 TFEU, which states that the revenue and expenditure shown in the budget must be in balance;

138. Stresses that the reduction in the level of outstanding commitments is forecasted to be temporary because of the requested increase in the MFF ceiling for 2015 and subsequent years;

139. Points out in particular that by the end of 2014, payments to Member States for the multiannual ESIFs for 2007-2013 [3] had reached EUR 309,5 billion; i.e. 77 % of the EUR 403 billion for all the operational programmes, where five Member States (namely Czech Republic, Spain, Italy, Poland and Romania) account for more than the half of the unused commitments of multiannual ESIFs;

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

[2] The payment plan adopted by the Commission in March 2015 presenting short-term measures to reduce the level of unpaid bill is not the right tool; the high level of outstanding commitments requires a longer-term perspective.

[3] The European Social Fund (ESF), the European Regional Development Fund (ERDF), the Cohesion Fund (CF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF), source Court's annual report 2014.

140. Regrets that the backlog in the absorption of multiannual funds is significant and may create a real problem for some Member States [1]; supports and recognises, in this connection, the usefulness of applying flexibility options, given the delays in launching all the programmes;

Revenue

141. Notes that the revenue flows are based on a multi-channel principle:

(a) the largest proportion is still contributed by Member States depending on their gross national income (GNI), in 2014 this contribution amounted to EUR 94,9 billion;

(b) other sources include payments based on the VAT collected in individual Member States, which amount in total to EUR 17,7 billion;

(c) customs and agricultural duties represent the third substantial source, at EUR 16,4 billion;

142. Welcomes the fact that two recommendations are being implemented in most respects and one recommendation is being implemented in some respects out of the Court's three recommendations made in 2011-2012;

GNI

143. Underlines that, until changes are made to the Union's own-resources system, a GNI parameter is a key factor behind the revenue issue of the Union budget and stresses that a correct and objective measure of that is therefore a key issue, the only serious one regarding the revenue topic under the current Union budget's architecture and that it is very important to have reliable and flexible databases for calculating Member States' contributions;

144. Calls therefore on the Commission to declare that GNI data submitted by Member States are reliable and their contributions therefore correct;

145. Recalls that in 2014, updates to GNI data led to adjustments to Member States' contributions of an unprecedented size, amounting to EUR 9 813 million;

146. Stresses that the impact of these major revisions to the GNI balances could have been smaller if a common Union revision policy harmonising the timetable for major revisions had been in place;

147. Regrets that VAT fraud, and in particular the so-called carousel or missing-trader fraud, distorts competition and deprives national budgets from significant resources and is detrimental to the Union budget; points out that the VAT gap and the estimated losses on VAT collection amounted to EUR 168 billion in 2013; is concerned that the Commission has no reliable data on VAT and carousel fraud; notes, that the current VAT system remains fragmented and creates significant administrative burdens, especially for SMEs and online companies; is concerned that the new system of accountability for VAT as an own resource could not totally achieve its goal of simplification and stresses the responsibility of Member States to address the weaknesses in Eurofisc and better coordinate their policies on reverse charges, to facilitate the exchange of information and help combat irregularities and frauds; asks the Commission to propose legislative amendments enabling effective cross-checks between customs and tax data and to focus its monitoring of Member States on improving the timeliness of their replies to information requests and the reliability of the VAT Information Exchange System;

Measures to be taken

148. Asks the Commission to provide analysis regarding the future of Union funding evaluating the adequacy of the own resource base;

149. Regrets that proposals put forward by the Commission in 2013 to introduce a common Union revision policy are still outstanding, with no further action having been taken by the Commission despite the fact that 19 Member States indicated that they would at least partly align themselves with the Union revision policy by September 2014;

150. Is pleased at the establishment of the High-Level Group on Own Resources; welcomes the first evaluation report that it submitted at the end of 2014 and agrees that the system has gradually become dominated by national contributions, with a leftover portion of independent, genuinely European own resources; considers that the current system of own resources should move forward from the current national debate on net contributors and recipients, which is remote from the Union's citizens, towards a system that is recognisably in the general interest of the Union and its policies;

[1] Absorption rate ranges from 50 % to 92 % in the Member States.

151. Points out that changes resulting from the work on reservations would have been mitigated if the Commission's verification cycle had been shorter and recalls that the Parliament urged the Commission in its resolution of 29 April 2015 concerning discharge for the financial year 2013:

(a) to shorten the duration of its verification cycle of GNI;

(b) to limit the use of general reservations to exceptional cases;

152. Notes with deep concern that the Commission announced that the next verification cycle will be completed only in 2019 and that the reservations will cover at least nine years, as the previous one did;

153. Points out that according to the Court, the quality of the checks made by the Member States customs has not improved; regrets that the updated version of the Customs Audit Guide issued by the Commission in 2014 does not cover some of the shortcomings identified by the Court, in particular for the issues related to how to deal with imports cleared in other Member States;

154. Asks the Commission to:

(a) take measures to reduce the number of years covered by reservations at the end of next verification cycle for GNI-based contributions;

(b) put in place the arrangements needed to reduce the impact of revisions of methods and sources presented by Member States for the compilation of their GNI;

(c) improve the existing guidance given to Member States' customs authorities as to the checks they make (in particular the post-clearance audits); and

(d) ensure that Member states have the appropriate systems in place for preparing and managing their statements of customs duties and sugar levies;

(e) extend the risk assessment capacity of Eurofisc to cover the VIES system (transnational VAT information exchange system);

Best practice

155. The revenue side is not affected by material errors, which is a kind of best practice itself, as well as the current practice of Member States' contributions based on the GNI principle that so far has sense; however, to keep this model functioning requires a permanent assessment of economic performance in Member States; an alternative to increase the own resource base still remains a topical issue for the future;

Competitiveness for growth and jobs

General issues

156. Welcomes the fact that the structure of the Court's annual report follows, for the first time, the headings of the MFF which entered into force on 1 January 2014; in 2013 the chapter was called 'Research and other internal policies'; notes, however, that this structural change limits the comparability of the Court's findings with those of previous years;

157. Notes also that research and innovation accounts for 61 % (EUR 8,1 billion) of spending, through the Seventh Framework Programme for Research and Technical Development 2007-2013 (FP7) and Horizon 2020 — the Framework Programme for Research and Innovation 2014-2020 in education, training, youth and sport programmes (EUR 1,5 billion), space programmes (EUR 1,4 billion), transport (EUR 0,8 billion) and other actions and programmes (EUR 1,5 billion) account for the remaining 39 %;

158. Recalls that heading 1a of the MFF has been sharply reduced during the MFF negotiation (– 24 % compare to the initial Commission's proposal); is aware that the heading 1a includes spending in favour of improving research and innovation, enhancing education systems and promoting employment, ensuring a digital single market, promoting renewable energy and energy efficiency, modernising the transport sector and improving the business environment, especially for SMEs;

159. Stresses that 90 % of spending within this area represent grants to private and public beneficiaries;

160. Welcomes that three recommendations were implemented fully and six recommendations are being implemented in most respects out of nine of the Court's recommendations made in years 2011-2012;

Europe 2020

161. Is aware that the cumulative total of grant agreements for the whole FP7 stands at 26 078 (of which a total of 9 627 have been closed); at the same time the Commission launched the 2014-2015 work programme of Horizon 2020, which was a great success with 46 097 proposals being received by 25 February 2015: for 79 concluded calls, 25 903 proposals were eligible, 3 765 were retained for funding and 1 410 grant agreements were signed;

162. Is pleased that the Commission was able to meet most targets of the key performance indicators (KPI); doubts however, that the target of investing, by 2020, 3 % of the Union GDP in research and development can be met; calls on all Member States to rise to the challenge; notes that the situation seems to be particularly difficult for Croatia, Finland, Luxembourg, Portugal, Romania, Spain and Sweden; calls upon the Commission to draw the necessary conclusion for the forthcoming mid-term revision of the MFF to be presented by the end of 2016;

163. Welcomes the impact of European research (networks) on fighting Ebola, improving cancer treatments, creating a single European area for clinical research, fighting floods, increasing food safety and improving the safety of cruise ships, to name just a few;

164. Welcomes the fact that the *ex post* evaluation of the 7FP became available in November 2015; expects that its findings and recommendations can still be considered for the work programmes of Horizon 2020;

165. Notes with interest the first available information about the 'State of the Innovative Union 2015 Report' ([1]) which provides an update on the state of implementation of the 34 commitments made under the Europe 2020 Strategy's Innovation Union Flagship Initiative;

166. Recalls that 'Societal Challenge 6 (SC6)', in particular, the social sciences and humanities, was a priority of Parliament, which it introduced during the development of Horizon 2020; recalls the importance of this component in the domains in which the Union is facing particular challenges, such as tackling unemployment, radicalisation, terrorism, supporting migrants, economic and monetary governance, and the fight against inequality; is concerned, therefore, that during the implementation phase of the programme, the social sciences and humanities have been downgraded as a priority through the loss of their dedicated leadership and the reduction in their commitment appropriations by 40 % at a time when the overall envelope for Horizon 2020 under the 2014-2020 MFF has increased;

Management issues

167. Points out that:

(a) general conclusions and observations for shared management practice are valid for competitiveness;

(b) synergy and an integrated approach between different types of instruments to support research, development and innovations (R&D&I) exist, however should be further improved;

(c) Horizon 2020 has implemented simpler rules in comparison with the 7FP; on the other hand, within Horizon 2020, there are supported areas that are more potentially risky, such as business-oriented projects with SME participation and utilising new innovative instruments, including financial ones;

([1]) Replies to additional written question to Commissioner Moedas, question 3.

168. Calls on beneficiaries to make maximum use of audit certificates, as audit certificates reduce error rates by 50 % compared with uncertified cost claims; considers, however, that the error rate found by external audits should be substantially improved given the highly specialised support received from the Commission; welcomes in this context all the guidance, seminars, templates and the list of the most common errors which the Commission put at the disposal of beneficiaries and audit bodies, but calls on the Commission to take more incisive measures to ensure that external audit certificates more accurately reflect the error rate;

169. Supports the Commission's endeavour to develop further risk management in the research area; welcomes in this context that for *ex post* audits the selection of participants to be audited is already largely risk-driven: the Commission expects that 83 % of the audits undertaken over the 2012-2016 period will be selected according to risk criteria;

170. Welcomes the creation of a common support centre which provides assistance for all research services in the area of legal support, audit, business process, IT, and information and data;

171. Recognises that significant support for research and innovation is included in the ESIF partnerships agreements and operational programmes of the Member States and regions, thereby creating more synergies; the support amounts to more than EUR 42 billion for core research and innovation and EUR 118 billion for research and innovation in the broader sense;

Legality and regularity; error issues

172. Is deeply concerned that the Court analysed 166 transactions out of which 79 were affected by error; notes that based on 53 quantified errors the estimated level of error is 5,6 %;

173. Finds it alarming that in 27 cases of quantifiable errors, the Commission, national authorities or independent auditors had sufficient information to prevent or detect and correct the errors before accepting the expenditure; if all this information had been used to correct errors, the estimated level of error for this chapter would have been 2,8 percentage points lower; this situation, which remained unchanged for some years now, proves a lack of diligence;

174. Considers it intolerable that the error rate for FP7 has not improved on FP6, and that, according to the statements by the Director-General of DG RTD it will be even worse; takes the view the error rate for FP7 should have improved given the greater experience acquired in project management; deplores the fact that the dramatic rise in the error rate in the area of 'competitiveness for growth and employment' in 2014 only serves to highlight the sound management of the programme in recent years;

175. Deplores the fact that the area of expenditure 'competitiveness for growth and employment' saw the steepest rise in error rates in the Union between 2013 and 2014;

176. Regrets that the sources of errors have remained the same:

(a) in the research area (Research): incorrectly calculated personnel costs, other ineligible direct costs such as unsubstantiated costs for travel or equipment; ineligible indirect costs based on erroneous overhead rates or including ineligible cost categories not linked to the project;

(b) for other spending instruments (Other): unsubstantiated and ineligible costs, as well as cases of non-compliance with the rules on public procurement;

(%)

Contribution by type of error	Research	Other
Incorrectly calculated personnel costs	30,5	2,5
Other ineligible direct costs	17,5	13,5
Ineligible indirect costs	20	
Non-compliance with the rules on public procurement		14
Ineligible subcontracting	2	
Total	70	30

177. Remains convinced that the Commission must continue to strive for an acceptable balance between the attractiveness of programmes to participants and the legitimate necessity of accountability and financial control; recalls, in this connection, the statement of the Director-General in 2012 that a procedure designed to attain a residual error rate of 2 % under all circumstances is not a viable option [1];

178. Takes note that the director-general of the Directorate-General for Research and Innovation, as in previous years, has issued a horizontal reservation concerning the rate of the residual error within cost claims in the FP7, implemented directly by DG RTD, and in the payments to the Innovative Medicines Initiative Joint Undertaking, where the estimated residual risk is 3 % and the estimated impact is EUR 111,39 million;

179. Acknowledges that certain parts of FP7 expenditure were not covered by a reserve where there was evidence that the risks (and so the residual error rates) were significantly lower than for all expenditure; within RTD this applies to expenditure given to Fusion for Energy Joint Undertaking, Clean Sky and Fusion Cells and Hydrogen Joint Undertaking; outside DG RTD this also applies to expenditure by the Research Executive Agency under the Marie Curie programme, and all expenditure from the European Research Council Executive Agency;

180. Concludes that, whereas the horizontal reservation may be legally necessary, such a reservation sheds a negative light on the Commission's financial management, in particular as the Directorate-General for Research and Innovation can give full assurance of 97 % of this expenditure;

181. Takes note that in the area of research, the Commission has issued recovery orders, in 2014 and 2015, worth EUR 42 million; EUR 31 million has already been retrieved, the rest is not yet recovered, either because of bankruptcy or pending enforced recovery;

182. Deplores the recent press reports casting doubt on DG RTD's ability to protect the financial interests of the Union in an effective manner; calls on the Commission to clarify the circumstances that have been well documented in the media and point to a clear case of maladministration and unequivocal damage to the Union's financial interests and reputation; calls on the Ombudsman to open an investigation into the matter;

183. Deplores the fact that the simplification has done away with *ex ante* audits (there is now no *ex ante* certification for spending of over EUR 375 000, for instance), giving rise to cumulative mistakes that lead to a widespread, ever-growing error rate that seems unlikely to be reduced in the case of Horizon 2020, given the increase in bodies responsible for managing expenses in relation to FP7;

Data reliability issues

184. Regrets that there is a problem with the secondary data analysis necessary for performance-based evaluations; considers that this should be considered as a challenge for the short-term future; recalls the need to improve information management;

Performance- and result-based approach

185. Notes that the real effects and results of R&D&I from the point of view of commercialisation and value-added contribution are absolutely substantial;

186. Welcomes the positive outcomes estimated by the High-level Expert Group carrying out the *ex post* evaluation of FP7, namely: that the programme created directly over 1,3 million job-years (through projects funded over a period of 10 years) and indirectly 4 million job-years over a period of 25 years; that each euro spent by FP7 generated approximately 11 euros of direct and indirect economic effects through innovations, new technologies and products and that its financial contribution to SMEs exceeded the target of 15 % and reached 17 % (5 billion euro);

187. Points out that for strengthening the performance approach, the Court provided a pioneering test on the Europe 2020 Strategy indicators, where R&D expenditures play an important role;

[1] Annual activity report 2012, DG Research and Innovation, p. 45 et seq.

188. Asks the Commission to transmit to the Parliament the action plan presented to the ITER Council in November;

189. Insists on receiving from the Commission, by June 2016, an update on a long term project schedule and associated costs for ITER in preparation of budgetary decisions for the following year; recalls that for 2016 payment appropriations at a level of almost EUR 475 million have been set aside for ITER;

Financial instruments

190. Notes that especially for Horizon 2020, very advanced innovative financial instruments represent one of the key areas for practical implementation; welcomes in this regard the launch in 2014 of a new range of products under 'InnovFin — EU finance for Innovators' as a joint initiative launched by the European Investment Bank Group (EIB and EIF) in cooperation with the Commission;

191. Asks the Commission to present information in future discharge procedures about the implementation of the InnovFin which covers the Union budget share taking part in this financial instrument;

192. Points out that certain sectors and policy fields, such as railway infrastructure or theoretical or basic research, are less suited to financing via financial instruments, and thus risk being excluded from the scope of Union activities;

Best practice

193. Notes that the audit activities in this area were intensified and coordination by the Common Audit Service improved, while it is provided as a shared management service for all the DGs, executive agencies and joint undertakings involved in research and innovation spending;

194. Considers a potential good practice to be a specific kind of outsourcing, utilised the management of big programmes in this area through special agencies; as such a practice has only been in place for a short period, it is not possible to declare hard results, however, as a method and model, it seems to be very innovative;

Measures to be taken

195. Concludes that the Commission should:

(a) adopt a set of measures to reduce the relatively high error rate in this area, improve data and information management to analyse also very advanced R&D&I projects and test their real impact against the potential of Horizon 2020;

(b) present a report evaluating the current experience with a new practice to utilise special agencies in this segment [1] from the budgetary point of view as well as to introduce on a regular basis reporting on compliance with the relevant Europe 2020 Strategy indicators;

196. Calls on the DG RTD to improve information management, especially in line with a performance culture to include all stakeholders, especially new ones, and to improve information management with beneficiaries in Member States; recommends more inclusion of independent auditors focusing not only on errors, but also on the performance cycle, including an appropriate evaluation of risks; additionally, regulatory rules should undergo an impact assessment;

197. Calls on DG RTD to publish, in its respective annual activity reports, its contribution to the CSR in a comprehensive and detailed way, as these recommendations should demonstrate how the DG facilitates Member States' progress towards the EU 2020 Strategy objectives;

198. Notes that the Commission launched a stakeholder consultation on additional simplifications that should be introduced in Horizon 2020; requests information on how additional simplifications will be implemented;

[1] Like INEA.

199. Emphasises that simplification and participation in Horizon 2020 should be also the guiding principle of the Annotated Grant Agreement; stresses that unlike FP7 internally invoiced costs need to be divided up and reported according to different costs categories, including personnel costs, under Horizon 2020; calls therefore on the Commission to revise the annotations and allow internally invoiced costs to be eligible as other direct costs without splitting into cost categories and without time records for services;

Economic, social and territorial cohesion

General issues

200. Welcomes the fact that the structure of the Court's annual report follows, for the first time, the headings of the MFF which entered into force on 1 January 2014; in 2013 the Court's annual report contained two distinct chapters: one on 'Regional policy, transport and energy' and the other one on 'Employment and social affairs'; considers, however, that this policy change limits the comparability of the Court's findings with those of previous years;

201. Notes that economic, social and territorial cohesion redistributes a substantial part of the Union budget, which amounted in 2014 to EUR 54,4 billion; 80 % of this amount was allocated in favour of regional and urban policy, mainly through the ERDF and CF, 20 % then represented mainly by the ESF for the purpose of employment and social affairs;

202. Points out that ERDF and CF in the particular period mainly supported areas including infrastructure projects, the creation or preservation of jobs, regional economic development initiatives and SME activities (ERDF) and investments in infrastructure in the fields of environment and transport (CF);

203. Points out that the ESF supports investments in human capital and actions aimed at improving the adaptability of workers and enterprises to the changes in working patterns, increasing access to employment, reinforcing the social inclusion of disadvantaged persons and strengthening the capacity and efficiency of administrations and public services; considers that despite the existence of performance indicators, the results of ESF investments are, therefore, more difficult to quantify;

204. Welcomes the fact that eight recommendations were implemented fully, seven recommendations are being implemented in most respects and one recommendation is being implemented in some respects out of the Court's 16 recommendations made in years 2011-2012;

Europe 2020

205. Notes that in the area of regional and urban policy, the four most important KPI include: number of jobs created, number of enterprises cooperating with supported research institutions, number of enterprises receiving support, and additional capacity for renewable energy production; whereas global achievements reported in Member States' implementation reports progressed on average by 29 % compared to the previous year, not all targets will be met due to the economic crisis, according to the Commission; calls upon the Commission to draw the necessary conclusion for the forthcoming mid-term revision of the MFF to be presented by the end of 2016;

206. Welcomes the Commission's efforts to further enhance the contribution of the cohesion policy to Union economic governance screening all the 2014-2020 partnership agreements and operational programmes so as to ensure that that the relevant CSRs adopted by the end of June 2014 were adequately reflected in Member States' development and competitiveness strategies;

207. Notes that by the end of 2015, on average 89 % of funds for the 2007-2013 programming period were used (considering the absorption rate) with Italy (79 %), Romania (70 %) and Croatia (59 %) trailing behind;

208. Points out that two of the most important performance indicators in the area of employment and social affairs are the unemployment rate and the number of jobs created and/or maintained; welcomes the fact that the preliminary findings of the *ex post* evaluation of the programming period 2007-2013 show that 8,8 million ESF participants gained (or maintained) employment as a result of ESF interventions during this period by the end of 2013; welcomes also the fact that more than 300 000 people supported by the ESF became self-employed and more than 50 000 start-ups were supported;

209. Attaches particular importance to the Youth Guarantee; notes therefore with satisfaction that 110 300 unemployed young people participated in actions financed by the Youth Employment Initiative (YEI) in 2014; EUR 1,3 billion are already allocated to projects on the ground; in this context is grateful for the guidance provided in the Court's Special Report 3/2015 and the Commission's constructive reaction to the findings; however stresses that in some Member States there still are some difficulties in implementing the Youth Guarantee and in ensuring a sufficient project pipeline for the Youth Employment Initiative (YEI);

210. Notes the findings of the Commission report on the European Globalisation Adjustment Fund (EGF), indicating that for the two years combined (2014-2015), 7 636 workers (44,9 % of the beneficiaries) had found a new job at the end of the EGF implementation period;

211. Shares the Commission's opinion that unemployment rates (especially long-term unemployment) and the percentage of young persons not in employment, education or training (NEETs), are indications of mismatch in the labour market; notes that the five countries with the highest level of long-term unemployment (as share of the active population) in the Union are Greece (19,5 %), Spain (12,9 %), Croatia (10,1 %), Slovakia (9,3 %) and Portugal (8,4 %) against the Union average of 5,1 %; and that the countries with the highest rate of NEETs are Cyprus (33,7 %), Bulgaria (30,9 %), Hungary (30,3 %), Greece (30,0 %) and Romania (26,9 %), compared with an Union average of 16,37 %;

212. Welcomes the achievements from the implementation of 2007-2013 ERDF/CF programmes, illustrated by some core indicators annually reported by the Member States and results from preliminary assessment of latest available data showing that approximately 950 000 jobs were created, 36 000 enterprises cooperated with research institutions, more than 270 000 enterprises received support and the additional capacity of renewable energy production was more than 4 000 megawatts;

213. Welcomes the fact that the Court, for the first time, also tried to evaluate the performance of programmes in a pilot project exercise, and that the audit concludes that 89 of the 186 projects (48 %) reached (or exceeded) all targets that had been specified to measure the project performance; notes that for 56 projects (30 %) the Court found that one or several indicators specified for the project did not attain the intended target value, and that in 17 cases (9 %) the deadline to attain the targets was reached for some, but not all targets by the time of the audit; encourages the Court to continue to refine this exercise in particular for programmes under the new financial period 2014-2020;

Management issues

214. Emphasises that expenditure under MFF heading 1b falls under shared management; in this area, Member States bear primary responsibility for implementing the OP and for preventing, detecting and correcting irregular expenditure;

215. Stresses strongly that especially for cohesion, the extent of shared management is substantial and specific for two reasons: the programmes are implemented in Member States and their regions according to common Union rules, but respecting their specific needs; and second, there is also a shared financing when projects are co-financed by Member States and beneficiaries in many cases as well;

216. Finds it unacceptable that in 21 cases of quantifiable errors made by beneficiaries, national authorities had sufficient information to prevent or detect and correct the errors before declaring the expenditure to the Commission; had all this information been used to correct errors, the estimated level of error for this chapter would have been 1,6 percentage points lower; in addition, the Court found that for 13 cases, the error that it detected was made by national authorities; these errors contributed 1,7 percentage points to the estimated level of error; this situation, which remained unchanged for some years now, proves a lack of diligence;

217. Stresses that under the ESF the most common types of eligibility issues detected are the following: expenditure declared outside the eligibility period (Czech Republic, Germany), overcharged salaries (Germany, Finland, Poland, Portugal), costs not related to the project (the Netherlands, Poland, Portugal), non-compliance with national eligibility rules (Poland) and revenue not deducted (Austria); the most common examples of failures to comply with public procurement rules are the following: unjustified direct award (Germany, Italy), unjustified direct award of additional works/services, unlawful exclusion of bidders, conflict of interest and discriminatory selection criteria (Finland);

218. Observes that the Court analysed 161 transactions in the regional and urban area (101 concerned ERDF, 55 concerned CF and five concerned financial instruments) and 170 transactions of the ESF; and that 135 of 331 transactions were affected by errors; notes that the Court estimates the error rate to be 5,7 % (ERDF and CF error rate estimated to be 6,1 %, ESF error rate estimated to be 3,7 %);

219. Calls on the Commission to create an effective tool to contribute to the improvement of the reliability of controlling and auditing activities provided by the national authorities; recalls the importance of extending transparency on data regarding the public procurement in order to improve accessibility and controls, by publishing details of contractors and their subcontractors;

220. Takes note that, according to all available audit results at end of November 2015, 90 % of ERDF/Cohesion Fund programmes management verifications were functioning well or subject to small improvements; recalls that the root causes of errors made by Member States are complex management structures and the loss of expertise as a consequence of high staff turnover or insufficient staff allocation due to budgetary constraints;

221. Calls on the Commission to provide the Member States with stronger incentives to boost the use of innovative financial instruments in their regional policy, while taking into consideration lessons learnt from the period 2007-2013 in order to avoid blocking funds in financial instruments;

222. Draws attention to the recommendations in the Court's Special Report 10/2015 'Efforts to address problems with public procurement in Union cohesion expenditure should be intensified' and welcomes the Commission's positive reaction to the Court's findings;

223. Is pleased that the Commission published a document entitled 'Public Procurement — Guidance for practitioners on the avoidance of the most common errors in projects funded by the European Structural and Investment Funds' in October 2015; criticises, nonetheless, the fact that the main source of expenditure-related errors under the heading 'Economic, social and territorial cohesion' continues to be breaches of the rules on public procurement, which account for almost half the estimated error rate; points out that the serious breaches of the rules on public procurement include the direct award of additional contracts or additional works or services for which no justification is given, the illegal exclusion of bidders, conflicts of interest and discriminatory selection criteria; regards as essential a policy of complete transparency in respect of information concerning contractors and subcontractors, with a view to addressing errors and abuses of the rules;

224. Welcomes the fact that the Commission set up, in November 2014, a task force for better implementation for Bulgaria, Croatia, the Czech Republic, Hungary, Italy (South), Romania, Slovakia and Slovenia in order to avoid a de-commitment of funds;

225. Recalls that the legal framework for European Structural and Investment Funds (ESIF) 2014-2020 has also introduced *ex ante* conditionalities for the effective and efficient use of Union funds, which cover inter alia Member States' public procurement systems; in that context, actions plans have been adopted for 12 countries (Bulgaria, Czech Republic, Greece, Hungary, Croatia, Italy, Latvia, Malta, Poland, Romania, Slovenia and Slovakia) and will be assessed by 2016; recalls that fulfilling the *ex ante* conditionalities is a precondition for funding; asks for the necessary full transparency on the financing of infrastructural projects, including publication of *ex ante* and *ex post* assessments of the economic, environmental and social sustainability of projects;

226. Calls on the Commission to publish all the documents concerning the project to build the Lyon-Turin high-speed rail line and the funding arrangements for the project;

227. Welcomes the fact that the DG REGIO has carried out 265 audit missions since 2009; DG REGIO concluded that the work of 42 audit authorities in charge of auditing around 91 % of ERDF/CF allocations for the 2007-2013 period can in general be relied upon; concerning DG EMPL at the end of 2014, 87 audit authorities out of 92 have been assessed (94,6 %); they cover 113 out of 118 OPs, representing 99,1 % of the financial programming of the 2007-2013 programming period;

228. Notes that interruptions and pre-suspension procedures concerned 121 ERDF/CF programmes and almost EUR 7,9 billion of payment claims submitted by the Member States; notes also that for the ESF, the Commission sent 11 warning letters and 18 pre-suspension letters, that it instituted 31 interruptions of payments and suspended 11 operational programmes, and that in total, EUR 1,3 billion of payment claims were interrupted;

229. Takes note that in 2014 as a result of the strict supervision and interruption policy of DG REGIO and DG EMPL and growing number of action plans, EUR 840 million of financial corrections were confirmed and EUR 854 million were implemented for ERDF/CF for all programming periods (decided in 2014 and in previous years); and that for ESF 2007-2013 period EUR 209 million of financial corrections were accepted/decided and EUR 155,9 million were implemented (decided in 2014 and in previous years);

230. Observes with satisfaction that in 2014, and thanks to the Commission's supervisory role, certifying authorities applied financial corrections of EUR 782 million before declaring expenditures to the Commission concerning ERDF/CF which has preserved the EU budget from payments of incorrect expenditures;

231. Is concerned that, according to the Court, the Europe 2020 Strategy is not systematically translated through thematic objectives into operational targets in partnership agreements and programmes; notes, however, that it is transposed into operational objectives at ESIF programme level through specific objectives aligned with the 11 thematic objectives; considers that results can only be meaningfully evaluated when thematic objectives and operational programmes are aligned and performance indicators and benchmarks make it possible to measure progress;

232. Observes that partnership agreements and general regulation on one hand create common rules that should encourage an integrated approach, but that on the other hand, each of the funds is managed by a specific regulation and procedures;

233. Notes with interest that the Court will present, in the near future, a special audit of the partnership agreements and the performance-focused framework in cohesion policy;

234. Regrets that the number of OPs subject to reservation increased from 73 to 77 for ERDF/CF OPs in 2014 and remained unchanged to 36 OPs for ESF; the estimated financial impact of these reservations decreased from EUR 423 million in 2013 to EUR 224 million in 2014 for ERDF/CF and increased from EUR 123,2 million in 2013 to EUR 169,4 million in 2014 for ESF;

235. Agrees with the outline of the joint audit strategy for the 2014-2020 period where priority for thematic audits will be given to two areas: the reliability of systems for reporting performance data (a new feature linked to the result orientation of the policy) and financial instruments;

236. Regrets that Member States have not yet fully embraced the simplified cost options (SCO) under the ESF; welcomes the report 'Simplified cost options in the European Social Fund' where DG EMPL expects that under the programming period 2014-2020, on average 35% of expenditure will be claimed under the SCO, some Member States (Italy, the Netherlands, Spain and Sweden) will be significantly above, other Member States (Bulgaria, Hungary, Latvia and Slovakia) will be significantly below; supports DG EMPL's efforts to promote the use of SCO by Member States and urges the Member States to fully embrace the potential of SCO;

237. Appreciates, in this context, that the Commission has created a high-level group on simplification for beneficiaries of ESIFs; wishes to receive copies of the reports which the group will publish as of February 2016;

238. Welcomes the Commission's effort in encouraging Member States to take over the IT tool Arachne for data mining, with the view to preventing fraudulent activities; reminds Member States that this IT tool is provided for free;

239. Welcomes the fact that in 2014, the Commission launched a first series of four studies to assess the integration of elements of the reformed cohesion policy in the programming exercise for the 2014-2020 period; recalls that the topics for the four studies are the following: ex ante conditionalities, the partnership principle, the performance framework and 'new provisions' (covering a range of new programming elements, such as the assessment of administrative burden for beneficiaries and planned actions for its reduction, horizontal principles, territorial approaches, etc.); wishes to receive copies of the studies when they are completed;

Legality and regularity; error issues

240. Is alarmed that the Court analysed 161 transactions in the regional and urban policy area and 170 transactions in the employment and social affairs policy out of which 135 were affected by errors (75 for the regional and urban policy area and 60 for the employment and social affairs policy area); notes that based on 25 quantified errors the estimated level of error is to be 6,1 % for the regional and urban policy area and based on 28 quantified errors the estimated level of error is to be 3,7 % for the employment and social affairs policy area, leading to a most likely error rate for cohesion as a whole at 5,7 %;

241. Finds it frustrating that in 21 cases of quantifiable errors made by beneficiaries, national authorities had sufficient information to prevent or detect and correct the errors before declaring the expenditure to the Commission; and that, had all this information been used to correct errors, the estimated level of error for this chapter would have been 1,6 percentage points lower; notes in addition that the Court found that for 13 cases, the error that it detected was made by national authorities; these errors contributed 1,7 percentage points to the estimated level of error; considers this situation, which has remained unchanged for some years now, to prove a lack of diligence;

242. Criticises the fact that, as in previous financial years, the error rate, including as regards some requests for final payment which had been the subject of external audits and checks, highlights the inadequate nature of the *ex ante* checks in respect of the ESF; stresses that errors involving non-compliance with the rules on public procurement and a lack of documents justifying expenditure account for almost one-third of the estimated error rate;

243. Stresses that were the checks at Member States fully reliable in both policy areas, the estimated level of error could have been reduced by 3,3 percentage points for the regional and urban policy area and 3,2 percentage points for the employment and social affairs policy area;

244. Urges the Commission to indicate before 1 July what plans it has for remedying this situation in order to substantially improve financial management at the Member State level; is firmly convinced that the discharge should depend on the necessary progress in this field;

245. Regrets that the sources of errors have remained the same:

(a) in the regional and urban policy area (Regional): non-compliance with the rules on public procurement, claiming ineligible cost and infringement of State aid rules;

(b) in the employment and social affairs policy area (Employment): claiming ineligible costs, ineligible projects or beneficiaries, as well as cases of non-compliance with the rules on public procurement; the most common types of eligibility issues detected are the following: expenditure declared outside the eligibility period (Czech Republic, Germany), overcharged salaries (Germany, Finland, Poland, Portugal), costs not related to the project (Netherlands, Poland, Portugal), non-compliance with national eligibility rules (Poland) and revenue not deducted (Austria); the most common examples of failures to comply with public procurement rules are the following: unjustified direct award (Germany, Italy), unjustified direct award of additional works/services, unlawful exclusion of bidders, conflict of interest and discriminatory selection criteria (Finland);

(%)

Contribution by type of error	Regional	Employment
Non-compliance with the rules on public procurement	44,9	2,9
Ineligible costs	21,5	5,6
State Aid	21,2	
Ineligible project or beneficiary		3,9
Total	87,6	12,4

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

247. Is concerned by infringements of public procurement rules during the tendering procedure for IT monitoring systems during the financing periods 2007-2013 and 2014-2020 which also gave rise to suspicion of fraud; notes that these errors were discovered by the Czech audit authorities; fully supports the Commission's position that no payments should be made until the respective corrective measures have been taken and the police investigation completed;

248. Notes with concern the problems with procurement for structural fund expenditure monitoring systems in 2007-2013 and also in 2014-2020, and calls for clarification as to why these problems arise in every funding period, as well as on the current state of the fraud investigations and the recovery of irregularly obtained funds;

249. Points out that according to the figures provided in the 2014 annual activity report of DG Regional and Urban policy the risk of error as a weighted average of the estimation for each operational programme supported by the European Regional Development Fund and the Cohesion Fund is below 1 % in 9 Member States (in 2013 — in six Member States) and that only in two Member State this percentage is 4 % or more (in 2013 — in five Member States);

250. Points out that according to the figures provided in the 2014 annual activity report of DG Employment, Social Affairs and Inclusion the risk of error as a weighted average of the estimation for each operational programme supported by the ESF is below 1 % in 9 Member States as it was in 2013 and that this percentage is 4 % or more in six Member States (7,9 % highest) while in 2013 this percentage was above 4 % in five Member States (8,8 % and 9,3 % highest);

251. Highlights that the Court did not detect any quantifiable error related to the use of the SCO over the last three years; this demonstrates that projects using SCOs are less prone to error than the ones using actual costs;

252. Is of the opinion it would be helpful if the Commission provided a focused analysis of the national eligibility rules (for both the 2007-2013 and 2014-2020 periods) and on this basis prepared guidance for Member States on the simplification and elimination of unnecessarily complex and complicated rules (gold-plating);

253. Notes that respecting State aid rules seems to be an important subject to minimise errors in cohesion;

254. Stresses the importance of some focus on the issue of under-reporting of errors and over-reporting of financial corrections by national authorities in Member States;

255. Expresses concern regarding the checks carried out on funds for refugees, which are frequently allocated to the Member States in emergencies and in a manner not consistent with the rules in force; regards it as essential that the Commission introduce more rigorous checks, not least with a view to ensuring that the human rights of refugees and asylum seekers are upheld;

Data reliability issues

256. Notes with satisfaction that the accuracy of data reported for the ERDF/CF and ESF Member States' annual control reports (ACR) has improved; regrets however that in some cases the Commission's correction exceeded 1,5 % and were considered unreliable;

Performance- and result-based approach

257. Welcomes the fact that with respect to evidence of real policy results and achieved performance, the Court for the first time used a performance-based approach towards the complementarity of the Union budget with the Europe 2020 Strategy; considers that the results achieved by implementation of this strategy by structural funds are very important for the Union-wide headline economic indicator 'GDP per cap', as well as for other indicators;

258. Considers it important to assess whether and to what extent ERDF, CF and ESF projects have been completed (by the end of 2014) and their objectives achieved;

259. Regrets that performance-based funding arrangements are still the exception rather than the rule; notes that in most cases, a failure to achieve project objectives agreed in grant agreements did not impact on the level of Union funding received;

260. Recalls that the implementation of 51 priority projects in Greece needed to be accelerated; furthermore, 14 projects — concerning, among other issues, the cadastre and the national registry — have been identified as 'bottleneck' projects and run the risk of de-commitment; expects the Commission to update Parliament on the situation in the 2014 Commission discharge follow-up report;

261. Recalls that the Czech Audit Office report OPTP/2014/SM/01 on the procurement procedure for the monitoring system for 2014-2020, which was filed with the Commission in April 2015, refers to unwarranted expenditure of over EUR 9 million; welcomes the fact that the Commission has issued a letter of warning of possible interruption of payments and called on the Czech authorities to apply adequate financial corrections; wishes to know how the European Anti-Fraud Office (OLAF) assessed the situation;

Financial engineering instruments

262. Takes note that the managing authorities of the Member States reported a total of 1 025 FEI (including 73 holding funds and 952 specific funds) operating at the end of 2014: 90 % account for FEIs for enterprises, 6 % for urban development projects and 4 % for funds for energy efficiency/renewable energies; that those FEIs were set up in 25 Member States and received financial support from 183 operational programmes; that the total value of OP contributions paid to the FEIs amounted to EUR 16 billion, including EUR 10,9 billion of ERDF and ESF; and that payments to final recipients reached EUR 9,19 billion by the end of 2014, out of which EUR 5,8 billion were Structural Funds, thus reaching an absorption rate of almost 57 % of the OP amounts;

263. Notes that according to the recent and very comprehensive study that correctly evaluates the practice of FEI in cohesion policy in the 2007-2013 period, FEI have many advantages, but still some weaknesses which should be overcome; the analysis however shows that their use among the Member States differs radically; calls on the Commission to analyse the main reasons behind such dramatic differences among Member States and to find an effective incentive for them to be more active in using FEI in those fields where they have proved to be successful;

264. Notes that there is a visible difference between the volume of financial resources put into the FEI and the amount redistributed to final recipients; is of the opinion that this could mean that some substantial amounts were only 'parked' into FEI to avoid the risk of de-commitment; calls on the Commission to contribute to eliminating this negative feature of FEI utilisation and considers the new provision for 2014-2020 for payment to FEI in tranches as a positive step in this direction;

265. Notes that the pronounced boom in FEI use will necessarily lead to a completely new approach to spending public money by public administration authorities and audit and control bodies, which to an extent requires a 'new culture' in the environment for innovative financial instruments; calls on the Commission to test an adequate preparedness of this environment;

266. Notes that FEI could substantially contribute to efficiency, effectiveness and economy in ESIF utilisation, if they are wisely implemented, as they are naturally focused to reach a result, or to generate performance; calls on the Commission also to reflect this kind of benefit in the Union budgetary expenditure policy;

267. Takes note of the information that, by 2014, a total of 53 financial instruments, primarily limited to supporting SMEs, have been implemented across 7 Member States financed by the ESF and that a total of 16 716 SMEs (out of which 11 286 micro-enterprises) have been reached with a total ESF budget of EUR 472 million;

268. Recalls that the implementation of FEI during the programming period 2007-2013 was slow due to:

(a) the complexity of rules;

(b) in some cases over-allocation of resources as compared to the real needs;

(c) implementation in a time of financial crisis;

269. Welcomes the fact that during the 2014-2020 programming period, the regulatory framework foresees that the use of FEI is based on a compulsory '*ex ante* assessment' with the view to identifying investment needs and helping to avoid the over-commitment of Union funds;

270. Welcomes also the creation, together with the European Investment Bank, of a common financial instruments technical advisory platform (Fi-compass) to support the implementation of FEI throughout 2014-2020;

Best practice

271. Welcomes the trend for simplification, reduction of gold-plating and improvement of shared management hand in hand with the new elements of cohesion policy for the 2014-2020 programming period, which seems to be a methodological best practice and which is reflected in many concrete steps like finding complementarity with the Investment Plan for Europe through a practical coexistence of ESIFs and the EFSI (European Fund for Strategic Investments), doubling the scope for FEI, providing targeted initiatives, for example for SMEs, creating task forces for better implementation, introducing thematic focus on smart growth and implementation of research and innovative strategies respecting the smart specialisation strategies, or cohesion policy contribution to relevant Union policies in the areas of digital economy, energy, social affairs among others;

272. Welcomes the Commission's action of setting up a high-level group on simplification for beneficiaries to assist in identifying the obstacles and barriers to simplification and to find a way to address them; calls on the Commission to look at successful simplification procedures recognised by the Court, such as in Horizon 2020 and the simplification of indirect costs with flat-rate reimbursements, in order to generalise this approach to other policy areas;

273. Calls on the Commission to assess or review the possibility of extending the system of payment for entitlements, which leads to fewer errors than the cost reimbursement system — which is the cause of most errors — relative to other programmes;

274. Invites the Commission to monitor how the Member States are improving the rules on auditing and controls in order to create a common base to share best practices in particular on public procurement and fight against fraud and corruption;

Measures to be taken

275. Concludes that the Commission should:

(a) have identified evidence on the impact of ERDF, ESF and CF interventions of the 2007-2013 period for fulfilment of the Europe 2020 Strategy targets;

(b) ensure the new Union priorities are much more closely interlinked with the cohesion policy;

(c) continue in its already started simplification process, including the promotion of SCO;

(d) further support synergies within the cohesion policy itself as well as between the cohesion policy and other Union budgetary interventions;

276. Endorses the Commission's reservations in the area of economic, social and territorial cohesion and asks to be informed about the development of the programmes concerned in the Commission report following up Parliaments discharge decision;

277. Urges the Commission to continue to rigorously address the weaknesses of 'first-level checks' in Member States, as some of the most important errors are generated at this level;

278. Calls on the Commission to report on Member States' uptake of the SCO in the report following up Parliament's 2014 Commission discharge decision;

279. Agrees with the Court that the Commission should extend to all Member States its assessment of the reliability of the financial corrections reported by the certifying authorities and its impact on the Commission's calculation of the 'residual error rate'; calls on the Commission to report on the results when following up Parliament's discharge decision;

280. Shares the Court's view that the Commission should further strengthen the control system for audit authorities and report on the results when following up Parliament's discharge decision;

281. Calls on DG REGIO and DG EMPL to publish, in their respective annual activity reports, their contributions to the preparation of the Commission's CSRs and on how they support Member States for implementing them, as these recommendations should demonstrate how the DGs facilitate Member States' progress towards achieving the Europe 2020 Strategy objectives;

Natural resources

General issues

282. Notes that the spending area concerning natural resources covers mostly different types of activities under the common agricultural policy (CAP) aimed at increasing productivity in the agricultural sector, supporting living standards for the agricultural community, stabilising markets, and assuring the availability of supplies at reasonable prices; is aware that two funds fulfil this function: the EAGF (European Agricultural and Guarantee Fund) redistributes Union direct aid/ payments and provides market measures and the EAFRD (European Agricultural Fund for Rural Development) co-finances rural development programmes on the project basis;

283. Calls on the Commission to ensure that no EU funds are made available to directly or indirectly support bullfighting; considers that CAP appropriations or any other appropriations from the EU budget should not be used for the financing of activities that involve the torture of animals;

284. Notes that the other areas include activities under the common fisheries policy (EFF; the European Fisheries Fund) and environmental supportive activities (protection and improvement, rational utilisation of natural resources), mainly within the LIFE (a programme for the environment);

285. Notes with regret that five recommendations were implemented fully, four recommendations are being implemented in most respects and 12 recommendations are being implemented in some respects out of the Court's 21 recommendations made in years 2011-2012;

Management issues

286. Notes that CAP spending is provided via shared management (co-financing with Member States; also direct payments are distributed via paying agencies and there is responsibility for eligibility and providing payments for beneficiaries); that the EFF is also managed on a sharing principle; and that LIFE management is provided centrally by the Commission;

287. Stresses that the problem of efficient allocation consists also in a limited reliability and the LPIS database which is not always up to date; notes with satisfaction that the weaknesses in the LPIS had been addressed in all the audited Member States but deplores the fact that some important weaknesses still persist in some Member States; asks the Commission to use the reinforced instruments it has under the new CAP legislation [1] where there are significant and persistent deficiencies in national systems;

288. Points out that one of the identified failures consists also in imperfect Member-State action plans for rural development;

289. Recommends that the Commission provide guidance to Member States so as to address these problems and contribute to satisfactory decisions by them;

290. Welcomes the fact that the Court performed a follow-up audit in order to assess whether the shortcomings observed in the Member States from 2007 to 2013 as to the LPIS have been redressed;

[1] Reduction and suspension of monthly and interim payments; see Article 41(2) of Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008 (OJ L 347, 20.12.2013, p. 549).

291. Notes with satisfaction that the weaknesses in the LPIS were addressed in all the Member States audited; however deplores that some important weaknesses still persist in Greece, Spain and Italy; asks the Commission to use the reinforced instruments it has under the new CAP legislation where there are significant and persistent deficiencies in national systems;

292. Notes with concern that an underestimation of the level of error reported for the financial year by a certifying body in the framework of a 'reinforcement of assurance procedure' ([1]) can happen; stresses that overall, for the six Member States which had opted for the voluntary application of this procedure, the Court found that the weaknesses in its implementation mostly render the reported levels of error unreliable, and that the Commission has to apply top-ups to the reported error rates;

293. Deeply regrets that the Greek certifying body significantly underestimated the level of error reported for financial year 2014 in the framework of the 'reinforcement of assurance procedure' and stresses that overall for the six Member States which had opted for the voluntary application of this procedure (Greece, Bulgaria, Romania, Italy, Luxembourg, United Kingdom), the Court found that with the exception of Luxembourg, the weaknesses in Member States' implementation render the reported levels of error unreliable;

294. Regrets that the Court detected weaknesses in the control systems related to transactions in rural development of the five paying agencies it visited in 2014 in Ireland, Italy (Campania), Portugal, Romania and Sweden and, in particular, in the checks related to eligibility conditions for environmental conditions, the maximum size of companies and to public procurement procedures;

295. Deplores the fact that, in rural development, the majority of error types and system weaknesses were not addressed by the action plans reviewed by the Court;

296. Welcomes the fact that according to the Court's findings, the Commission satisfactorily managed the 2014 financial clearance procedure;

297. Considers with concern that conformity procedures were still too lengthy in 2014; points out that the 15 % reduction in the backlog compared to end 2013 was not sufficient, resulting in a significant backlog of 180 open files at the end of 2014;

298. Stresses that the Court's audit concerning the management of knowledge-transfer and advisory measures revealed that a considerable number of similar services are financed by different Union funds (e.g. from the ESF as well as through the EAFRD) and that this implies the risk of double-financing and requires the duplication of costly management structures;

299. Deplores the Courts' findings that Union support for rural infrastructure has achieved only limited value for money; regrets that the need for Union rural development funding was not always clearly justified and coordination with other funds weak and that the selection procedure did not systematically direct funding towards the most cost-effective projects; asks the Commission and the Member States to collect relevant and reliable data on the effectiveness and efficiency of the measures funded, in order to manage the spending by results;

Legality and regularity; error issues

300. Is deeply concerned that the Court analysed 183 transactions in EAGF involving market and direct support and 176 transactions in rural development, environment, climate action and fisheries, out of which 177 were affected by errors (93 for agriculture concerning market and direct support and 84 for rural development, environment, climate action and fisheries); notes that based on 88 quantified errors, the estimated level of error is to be 2,9 % for the EAGF market and direct support and that based on 41 quantified errors the estimated level of error is to be 6,2 % for rural development, the environment, climate action and fisheries, leading to the most likely error rate for 'natural resources' as a whole being 3,6 %; observes with satisfaction that the situation has improved, as without cross-compliance, the most likely error rate for 'natural resources' as a whole would be 3 %;

([1]) See 2014 Court's annual report point 7.44 to 7.50.

301. Finds it unacceptable that in 26 cases of quantifiable errors in the EAGF market and direct support made by beneficiaries, national authorities had sufficient information to prevent or detect and correct the errors before declaring the expenditure to the Commission; observes that had all this information been used to correct errors, the estimated level of error for this subchapter would have been 0,6 percentage points lower; notes in addition that the Court found that for 34 cases, the error that it detected was made by national authorities; and that these errors contributed 0,7 percentage points to the estimated level of error; that in 15 cases of quantifiable errors in rural development, environment, climate action and fisheries made by beneficiaries, national authorities had sufficient information to prevent or detect and correct the errors before declaring the expenditure to the Commission; and that had all this information been used to correct errors, the estimated level of error for this subchapter would have been 3,3 percentage points lower; notes also that the Court found that for three cases, the error that it detected was made by national authorities; that these errors contributed 0,6 percentage points to the estimated level of error; considers that this situation, which has remained unchanged for some years now, proves a lack of diligence;

302. Regrets that the sources of error have remained the same:

(a) in EAGF market and direct support (for agriculture): inaccurate, or ineligible claims by beneficiaries (such as over-declaration of agricultural land surface, ineligible parcels of land), ineligible beneficiaries, activities, projects or expenditure, cross-compliance infringements and administrative errors;

(b) in rural development, environment, climate action and fisheries (rural expenditure): inaccurate, or ineligible claims by beneficiaries (over-declaration of agricultural land surface, ineligible parcels of land), ineligible beneficiaries, activities, projects or expenditure, cross-compliance infringements, non-compliance with agri-environmental commitments and non-compliance with the rules on public procurement;

(%)

Contribution by type of error	Agriculture	Rural
Overstated number of eligible hectares	28	6
Ineligible beneficiary, activity, project or expenditure	6	16
Cross-compliance infringements	15	1
Administrative errors	15	
Non-compliance with agri-environmental commitments		10
Non-compliance with the rules on public procurement		3
Total	63	37

303. Is particularly concerned by the cases of suspected intentional circumvention of the eligibility criteria; notes that those cases have been forwarded to OLAF and asks OLAF to report on the result of its investigations in the follow-up report of the Commission;

Data reliability issues

304. Stresses that it is crucially important to have a reliable and up-to-date LPIS, which should reduce errors;

305. Points out that since the error rates reported by the Member States for each paying agency are not always reliable, DG AGRI adjusts that level of error based mainly on the Commission's and the Court's audits carried out in the last three years;

306. Stresses that while in 2014 the certification bodies gave a positive assessment on all EAGF-IACS control statistics reported by the Member States, the Commission had to correct upwards the error rates communicated by 17 out of 69 paying agencies with a residual error rate above 2 %, of which five were above 5 % ([1]), notably in Spain (Andalucía, Cantabria, Extremadura and La Rioja) and Hungary; points out that overall, the reported error rate for CAP direct payments increased from 0,55 % to 2,54 % as a result of adjustments made by DG AGRI;

([1]) See Table: Annex 10-3.2.8 on the DG AGRI annual activity report 2014.

307. Stresses that while in 2014 the certification bodies gave a positive assessment on 88 % of the EAFRD control statistics reported by the Member States, the Commission had to correct upwards the error rates communicated by 43 out of 72 paying agencies with an adjusted error rate above 2 % (of which 14 were above 5 %), in Bulgaria, Denmark, Spain (Andalucía and Valencia), France (ODARC and ASP), United Kingdom (England), Greece, Ireland, Lithuania, Latvia, Netherlands, Portugal and Romania; points out that overall, the reported error rate for rural development payments increased from 1,52 % to 5,09 % as a result of adjustments made by DG AGRI;

308. Stresses that there is risk of underestimation of the adjusted error rate by the Commission at individual paying agency level, as the adjustments are made only when Commission's or Court's audit are available;

309. Notes however that the Court considers the Commission's methodology to be a valid approach which can provide sufficient basis for reservations at the level of individual paying agencies;

310. Points out that the policy delivery structure is very fragmented in rural development ([1]), which limits the Commission's conformity audit coverage for EAFRD expenditure;

311. Notes that since the average financial corrections over the last three years for EAGF corresponds to 1,2 % of the expenditure concerned and for EAFRD to 1 %, the Commission has applied financial corrections covering slightly less than half of the level of the adjusted error rate for EAGF (2,6 % in 2014) and one fifth for the EAFRD adjusted error rate (5,1 % in 2014); notes also that over the last three years, recoveries amounted to 0,3 % of the expenditure for EAGF and 0,9 % for EAFRD;

312. Stresses that on the basis of the data communicated by the Commission as regards the financial corrections and recoveries on the one hand (1,9 % of the expenditures) and the aggregated adjusted error rate on the other hand (5,1 %), the figures show for EAFRD in 2014 that the corrective capacity is insufficient to reduce the expenditure at risk below materiality by the end of the programming period ([2]);

313. Notes that the declaration of assurance given by the Director General of DG AGRI includes three reservations in respect of 2014 expenditure in shared management with the Member States and one reservation in respect of indirect management concerning in total EUR 1 446,9 million (EUR 1 451,9 million in 2013); observes that the highest amount in risk in 2014 is under ABB03 (Direct payments); welcomes this intensive work by the Directorate-General to monitor and correct Member State authorities' data, as required by Article 66 of the Financial Regulation; points out that the weaknesses and corrections in the national systems thus revealed represent a substantial part of the data on which the declaration of assurance is based; calls on the Commission to further improve the data forming the basis for this declaration of assurance;

Performance- and result-based approach

314. Notes that a relatively strong, but rather formal focus on performance criteria has been identified (according to the Court, even in 93 % of examined projects), while in contrast, measurement of the extent to which objectives have been achieved has seemingly not been so rigorous;

315. Notes that according to the annual activity report of the director general of DG AGRI, the agricultural income factor has been stable in 2014 (KPI 1); stresses that according to the Commission ([3]), agricultural income per worker is positively influenced by the decline in the agricultural workforce; asks the Commission to report systematically on this issue in its annual activity report;

316. Notes with surprise that according to the annual activity report of the director general of DG AGRI, the employment rate in rural area (KPI 4) was stable in 2014, whilst there is a permanent decline in the number of farmers in the Union;

([1]) Rural development policy is implemented via 46 measures, those measures through rural development programmes lead tat national or regional level.
([2]) Court's annual report for 2014, point 7.71.
([3]) See reply of Commissioner Hogan to written question .7 b. CONT hearing on 14 January 2016.

317. Believes that it is unsustainable that according to the annual activity report of DG AGRI ([1]), 44,7 % of all Union farms are semi-subsistence farms, i.e. having an income of less than EUR 4 000 per year; notes also that according to the report on the distribution of direct aids to agricultural producers for the financial year 2014 adopted by the Commission on 15 December 2015:

(a) on average 80 % of the beneficiaries of CAP direct support receive around 20 % of the payments; and

(b) 79 % of the beneficiaries of CAP direct support receive EUR 5 000 or less per year;

318. Asks DG AGRI to report in its annual activity report 2015 on a broad mix of economic and environmental indicators giving a well-balanced overview of the state of Union agriculture and its broader context, to enable the co-legislators to better assess the performance of the CAP and engage in an informed reflection on its future orientation;

319. Asks DG AGRI to report on the trend in the distribution of agricultural income support in its annual report and in particular to give details of the effects of the new forms of support, such as the redistributive payment, introduced by the 2013 CAP reform;

320. Welcomes the fact that the Court focused in the framework of a performance pilot exercise on 71 projects of rural development, which included investments in tangible assets;

321. Welcomes the results achieved by the 2007-2013 rural development policy implementation according to preliminary data (end 2014) referring to micro enterprises (73 300) and young farmers (164 000) supported as well as to innovation support for introduction of new products or technologies in 136 000 farms;

322. Regrets that the Court demonstrated deficiencies in targeting measures and selecting projects and that there was a lack of evidence that costs were reasonable;

323. Regrets that the Court detected weaknesses in the control systems related to transactions in rural development of the five paying agencies it visited in 2014, in Ireland, Italy(Campania), Portugal, Romania and Sweden and, in particular, in the checks related to eligibility conditions for environmental conditions, the maximum size of companies and to public procurement procedure;

Financial engineering instruments

324. Notes that utilisation of FEI in this area is absolutely negligible and rather exceptional;

325. Regrets that the Court detected grave deficiencies as to the revolving and leverage effects of the funding's facilities in rural development and concluded that FEI had been unsuccessful during the period 2007-2013 ([2]); requests that the Commission implement measurements to provide sufficient incentives for beneficiaries to allow for substantial added value;

326. Notes that the Commission has launched a conformity clearance procedure to get detailed and precise information on the risk of a conflict of interest concerning the State Agricultural Intervention Fund in the Czech Republic and stressed that failure to take the necessary measures to prevent a conflict of interest could ultimately require the Czech competent authority to withdraw the accreditation of the paying agency and/or could lead to the application of financial correction by the Commission; asks the Commission to proceed rapidly and to report to the Parliament on this issue by June 2016; asks OLAF to report without delay to the Parliament on its decision whether or not to open a case;

327. Notes that after the end of the eligibility period of FEI, resources returned to the funds from investments can be used by Member States and become national resources under the current legal framework; regrets that by this means resources initially linked to specific financial instruments can be eventually transferred to different sectors and individual undertakings; calls on the Commission to increase the incentive for Member States to spend these resources within the same sector;

([1]) Annual activity report of Director-General of DG AGRI, p. 17.
([2]) European Court of Auditors' Special Report No 5/2015: Are financial instruments a successful and promising tool in rural development area.

Best practice

328. Notes the Court's detailed analysis of whether Union support was targeted at clearly-defined objectives reflecting identified structural and territorial needs and structural disadvantages; and that it also tested the performance criterion as part of targeting and selection; considers that the improved Common Monitoring and Evaluation Framework (CMEF) developed by DG AGRI, with respect to the performance approach, contains a set of specific indicators that will allow the Commission to measure and report on progress;

Measures to be taken

329. Concludes that the Commission should:

(a) take appropriate measures to strengthen the action plans in Member States so as to identify the most frequent causes of error; and revise the strategy for rural development conformity audits;

(b) analyse the impact of the CAP reform in terms of the performance of industry and its priorities as concerns Union budgetary support;

(c) facilitate synergies in the natural resources area to eliminate its current heterogeneity of supportive actions;

(d) report in detail to Parliament on the implementation of the capping in CAP direct payments Member State per Member State;

330. Requests that:

(a) the Commission consider reporting, in the annual activity report of DG AGRI, on the trend in the distribution of agricultural income support;

(b) the Member States make further efforts to include reliable and up-to-date information in their LPIS database in order to avoid payments for ineligible land;

(c) the Commission draft proposals with a view to sanctioning false or incorrect reporting by paying agencies including the three following dimensions, namely inspection statistics, statements by the paying agencies and the work of certification bodies;

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

(e) the Commission revise the strategy for its rural development conformity audits so as to establish whether systems weaknesses found in one specific region, for Member States with regional programmes, are also present in the other regions, especially for investment measures;

(f) the Commission ensure that the new assurance procedure on legality and regularity of transactions, which will become mandatory as of the financial year 2015, is correctly applied by the certification bodies and produces reliable information about the level of error;

(g) the Member States assess the need to support knowledge-transfer and advisory activities which are readily available on the market at a reasonable price and when this need is justified that Member States ensure that the costs of the supported activities do not exceed the costs of similar activities offered by the market;

(h) the Commission ensure complementarity between Union funds in order to mitigate the risk of double-funding and duplication of administration in knowledge-transfer and advisory measures;

(i) the Commission encourage Member States to establish a single financial instrument which is able to provide both loans and guarantees, thus increasing its activity and critical mass;

(j) the Commission set appropriate standards and targets for leverage and revolving effects in order to increase the effectiveness of the financial instruments for the programming period 2014-2020;

(k) the Consumer, Health and Food Executive Agency reduce, to the extent possible, the carry-overs of committed appropriations, which amounted to EUR 0,9 million (50 %) in 2014; points to the fact that in 2013 the Court made similar comments and that information on corrective measures remains unavailable;

Global Europe

General issues

331. Notes that this area covers expenditures connected with foreign policy activities, support to Union candidate and pre-candidate countries, and development assistance and humanitarian aid to developing and neighbouring countries, which are not part of the European Development Fund's (EDF's) activities;

332. Notes that heading 4 of Global Europe works with a total amount of EUR 7,4 billion where spending is based on cooperation instruments and delivery methods;

333. Notes that there are currently undoubtedly three areas relevant for the enlargement and neighbouring agenda: partnership, enlargement and synergies with the European External Action Service (EEAS);

334. Welcomes the fact that four recommendations have been implemented fully, two recommendations are being implemented in most respects and two recommendations are being implemented in some respects out of the Court's eight recommendations made in years 2011-2012;

Management issues

335. Notes that there is a direct management in this section, when spending is managed by the Commission and its DG; it is provided via the Brussels headquarters, or Union delegations in particular countries, or in cooperation with international organisations;

336. Notes with surprise that the delegations with the highest amount at risk as measured by key performance indicators 5 (timely implementation) and 6 (objective reached) differ from those listed as the worst performers; considers that it raises questions on the quality and seriousness of reporting of some delegations;

337. Notes with deep concern that according to the EAMR on 2 598 projects led by Union delegations;

— 805 projects worth EUR 13,7 billion (45,53 % of the total amount) are delayed,

— 610 projects worth EUR 9,9 billion (32,96 %) will not reach the initially set objectives,

— 500 projects worth EUR 8,6 billion (29 %) are both delayed and will not reach their initially set objectives,

— 915 projects worth EUR 15 billion (50 %) are either delayed or will not reach the initially set objectives,

— budget support actions account for almost one fifth of the projects with the worst problems;

338. Welcomes the fact that the Commission has put in place a monitoring system of the ongoing projects and that the EAMR reports provide a snapshot at the end of the year of projects which are either facing some delays in their implementation or where risks exist that they will not reach one or more of their initially set objectives;

339. Encourages the Commission to continue to monitor these projects and to take appropriate actions in order to allow these projects to reach their objective in the set time frame; asks the Commission to provide an up-to-date report on the state of these projects and calls on it to include neighbourhood policy aid programmes in that report;

340. Regrets that projects with implementation problems are less often visited by delegation staff than projects without problems;

341. Notes that on the basis of the data in the EAMR of 2014, 77 % of the projects flagged red for KPI-5 were visited and 23 % were not, that for projects flagged yellow for KPI-5, 74 % were visited and 26 % were not, and that for projects flagged green for KPI-5, 71 % were visited and 29 % were not;

342. Recalls that Parliament requested that the Commission present the measures taken to improve the performance of Union delegations as regards financial planning and resource allocations, financial administration and auditing and to provide the conclusions it has drawn from the EAMR with the EAMRs to Parliament;

343. Notes that action plans for 22 delegations that met benchmarks for less than 60 % of their KPIs in 2014 were transmitted officially to the European Parliament on 5 November 2015; notes, moreover, that conclusions drawn by DG DEVCO from the EAMR were presented in the Annual Activity Report of DG DEVCO for the year 2014;

344. Insists that the Commission should in no way utilise the adversarial procedure foreseen by Article 163 of the Financial Regulation applicable to the general budget of the Union in order to delay or to block the adoption of a special report of the Court;

345. Reiterates strongly that the assurance-building process requires measures to reinforce the accountability of Union delegations through the EAMR prepared and signed by the heads of Union delegations;

346. Considers the EAMR issued by the heads of Union delegations to be a useful internal management instrument to enable the Commission to identify early problems with projects and to address them even during the implementation; regrets that these reports are not annexed to the annual activity reports of DG DEVCO and NEAR as is foreseen by Article 67(3) of the Financial Regulation; regrets that they are systematically considered as confidential whilst in accordance with Article 67(3) of the Financial Regulation, 'they shall be made available to the Parliament and the Council having due regard, where appropriate, to their confidentiality';

347. Regrets that the overall performance of Union delegations in implementation of external assistance programmes as measured by the KPI utilised in the EAMR of 2014 has worsened compared to 2013; notes however that these reports present an assessment of ongoing projects and that the performance is influenced by factors outside the control of the Union delegations, including quality of governance in beneficiary countries, security situation, political crises, commitment of implementing partners, etc.;

348. Acknowledges that the assessments derived from the EAMR reports provide only a snapshot of the situation of each project at the end of the year and that the actual impact of the identified difficulties can only be assessed by the end of the project;

349. Insists that the Commission use the EAMR to address the identified shortcomings, so that ongoing projects meet the objectives initially set; expects the Commission to ensure that external assistance projects are planned within a realistic time frame so as to decrease the share of delayed projects; expects the Commission to report to the Parliament on corrective action to redress the situation in delegations with serious implementation problems;

350. Notes that only a very limited part of the ongoing projects were assessed as having serious problems justifying a red flag; welcomes the foreseen corrective actions, which could still produce a positive outcome by the end of the implementation period;

351. Takes the view that heads of Union delegations should be clearly reminded of their duties during their recruitment and pre-posting in terms of management, their responsibility in the management assurance related to their delegation portfolios of operations (key management processes, control management, adequate understanding and assessment of the KPI), providing qualitative and exhaustive reporting in the context of the establishment of the annual activity report and urged not only to concentrate on the political component of their duties;

352. Expresses concern at the Union's management of external assistance in third countries; points out that every second euro is paid late (at the time of the last report, this affected 805 projects), every third euro failed to reach its intended target (affecting 610 projects) and that both of the failings apply to every fourth euro (affecting 500 projects); is concerned that with regard to budget support almost one fifth (18,5 %) of the measures are late and fail to reach the objectives, and almost half of the EDF projects have the same implementation problems; is concerned that projects that are experiencing problems are visited less frequently than those without problems; asks the Commission to provide an up-to-date report on the state of these projects and calls on it to include neighbourhood policy aid programmes in this report;

353. Acknowledges that the actual impact of the identified difficulties can only be assessed by the end of the project; considers that the financial impact of the difficulties and delay encountered during the implementation of the projects should be measured cautiously and that it can represent only a very limited part of the project's spending;

354. Believes that the heads of Union delegations should be provided with clear guidance in the general guidelines on the definition of the reservation and its components;

355. Believes it is important to identify and consolidate trends by delegation on the basis of management information and KPI, in order to assess the programming cycle for the benefit of the overall or sectoral performance of Union development aid;

356. Welcomes that the Commission has increased the monitoring of Union-funded projects in the Tindouf camps with a total of 24 monitoring missions carried out in 2015, and up to 2 weeks per month being spent by Commission humanitarian staff in the camps; welcomes all efforts by the Commission to ensure the most efficient use of Union funding in the camps and acknowledges that there is no customs duty on humanitarian imports in the case of Tindouf;

Legality and regularity; error issues

357. Observes that the Court analysed 172 transactions, out of which 43 were affected by error; notes that based on 28 quantified errors the estimated level of error is to be 2,7 %;

358. Welcomes the fact that the Court issued a specific error rate as to the expenditure directly managed by the Commission (the multi-donor and budget support transactions being excluded) and regrets that the error rate for those specific transactions has been quantified at 3,7 %; finds it frustrating that in seven cases of quantifiable errors, the Commission had sufficient information to prevent or detect and correct the errors before accepting the expenditure; notes that had all this information been used to correct errors, the estimated level of error for this chapter would have been 0,2 percentage points lower;

359. Notes that the main errors include ineligible expenditures claimed by financial beneficiaries (involving the period, taxes, non-compliance with rule of origin or insufficient documentation) and insufficient clearance and acceptance of payments by the Commission;

Contribution by type of error	Global Europe (%)
Ineligible expenditure	57
Services/works/supplies not provided	24
Absence of supporting documents to justify expenditure	8
Non-compliance with the rules on public procurement	6
Incorrect calculation of expenditure claimed	4
Total	100

360. Welcomes the fact that the Court issued a specific error rate as to the expenditure directly managed by the Commission, multi-donor and budget support transactions being excluded; regrets that the error rate for those specific transactions has been quantified at 3,7 %;

361. Points out that the budget support transactions examined by the Court were free from errors of legality and regularity; takes the view, however, that the Commission should introduce consistent monitoring of funds allocated in the form of budget support, including systematic checks on compliance with the conditions governing eligibility for this type of support;

362. Regrets that the Court observed the systemic error consisting of accepting expenditure based on their own estimates rather than on incurred, paid, and accepted costs it had already detected in the financial exercise of 2013 once again in 2014; but notes with satisfaction that DG ELARG corrected the incorrectly-made clearings from their accounts for 2013 and 2014 in May 2014 and also revised the instructions laid down in the ELARG manual on accounting;

363. Recalls that in his declaration of assurance [1], the director general of Europe Aid stated that the control procedures in place give the necessary guarantees concerning the legality and regularity of the underlying transactions whilst issuing a global reservation concerning the error rate being above 2 %, which demonstrates that the control procedures failed to prevent, detect, and correct material error;

364. Regards it as essential that suspension of pre-accession funding should be possible not only in cases where misuse of funds has been proven, but also in cases where pre-accession countries violate in any way the rights laid down in the Charter of Fundamental Rights of the European Union;

Data reliability issues

365. Notes that due to the character of expenditures and the territories of their allocation, data management in this field visibly differs from any other area of the Union budget;

Performance- and result-based approach

366. Notes that due to the character of support, even improved risk management and strengthened control systems contribute substantially to a performance focus;

Financial engineering instruments

367. Notes that in this area, FEIs do not represent a core topic. If there is a space for this kind of support, it is rather utilised via the EDF's actions;

Measures to be taken

368. Concludes that the Commission should:

(a) follow the Court's recommendation to set up and implement internal control procedures to ensure that re-financing payments are based on actual expenditure, and to strengthen the *ex ante* controls for grant contracts, including the use of risk-based planning and systematic follow-up visits;

(b) reflect the current and sharply changing set of priorities to provide efficient Union financial support to follow not only the territorial aspects (Ukraine, Turkey, Western Balkan, Eastern Partnership countries among others), but simultaneously also the thematic ones;

369. Requests that the Commission set up and implement internal control procedures to ensure that pre-financing is cleared on the basis of actual incurred expenditure not including legal commitments;

370. Fully endorses the instruction given by the Commission in its synthesis report [2] urging DG DEVCO 'to look for ways to increase the extent to which it takes the result of its controls into account to provide a more risk differentiated assurance and to subsequently direct more of its control resources towards areas covered by specific reservations taking into consideration the relative cost-effectiveness of the various controls';

[1] See 2014 annual activity report of EuropeAid, p. 115.
[2] Synthesis of the Commission's management achievements in 2014 COM(2015) 279, p. 21.

371. Asks the Commission to:

(a) provide the Parliament every year with a global assessment of the EAMR; and

(b) indicate in the annual activity reports of DG DEVCO and DG NEAR the measures it has taken to redress the situation in the delegations with implementation problems, to shorten the delays in budget support and to simplify the programmes;

Administration

372. Notes that this very specific area relates to the expenditure of Union institutions and other bodies, and that the Commission in many cases plays here a role of a service provider for the others;

373. Points out that about 60 % of the total amount represents the cost of personnel; the other items include buildings, equipment, energy, communication and IT among others;

374. Requests that all Union institutions and agencies implement Article 16 of the Staff Regulations by publishing, on an annual basis, information about senior officials who have left the Union administration, as well as a list of conflicts of interest; requests that the aforementioned independent structure assess the compatibility of post-Union employment or the situation whereby civil servants and former Members of the Parliament move from the public to the private sector (the 'revolving door' issue) and the possibility of a conflict of interest, and define clear cooling-off periods, which should cover at least the period for which transitional allowances are granted;

375. Points out that five former officials were employed as special advisors in 2014 and received remuneration in one case for 43 weeks in two other cases for 30 weeks; asks the Commission to provide further information on why the original contracts were not prolonged instead of paying the abovementioned former officials on a daily basis, whether those original contracts were taken into account and if so, how, and whether pensions were paid at the same time;

376. Points out that through the increase in working hours from 37,5 to 40 hours a week under the revision of the Staff Regulations, the equivalent of approximately 2 900 posts is gained and that this virtually offsets the staff cuts of 5 % over several years agreed in the reform of the Staff Regulations; calls on the Commission to present a transparent report with annual indications of the planned reduction in posts and to take account of the increase in working time in this;

377. Stresses that for each member of the Commission, the discharge procedure takes precedence over other meetings as the Parliament's responsible committee considers that each commissioner is accountable to Parliament;

378. Stresses the importance of the role of whistle-blowers; invites the Commission to ensure that every Union institution implements rules on the protection of whistle-blowers; calls the Commission to promote legislation on the protection for whistle-blowers in the Union;

379. Demands that all those Union institutions and agencies that have not yet done so urgently adopt internal rules on whistle-blowing and take a common approach to their obligations, focusing on the protection of whistle-blowers; requests special attention for the protection of whistle-blowers in the context of the Directive on the Protection of Trade Secrets; calls on the Commission to promote legislation on a minimum level of protection for whistle-blowers in the Union; calls on the institutions and agencies to amend the Staff Regulations to ensure that they not only formally oblige officials to report irregularities of all kinds but also lay down adequate protection for whistle-blowers; calls on the institutions and agencies to implement Article 22c of the Staff Regulations without delay;

380. Expresses concern at the number of suicides among staff; takes the view that the Commission should carry out a thorough assessment of staff well-being, in an effort to halt the suicides;

381. Notes with regret that no recommendation was implemented fully, five recommendations are being implemented in most respects and three recommendations are being implemented in some respects out of the Court's eight recommendations made in years 2011-2012;

382. Notes that the level of sick leave at the Commission remains stable; welcomes the establishment of a psychosocial support group, which has seen the number of days of absence fall from 2 200 in 2010 to 772 in 2014; is concerned, however, at the need to intervene in 868 cases, albeit with a degree of satisfaction of 95 %;

383. Takes note that more than 250 staff members, not taken up in the new cabinets, were reintegrated or hosted in the DGs and that some 550 staff of the new cabinets were welcomed in new Junker Commission;

384. Considers the immunity of Union staff from criminal proceedings in Member States, which dates back 64 years, to be a privilege that has long been obsolete; calls for this privilege under the Protocol to the Treaty to be confined to Union staff in countries outside the EU;

Legality and regularity; error issues

385. Observes that the Court analysed 129 transactions out of which 20 were affected by error; notes that based on 12 quantified errors the estimated level of error is 0,5 %;

386. Notes that the main errors include ineligible or incorrectly calculated staff allowances and related benefits, payments made for services not covered by the existing contract and other expenses without proper justification;

Contribution by type of error	Administration (%)
Ineligible or incorrectly calculated staff allowances and related benefits	70
Payments made for services not covered by the existing contract	22
Other expenses without proper justification	8
Total	100

Code of conduct and conflict of interest

387. Notes the strong attention of the public and the media for integrity issues, implying that well-functioning codes of conduct demand continuous attention; stresses that a code of conduct is only an effective preventative measure if properly applied and compliance systematically reviewed, not only in cases of incidents; points out that a review of the code of conduct is needed by the end of 2017;

388. Encourages the Union institutions and agencies to better raise awareness of the conflict-of-interest policy among their officials, alongside ongoing awareness-raising activities and the inclusion of integrity and transparency as an obligatory item to be discussed during recruitment procedures and performance reviews; considers that a distinction should be made between elected representatives and public officials in the legislation on conflicts of interest; believes that there should also be such regulations in the Member States for public officials and civil servants involved in the administration and monitoring of Union subsidies; calls on the Commission to submit a draft legal basis on this matter;

389. Believes that the Commission should pro-actively disclose documents regarding the recommendations of the ad hoc ethical committee on post-term-of-office jobs of former Commissioners, editing the commercial or personal information in accordance with Regulation (EC) No 1049/2001 of the European Parliament and of the Council [1];

[1] Regulation (EC) No 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents (OJ L 145, 31.5.2001, p. 43).

390. Calls on the Commission to review the code of conduct for Commissioners by the end of 2017, including by defining what constitutes a 'conflict of interest' as well as introducing criteria for assessing the compatibility of post-office employment and extending the cooling off period to three years for Commissioners; calls on the Commission to ask from Member States that they clearly indicate any potential conflicts of interests of their candidate member of the Commission and explain how conflicts of interests are defined in their national legislation; in the case of diverging interpretations of conflicts of interest between national legislation and the rules the Commission applies itself in this regard, considers that the latter interpretation should be followed by Member States;

391. Requests that the Commission pay particular attention in this regard to the prevention of conflicts of interest and corruptive practices in the case of decentralised agencies, which are particularly vulnerable considering the fact that they are relatively unknown to the public and are also located throughout the Union;

392. Points out that an important step with regard to conflicts of interest is to increase the transparency of the Commission President, the ad hoc ethical committee of the Commission and of the Secretariat General, when reviewing situations of potential conflict; calls upon the Commission to proactively publish the opinions of the ethical committee in accordance with Regulation (EC) No 1049/2001 in order to let the public hold the Commission accountable for the decisions it makes; reiterates the Parliament's recommendation that the ad hoc ethical committee be reformed to extend its powers and include independent experts;

393. Estimates that the code of conduct for Commissioners should include a clearer task description of the ad hoc ethical committee, and include the requirement that the members of the Committee are independent experts;

394. Calls on the Commission to publish the declarations of interest in an open, machine-readable format;

395. Considers that government employees recruited to the private office of a European Commissioner should preferably not have as part of their assignment relations with their own Member States, unless following an appropriate examination against any possible conflict with legitimate interests of the Commission;

Conflicts of interest in shared management and in third countries in connection with the management of EU funds

396. Points out that some Member States do not have laws on ministers that exclude the possibility of office-holders being sole or part-owners of businesses;

397. Sees a serious conflict of interest in the possibility that businesses owned by Union office-holders may apply for Union funds or may receive such funds as subcontractors, while the owners and office-holders themselves bear responsibility for both the proper use of funds and for controlling their use;

398. Calls on the Commission to incorporate a clause in all future Union laws on payments to the effect that businesses owned by office-holders in Union Member States and in third countries may not apply for or receive any Union funding;

Transparency

399. Believes that all data on the implementation of the budget within the EU should be transparent and accountable through publication, including the spending of Member States related to shared management;

400. Emphasises the principle that the Commission on all levels should end contacts with unregistered lobbyists;

401. Calls on the Commission to expand the recording of meeting data with lobbyists to everyone involved in the Union's policymaking process by requesting from their DGs regular reports on the meetings taking place within their respective services and by putting this information in an easily accessible manner on the Commission's website;

402. Believes that the Commission should be obliged to record and disclose all input received from lobbyists/interest representatives on draft policies and laws as a 'legislative footprint'; suggests that this legislative footprint should contain detailed information about lobbyists whose views had a substantial impact on the Commission's proposals;

403. Welcomes the publication of a list of senior officials leaving the Commission and calls on the Commission to include all members of the Cabinet in the definition of senior officials;

Expert Groups

404. Urges the Commission to follow up on the Ombudsman's recommendations against conflicts of interest in expert groups and to postpone the adoption of new horizontal rules, until the Parliament has been able to express its opinion on the basis of the ongoing work on a joint CONT-JURI own-initiative report;

Others

Migration and refugees

405. Welcomes the information on funds, which could be used to mitigate the crisis situations caused by a high influx of refugees ([1]);

406. Is of the opinion that the Union funds involved in migration policy should be the subject to control and audits on the basis of performance indicators;

407. Points to the ongoing migration crisis and underlines the need to address it with a coherent Union solution; notes the funds allocated to migration and external-border management in 2014; and asks the Court to consider preparing a quick, special report on the effectiveness of these funds, drawing conclusions to be reflected in the ongoing process of upgrading the Union migration and border control policy;

408. Refers to paragraphs 234 and 235 of the 2013 discharge resolution; asks for an update about the ongoing cooperation with the International Management Group (IMG) and for information from the Commission in particular about ongoing and new contracts and payments;

409. Calls for clarification as to which unfinished Greek Union projects can no longer be funded after 31 December 2015; calls for clarification as to what is to happen with each of these projects;

OLAF

410. Considers the OLAF to be a key actor in the fight against corruption and believes that it is of the utmost importance that this institution work effectively and independently; recommends, in accordance with the OLAF Regulation, that the OLAF Supervisory Committee be given access to the information needed for effective execution of its mandate with regard to oversight of OLAF activities and that it be given budgetary independence;

411. Stresses that Member States are not following up alleged cases of fraud affecting the financial interests of the Union as submitted to them by OLAF; calls on the Commission to take appropriate measures and on OLAF to continue and accelerate its analysis of the reasons why Member States do not follow up alleged cases, to provide the Parliament with its findings in this respect and to continue to support the Member States in improving their performance in the prevention and detection of fraud against European funds;

412. Notes OLAF's effort to implement most of the recommendations of its Supervisory Committee ([2]); wishes to be informed, however, on whether the fundamental differences on whether respective recommendations have been implemented or not; expects in the future that OLAF clearly states, where and in how far it deviates from the original recommendations issued by the Supervisory Committee; notes that 2014 was the first year in which the Supervisory Committee has decided to follow up on the recommendations previously issued; calls on OLAF and the Supervisory Committee to repeat this exercise on a yearly basis;

([1]) Replies to written questions to Commissioner Thyssen, questions 48 and 49.
([2]) See follow-up to the European Parliament resolution on the OLAF Supervisory Committee's annual report 2014, adopted by the Commission on 23 September 2015.

413. Urges OLAF to implement the recommendations on the direct participation of the Director-General in investigations, as Article 7(1) and (2) of Regulation (EU, Euratom) No 883/2013 clearly stipulates that investigations are to be conducted by staff appointed by the Director-General and not by the Director-General himself, as this may create investigations with conflicting objectives;

414. Expects OLAF to implement the recommendation of the supervisory committee to include the verification of any potential conflict of interest between the duties of a national expert and his participation in investigation activities in the respective case file;

415. Is strongly convinced that the supervisory committee should be informed of all dismissed cases in which information has been transmitted to national judicial authorities, in accordance with Article 17(5) of Regulation (EU, Euratom) No 883/2013, in order to protect the procedural guarantees of the persons concerned with the allegations; demands from OLAF to implement the Supervisory Committee's recommendation as soon as possible;

416. Notes that OLAF closed in 2014 a total of 307 investigations and coordinated activities; that in 147 of these investigations OLAF issued a recommendation, yielding a follow-up rate of 47 %; notes that in years prior to 2011, the rate was regularly above 50 %; expects that OLAF undertake measures to restore its effectiveness permanently by improving its selection procedure; is of the opinion that OLAF should reconsider recommendation No 31 of the supervisory committee to increase its effectiveness;

417. Notes the joint efforts of OLAF and the Supervisory Committee to reach an agreement on new working arrangements; reiterates its call relating to the 2013 budget for a speedy resolution of the remaining issues between OLAF and its Supervisory Committee, so as to enable them to fulfil their legal duties effectively under the conditions of their current limited cooperation; calls on the Commission fully to play its role and to actively work on a long-term solution to be put in place without delay;

418. Welcomes the decision of the college to waive the immunity of the OLAF Director-General, so as to enable the Belgian judicial authorities to investigate the possibly unlawful recording of telephone conversations (scripted by OLAF) between a witness (prompted by OLAF to make the call) and a person on the OLAF premises and under the assistance of OLAF investigators;

419. Emphasises that the Supervisory Committee should, as a matter of consistency with its mandate, have autonomous staff who are detached from the OLAF administration and enjoy financial autonomy; welcomes the Commission's ongoing efforts towards this end;

420. Urges OLAF to grant the Supervisory Committee access to documents that the Supervisory Committee deems necessary to fulfil its task in accordance with its remit within the legislative mandate;

421. Notes that in 2014, significant steps were taken by OLAF to enhance the Commission's and the Member States' protection of Union financial interests by completion of the priority actions of the multiannual anti-fraud strategy, focused on both developing anti-fraud strategies at Commission service and agency level and supporting Member States in developing their own anti-fraud strategies;

422. Points out that in 2014, OLAF recommended a record amount of financial recoveries for the Union budget, totalling EUR 901 million, more than double the amount for 2013; points out than in 2014 the total amount recovered by the relevant authorities also increased following OLAF's recommendation to recover EUR 206,5 million (in 2013 it was EUR 117 million);

423. Urges OLAF to draw up internal rules on whistle-blowing in accordance with the new 2014 Staff Regulations;

424. Recalls that the Commission has received a request to waive the immunity of its staff from the Belgian Courts; insists that the Commission should fully cooperate with the Belgian judicial authorities;

425. States that in OLAF's 2014 annual report the investigative activities and results per sector are specified; requests that OLAF provide in its next annual report detailed information on the type of investigation and results in all sectors;

Tobacco agreements

426. Recalls that in May 2015 the Commission promised to deliver its assessment of the agreement with Philip Morris International (PMI) as soon as possible; stresses that the Commission postponed the publication of the assessment several times and that it was finally published on 24 February 2016, one day before a plenary debate on the issue in Parliament; firmly considers such a delayed publication to constitute a serious failure on the part of the Commission to meet its obligations of transparency, both to Parliament and to citizens, thus undermining Parliament's capacity to express its view in a timely manner on this complex and delicate matter;

427. Emphasises that, when first concluded in 2004, the PMI agreement was an innovative instrument for tackling the illicit tobacco trade, but stresses that the market and regulatory environment have experienced substantial changes since then; stresses that the agreements concluded with the 'big four' tobacco companies [1] do not address important characteristics of the illicit tobacco trade today, in particular the high proportion of the trade that is now made up of 'cheap whites'; calls on the Commission, to come forward with an action plan setting out new measures to tackle this problem as a matter of urgency;

428. Is of the opinion that all the elements covered in the tobacco agreements will be covered by the new legal framework made up of the Tobacco Products Directive [2] (TPD) and the World Health Organisation Framework (WHO) Convention on Tobacco Control (FCTC);

429. Recalls that the Parliament expressed the view on 9 March 2016 [3] that the agreement with PMI should not be renewed, extended or renegotiated;

430. Urges the Commission to put in place, at Union level and by the date of expiry of the PMI agreement, all the necessary measures to track and trace PMI tobacco products, and to bring legal action for any illegal seizures of this manufacturer's products until all provisions of the Tobacco Products Directive are fully enforceable, so that there is no regulatory gap between the expiry of the PMI agreement and the entry into force of the TPD and FCTC;

431. Calls on PMI to continue to apply the track-and-trace and due diligence ('know your customer') provisions contained in the current agreement, regardless of whether or not it is extended;

432. Calls on the Commission to bring forward a new, additional regulation establishing an independent track-and-trace system and applying due diligence ('know your customer') provisions to raw cut tobacco, filters and papers used by the tobacco industry, as an additional tool to combat contraband and counterfeit products;

433. Regrets the delay in the Commission's assessment of tobacco agreements; calls on the Commission to provide this as soon as possible, outlining the results of the investments made using the money paid by tobacco companies under these agreements;

434. Is concerned at the finding by the European Ombudsman [4] which declared that, with the exception of DG Health, the Commission was 'not fully implementing UN WHO rules and guidelines governing transparency and tobacco lobbying'; is of the opinion therefore that the credibility and integrity of the Commission have been endangered;

435. Urges all the relevant Union institutions to implement Article 5.3 of the WHO FCTC in accordance with the recommendations contained in the guidelines thereto; urges the Commission to publish immediately the assessment agreements with tobacco companies and an impact assessment on the implementation of the WHO FCTC;

European Schools

436. Points out that the European Schools have received EUR 164,2 million from the EU budget, which constitutes 59 % of the schools' operational budget;

437. Is extremely concerned by the conclusions in the Court's report on the annual accounts of the European Schools for the financial year 2014 which reads: 'Given the continuing accounting and control weaknesses, the Court is not able to confirm that the consolidated accounts for 2014 are free of material misstatements';

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[1] Philip Morris International, British American Tobacco, Japan Tobacco International, and Imperial Tobacco Limited.
[2] Directive 2014/40/EU of the European Parliament and of the Council of 3 April 2014 on the approximation of the laws, regulations and administrative provisions of the Member States concerning the manufacture, presentation and sale of tobacco and related products and repealing Directive 2001/37/EC (OJ L 127, 29.4.2014, p. 1).
[3] European Parliament resolution of 9 March 2016 on the tobacco agreement (PMI Agreement) (Texts adopted, P8_TA(2016)0082).
[4] http://www.ombudsman.europa.eu/en/press/releasefaces/en/61027/html.bookmark

438. Notes that the Director-General for Human Resources and Security (DG HR) maintained her 'reputational reservation' in the 2014 Commission Synthesis report regarding the European schools and that the representative of the European Commission voted against granting discharge for the 2012 and 2013 European Schools accounts; regrets that the Member State representatives are not taking the problems equally seriously;

439. Recalls that the Parliament in its 2010 Commission discharge procedure had already questioned 'the decision-making and financing structures of the Convention on the European Schools'; and had demanded that the Commission 'explore with the Member States a revision of that Convention and […] report by 31 December 2012 on the progress made'; notes that no progress report was ever received by Parliament;

440. Fully endorses the Court's 11 recommendations issued in its report of 11 November 2015 on the annual accounts of the European Schools for 2014 comprising accounting, staff, procurement procedure, control standard and payment issues;

441. Calls on the Commission to report on the progress made by the European Schools in implementing the Court's recommendations and the Commission's action plan by 1 July 2016;

442. Calls on the budgetary authority to put into reserve parts of the Union budget contribution to European Schools, aiming primarily at the office of the Secretary General, during the 2017 budget procedure unless sufficient progress has been achieved in implementing the Court's recommendations;

Euronews

443. Notes that Euronews received EUR 18 million from the Union budget in 2014, even though the Commission is not a Euronews shareholder, is concerned that Euronews' current governance structure might not allow full independence and autonomy from its international shareholders; calls on the Commission in its function as major financial contributor to ensure that Euronews respects the principles of sound financial management and all legal agreements with the Commission including the binding charter on editorial independence;

Summary

444. Concludes in summary that:

(a) sound financial management principles represent the key requirement for the Union budgetary management;

(b) impact and risk assessments are to be understood as an integral element of this;

(c) the current strategy of simplification is important for the sound management and its efficiency; it is to be accompanied with high standards of budgetary discipline;

(d) shared management practices still have room for improvement in terms of increased compatibility between Union and Member States' policies;

(e) a greater effort to support the protection of financial interests is crucial;

(f) the overall error rate remains almost stable at 4,4%, however the errors' typology is very heterogeneous;

(g) no serious problems have been identified on the revenue side; the GNI principle remains key to this success; revenue adequacy is, however, an issue;

(h) a higher-than-average error rate has been identified in spending for competitiveness in growth and jobs, albeit that in parallel, temporary monitoring in this area has displayed the clearest signs of a performance approach;

(i) cohesion support has shown a visibly higher error rate for regional and urban policy in comparison with that for social affairs; a performance approach is additionally supported by FEI, especially in some Member States;

(j) better data management and processing would undoubtedly contribute to a more advanced performance approach;

(k) the natural resources area has the potential to develop project-based support to improve the efficiency of Union sources; additionally, there is huge room for improvement in management and institutional support, especially at the Member States' level;

General results and policy recommendations

445. Considers that the 2014 discharge:

(a) creates a new paradigm for understanding Union budgetary effects and benefits in a more comprehensive way to cover all aspects, including errors, legality, absorption, performance and results as a system; and calls on the Commission and the other relevant actors to continue to develop an appropriate methodology and framework to pursue the performance approach further and with greater rigour;

(b) shows that the performance test used with the Europe 2020 Strategy is a positive step in the right direction, although its compatibility with the Union economic policy framework requires further development, including CSR with relevant macroeconomic indicators and regularly updated Union economic and social policy priorities;

(c) identifies room for improvement in budgetary management and welcomes the effort to simplify it, including its impact assessment; shows that a regular follow-up process is highly beneficial;

(d) calls on the relevant Union institutions to adjust their management and procedural systems to implement successfully new elements coming from current and future Union budgetary needs, to allow the Union budget to realise its potential optimally;

C. **COMMITTEES' OPINIONS**

Foreign affairs

446. Is concerned about the increase in the rate of material error in heading 4 for the 2014 financial year; supports all recommendations made by the Court in its annual report and urges the Commission to follow up swiftly on recommendations from the previous years that are still not fully implemented;

447. Welcomes the fact that DG NEAR fixed the systemic error affecting its expenditure in 2013 and made the substantial changes to its systems required by the Court; similarly expresses satisfaction that DG ECHO's annual activity report was found to be correct based on the Court's audit work;

448. Notes with concern the errors identified in the context of expenditure verification for grant contracts, which make up more than 50 % of errors identified by the Court in heading 4; notes that the most significant type of error concerns ineligible expenditures; stresses the importance of preventing or detecting and correcting the errors before accepting the expenditures, through a better implementation of *ex ante* controls; notes with particular concern EuropeAid's failure to detect errors; urges the Commission to ensure that the efforts made thus far to solve these problems with expenditure verification are intensified and to follow up fully on the recommendation on grant supervision made by the Court in its 2011 annual report;

449. Points to the need for a proper *ex ante* assessment in cases where the Commission, possibly through the European Investment Bank, decides to finance large-scale infrastructure projects with a high environmental impact, the object of the exercise being to check their financial, environmental, and social sustainability, and calls for Union funding in non-member countries to be channelled towards projects making for financial sustainability as well as being economically and socially useful;

450. Recognises the Commission's continuing progress in accrediting all common foreign and security policy missions in accordance with the 'six-pillar assessment'; welcomes in particular the fact that the three largest missions have now been made compliant; underscores the need for the Commission to accredit all missions in line with the Court's recommendation;

451. Welcomes the establishment of the mission support platform (MSP) and reiterates its call on the Commission to take steps towards establishing a genuine shared services centre (SSC), together with an integrated resource management system (IRMS) as a way to improve the speed of deployment and cost-efficiency of missions; proposes that the common security and defence policy (CSDP) warehouse be upgraded and serve also existing CSDP missions and be managed by the future SSC;

452. Regrets the significant delays in procuring essential equipment and services for missions under the CSDP and the resulting negative effect on the missions' functioning; recalls that in its 2012 special report on Union assistance to Kosovo related to the rule of law, the Court pointed out this inefficiency and concluded that the procurement rules laid down in the Financial Regulation 'are not designed for CSDP missions where fast and flexible responses are sometimes necessary'; deplores that the recent revision of the Financial Regulation did not produce the necessary changes to the financial rules; reiterates its view that management of the relevant budget lines should be delegated to the civilian operation commander, in the same way as has been done for heads of Union delegations;

453. Recalls that the efficiency of CSDP training and advisory missions is greatly hampered by the Union's institutional difficulties to accompany these actions with even basic support in terms of equipment; welcomes in this context the efforts made by the Commission to implement the joint communication on capacity-building in support of security and development; calls on the Commission to put forward the necessary legislative proposals for the creation of a dedicated fund as soon as possible, so that it can be included in the Union budget in the course of the mid-term review of the MFF;

454. Welcomes the Court's 2015 special reports on EUPOL Afghanistan and Union support for the fight against torture and the abolition of the death penalty; urges the Commission to implement all recommendations made by the Court in the context of these reports;

455. Stresses the importance of taking into account context-related criteria when evaluating the effectiveness of Union projects in third countries as Union external aid activities frequently take place in crisis-struck regions and politically difficult environments;

Development and cooperation

456. Recalls that Union development aid and humanitarian aid expenditures often take place in very challenging environments which increase the difficulties when it comes to project implementation, evaluations and expenditure controls; development aid and humanitarian aid are therefore more error prone than other Union policy areas;

457. Notes that according to the Court, 57 % of errors are related to ineligible expenditures; supports the Court's recommendation to EuropeAid to improve *ex ante* controls and to make better use of on-the-spot visits in order to detect errors;

458. Welcomes the fact that according to the Court, the control procedures put in place by DG ECHO when it comes to financial transactions are working correctly and that its reporting system is reliable; congratulates DG ECHO for this;

459. Recognises that expenditure relating to security is important for development and particularly relevant in the current efforts to comprehensively address the security-development nexus and deliver on goal 16 of the development agenda, but emphasises that such funding does not constitute overseas development aid and currently cannot be drawn from the development cooperation instrument (DCI) established by Regulation (EU) No 233/2014 of the European Parliament and of the Council [1] or the European Development Fund (EDF);

460. Notes that in 2014, two projects linked to border management in Libya worth EUR 12,9 million were financed via development cooperation instruments (DCI); recalls that the primary objective of DCIs is to reduce poverty; reiterates its strong concern that development programmes may be used for purposes not directly related to development; recalls that such an approach will not help the Union to reach the objective of 0,7 % of GNI to be used for official development aid;

461. Notes the potential value of DG DEVCO's Results Framework launched in 2015, but also the associated risks identified by the Court in its Special Report 21/2015; considers it necessary to prevent also the more political risk that the pursuit of the limited number of quantifiable results included by DG DEVCO in the framework will be over-emphasised, at the cost of the pursuit of other results in relation to the objectives of the Union's development cooperation policy, as well as of qualitative results; emphasises the importance of treating the framework as a complement to other monitoring and reporting arrangements;

[1] Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development cooperation for the period 2014-2020 (OJ L 77, 15.3.2014, p. 44).

462. Welcomes the Court's Special Report 18/2014 on EuropeAid's evaluation and results-oriented monitoring systems; invites DG DEVCO to urgently address the various weaknesses in its evaluation and monitoring systems pointed to in the Court's special report specially those related to serious deficiencies of DG DEVCO's evaluation system; highlights that a badly functioning evaluation system increases the risks of selecting projects lacking quality or which do not reach their objectives; notes and is worried by the diverging views between the Commission and the Court when it comes to reliable information on the effectiveness of budget support operations; believes that there is a link between a lack of staff in Union delegations and in DG DEVCO's evaluation unit and the problems highlighted by the Court; considers this to be an illustration of the detrimental consequences staff reductions may have for the efficient functioning of Union programmes;

463. Trusts that DG DEVCO will address the various weaknesses in its evaluation and monitoring systems pointed to in the Court's Special Report 18/2014;

464. Calls for the putting in place of formal scrutiny powers in relation to EDF, possibly through an interinstitutional agreement of a binding nature under Article 295 of the TFEU;

465. Is seriously concerned by the findings of the Court's Special Report 11/2015 on the management by the Commission of fisheries partnership agreements (FPAs); notes that the Court expresses doubts on the sustainability of FPAs due to the difficult application of the surplus fishing concept; notes as well that the Court seriously puts into question the quality of the Commission's monitoring of the implementation of FPAs; regrets as well that *ex post* evaluations of FPAs are insufficiently used in the set-up of follow-up agreements, according to the Court; urges the Commission to implement as soon as possible the Court's numerous recommendations;

466. Recalls that a virtually constant acute lack of payments funds in 2014 exacerbated DG ECHO's difficulties to adequately respond to the ever-worse humanitarian crises in the Union's neighbourhood and beyond; welcomes the fact that better adapted appropriations in the 2015 and 2016 Union budgets have largely solved DG ECHO's payments problem;

467. Regrets that due to a shortage of payment credits in 2014, budget support payments to Morocco and Jordan worth a global amount of EUR 43 million could not be made in 2014 as contractually foreseen; deems this to be seriously detrimental to the Union's credibility;

Employment and Social Affairs

468. Notes with concern that the estimated level of error in the policy area of employment and social affairs is 3,7 % in 2014, which is slightly higher than in the previous year (3,1 %); highlights that this represents a step backwards in achieving an error rate that is below the target of 2 %;

469. Welcomes the fact that the Court's report analyses the implementation of the Union budget in the light of the Europe 2020 strategy; notes the observation that the Union budget contribution is not identified separately in the context of the achievement of the headline targets, such as the ones on employment and fighting poverty and social exclusion;

470. Welcomes furthermore the Court's recommendations that the Europe 2020 strategy and the MFF need to be better aligned and that the high-level political aims need to be translated into useful operational targets, and stresses the importance of focussing on performance and results as well as on added value, particularly in the case of employment and social headline targets, where the Commission does not have the competence to create a legally binding framework; calls on the Commission to develop result indicators and monitoring systems further in order to compare results with the agreed objectives, to be better informed when establishing future goals and to increase the efficiency of Union spending;

471. Notes the Court's observations about the increased risk of irregularities in cases of small and medium-sized enterprises (SMEs) participating in Horizon 2020; supports the Commission's reply that SMEs' involvement in the programme is crucial for the creation of growth and jobs and notes that the administrative rules for SMEs have been simplified and stresses that further simplification would lead to a higher involvement of SMEs; stresses the importance of creation of sustainable jobs through SMEs;

472. Notes that SMEs are Europe's biggest job creators and considers that more can be done to increase their participation across Union funding programmes; calls on the Commission to introduce further measures that encourage the active participation of SMEs including the application of the think-small-first principle;

473. Notes that the intangible nature of investments in human capital, the diversity of the activities and the involvement of multiple, often small-scale partners in the implementation of projects continue to be the main risks to regularity of spending of ESF expenditure; calls on the Commission to continue with specific mitigating actions, including both preventative and corrective measures;

474. Notes the findings of the Court's Special Report 17/2015 regarding the redirection of ESF funding during the period 2012-2014; notes with concern the shortcomings in the Commission's reporting on the impact of these funds, considers that further moves towards results-based policy making are vital to ensuring sound financial accountability and an efficient use of EU funds;

475. Is concerned that higher error rates followed by suspensions and interruptions may affect the successful closure of the 2007-2013 programmes;

476. Considers that the promotion of broader use of simplified cost options (SCOs) can lead to reduction of administrative burdens, to fewer errors and a greater focus on performance and results; points out, however, that SCOs should be applied in an environment of legal certainty and trust, accompanied by an assessment of benefits and with the full involvement of stakeholders at all levels; stresses that SCOs should remain an option at the disposal of Member States;

477. Insists that the Member States avoid further complications of the rules and requirements related to the implementation of the ESF which impose additional burdens for beneficiaries and increase the risk of errors;

478. Expresses its concerns at the fact that out of 178 transactions examined by the Court in the employment and social affairs policy area 62 (34,8 %) were affected by error, out of which 12 were quantifiable errors exceeding 20 % (6,7%); urges the Commission to implement corrective measures and apply strict procedures to reduce the risk of irregularities in this policy area as well as to follow up the cases of ineligible expenditure identified by the Court;

479. Regrets that the number of ESF programmes with an error rate of over 5 % has risen from 18,8 % in 2013 to 22,9 % in 2014 and that the volume of payments affected by these rates has increased dramatically from 11,2 % to 25,2 %;

480. Draws attention to the repeated observation of the Court that the percentage of error would be lower if national authorities had made better use of available information before sending payment applications to the Commission; in this regard, insists that Member States and national authorities perform more thorough checks and avoid asking for reimbursement of incorrect expenditures;

481. Encourages Member States to use the risk assessment tool Arachne and encourages the Commission to continue providing Member States with relevant guidelines and technical assistance for the correct implementation of the management and control requirements in the 2014-2020 period; insists that the Commission enhance the exchange of good practices between Member States;

482. Calls on the Commission to follow the Court's recommendations to ensure that the implementation of the Union budget better contributes to the achievement of the employment and social headline targets of the Europe 2020 strategy; in this regard expects the Commission and Member States to make use of better performance indicators and improve reporting of the results achieved in 2014-2020 period;

Environment, public health and food safety

483. Would like to reiterate that, in accordance with the TFEU, the Parliament gives discharge to the Commission in respect of the implementation of the budget after examination of the accounts, the financial statement, the evaluation report referred to in Article 318 TFEU, the annual report by the Court together with the replies of the institutions under audit, the statement of assurance and any relevant special reports by the Court;

484. Recalls that 2014 is scheduled to be the first year of implementation of the new MFF — intended to determine the size and distribution of Union expenditure for the period from 2014 to 2020 — and that, as a result, the level of implementation is lower than in previous years;

485. Takes note of the presentation of the environment and health policy areas within the Court's annual report concerning the financial year 2014; is concerned that the environment and climate policy area appear again in the chapter also devoted to rural development and fisheries; reiterates its criticism towards the illogical composition of policy areas in this specific chapter; is not of the opinion that the Court should take the political decision of grouping policy areas; urges the Court to revise its approach in the next annual report;

486. Considers it noteworthy, in this context, that the chapter encompassing rural development, environment, fisheries and health appears with the highest error rate in the ECA's report for 2014, with 6,2 % against 4,4 % on average; notes furthermore that with regard to the main weaknesses found by the ECA, many were very similar to those already reported in the previous three years;

487. Notices that there are different views between the Court and the Commission with respect to the way in which errors should be calculated; notes that the Commission considers that the Court's annual representative error rate should be seen in the context of the multiannual character of net financial corrections and recoveries;

488. Notices that the Court did not make any comment on the management of the 'Public Health', 'Food safety', 'Environment and Climate action' policies;

489. With respect to the overall implementation of the budgetary headings for environment, climate action, public health and food safety in 2014, the Committee on the Environment, Public Health and Food Safety is satisfied; recalls again that only less than 0,5 % of the Union budget is dedicated to these policy instruments, while bearing in mind the clear Union added value in these fields, and the support of European citizens for Union environmental and climate policies, as well as for public health and food safety;

490. Is satisfied with the work carried out by the five decentralised agencies which are under the competence of the Committee on the Environment, Public Health and Food Safety and which carry out technical, scientific or managerial tasks that help the Union institutions make and implement policies in the area of environment, climate, public health and food safety, as well as with the way their budgets are implemented;

Environment and climate action

491. Underlines that EUR 352 041 708 have been available to DG ENV in commitment appropriations, of which 99,7 % has been implemented; notes that, with respect to payment appropriations, it is satisfactory that 95,03 % of the EUR 290 769 321 available has been used; notes, moreover, that the LIFE+ administrative expenditure is executed over two budgetary exercises (through automatic carry-overs), and that if this administrative expenditure is not taken into account, the rate of payment implementation reaches 99,89 %;

492. Takes note that DG CLIMA has raised its implementation to 99,7 % of EUR 102 694 032 in commitment appropriations and 93,1 % of EUR 32 837 296 in payment appropriations, and that if the administrative expenditure is not taken into account, the rate of payment implementation reaches 98,5 %;

493. Is satisfied with the overall implementation of the LIFE+ operational budget, which was 99,9 % in commitment appropriations and 97,4 % in payment appropriations in 2014; notes that in 2014, EUR 283 121 194 were dedicated to calls for proposals for projects in Member States, EUR 40 000 000 were used for financing operations in the framework of the financial instruments Natural Capital Financing Facility (NCFF) and Private Financing for Energy Efficiency (PF4EE), EUR 8 952 827 supported operational activities of non-governmental organisations that are active in protecting and enhancing the environment at Union level and which are involved in the development and implementation of Union policy and legislation, and EUR 49 502 621 were used for measures intended to support the Commission's role of initiating and monitoring the development of policies and legislation; notes that an amount of EUR 20 914 622 was used for administrative support to LIFE and for operating support to the Agency EASME;

494. Is aware that the payment rate of LIFE+ actions is always slightly lower compared to commitment appropriations, but with a high rate of implementation;

495. Acknowledges that an amount of EUR 4 350 000 has been allocated as contributions to international conventions, protocols and agreements to which the Union is a party, or in relation to which the Union is involved in preparatory work;

496. Considers the progress in the implementation of 12 pilot projects (PPs) and six preparatory actions (PAs) amounting all together to EUR 2 950 000 as satisfactory; is aware that the execution of those actions can be burdensome for the Commission due to the small amounts available in relation to the necessary procedures for execution (e.g. action plans, calls for proposals); encourages the budgetary authority to focus on PPs and PAs with true added value for the Union in the future;

Public health

497. Recalls that 2014 is the first year of the implementation of the new programmes: the Health programme was adopted on 11 March 2014 (Regulation (EU) No 282/2014 of the European Parliament and of the Council [1]), while the feed and food common financial framework was adopted on 27 June 2014 (Regulation (EU) No 652/2014 of the European Parliament and of the Council [2]);

498. Notes that DG SANTE was responsible, in 2014, for implementing EUR 244 221 762 on public health budget lines, of which 96,6 % have been committed satisfactorily; is aware that roughly 75 % of that budget is directly transferred to three decentralised agencies (the European Centre for Disease Prevention and Control, the European Food Safety Authority and the European Medicines Agency); also takes note that the level of execution of commitment appropriation is above 98,9 % for all lines except for the European Medicines Agency, for which the under-execution of commitment appropriations corresponds to the out-turn of 2013 which was reused in the year 2015;

499. Notes that the level of execution of payment appropriations is at 98,8 %, which reflects a very good implementation rate;

500. Notes that the level of implementation in the public health programme 2008-2014 is also very good (99,7 % in both commitment and payment appropriations), and that the remaining non-used credits principally relate to assigned revenue which can still be used in 2015;

501. Is satisfied that the implementation of all 10 PPs and five PAs under the responsibility of DG SANTE in the area of public health is well advanced, and all corresponding commitment appropriations (EUR 6 780 000) were consumed;

Food safety, animal health and welfare and plant health

502. Acknowledges that the implementation rate for food safety, animal health and welfare and plant health is at 96,8 %; notes, however, that if the non-automatic carry-over of EUR 6 800 000 is taken into consideration, the implementation rate reaches 100 % of the available credits;

[1] Regulation (EU) No 282/2014 of the European Parliament and of the Council of 11 March 2014 on the establishment of a third Programme for the Union's action in the field of health (2014-2020) and repealing Decision No 1350/2007/EC (OJ L 86, 21.3.2014, p. 1).

[2] Regulation (EU) No 652/2014 of the European Parliament and of the Council of 15 May 2014 laying down provisions for the management of expenditure relating to the food chain, animal health and animal welfare, and relating to plant health and plant reproductive material, amending Council Directives 98/56/EC, 2000/29/EC and 2008/90/EC, Regulations (EC) No 178/2002, (EC) No 882/2004 and (EC) No 396/2005 of the European Parliament and of the Council, Directive 2009/128/EC of the European Parliament and of the Council and Regulation (EC) No 1107/2009 of the European Parliament and of the Council and repealing Council Decisions 66/399/EEC, 76/894/EEC and 2009/470/EC (OJ L 189, 27.6.2014, p. 1).

503. Notes that, as in the previous year, the Union contribution towards tuberculosis programmes was the most important and that, on the other hand, the Union contribution towards bluetongue programmes remained low;

504. Acknowledges that the main factors underlying the under-implementation of EUR 8 100 000 in the chapter 'Food and feed safety, animal health and welfare and plant health' can mainly be explained as follows: EUR 500 000 relates to assigned revenue for the different programmes that can be used in 2015 (i.e. no under-implementation), EUR 800 000 in assigned revenue that technically cannot be reused in 2015 (relating to C5 credits of the old programmes) and EUR 6 800 000 which relates to the Emergency Fund; takes note that the latter amount was carried forward to 2015 (for measures to combat African swine fever in Estonia, Latvia, Lithuania and Poland in 2014);

505. Recognises that, regarding the 2014 payment appropriations, the implementation rates for the budget chapter on feed and food safety, animal health, animal welfare and plant health is 99,0 %, which represents a slight decrease compared to 2013 (99,9 %); understands that during the global transfer exercise, additional payments credits were requested but not received, and that, by the end of the year, only one payment could not be fully made, but that with the agreement of the Member States the balance due was paid in early January 2015;

506. Is satisfied that the implementation of all three PPs and one PA under the responsibility of the DG SANTE in the area of food safety is well advanced, and that all corresponding commitment appropriations (EUR 1 250 000) were consumed;

507. Is of the opinion, on the basis of the data available and the implementation report, that discharge can be granted to the Commission with respect to expenditure in the areas of environmental and climate policy, public health and food safety for the financial year 2014.

Transport and tourism

508. Notes that in the 2014 budget, as finally adopted and amended during the course of the year, specifically for transport policies, a total of EUR 2 931 147 377 was included in commitment appropriations and EUR 1 089 127 380 was available in payment appropriations; notes further that of these amounts:

— EUR 2 616 755 356 in commitment appropriations and EUR 937 182 847 in payment appropriations was available for transport policies, including the Connecting Europe Facility (CEF), transport security and passengers' rights, and transport agencies,

— EUR 239 313 549 in commitment appropriations and EUR 71 213 206 in payment appropriations was available for research and innovation related to transport, including SESAR and the Shift2Rail Joint Undertaking (JU),

— EUR 75 078 470 in commitment appropriations and EUR 80 731 327 in payment appropriations was available for administrative expenditure;

509. Welcomes the high implementation rate, in 2014, of 98,2 % for the commitment appropriations for mobility and transport policies, and the considerably high implementation rate of 95,2 % for payment appropriations; notes that the amount of outstanding commitments increased by EUR 1 653 372 424 in 2014 in relation to the overall amount of EUR 5 647 143 046 and that the increase in outstanding amounts is usually higher at the beginning of the new MFF as payments for new projects catch up later; calls on the Commission and the Member States, however, to ensure that transport projects are duly implemented;

510. Regrets that for the area of 'Competitiveness for growth and employment', to which transport belongs and for which transport consists of the smallest amount audited by the Court (EUR 0,8 billion) in relation to the total audited population (EUR 13 billion), the estimated level of error was 5,6 % in 2014 (higher than the equivalent results in 2013 (4,0 %), caused mainly by the reimbursement of ineligible costs in research projects, but also by non-compliance with public procurement rules; calls on the Commission to take all appropriate measures to rectify this situation (including by carrying out more thorough *ex ante* checks in order to detect and correct errors before reimbursement);

511. Draws attention to the fact that in 2014 no projects were financed under the CEF since the first call for project proposals closed in March 2015 and that the CEF debt instrument to be managed by the European Investment Bank (EIB) was not approved until the end of 2014; notes that in 2014 the Court examined six transactions in the transport sector (DG Mobility and Transport) and found that two out of the six transactions were affected by quantifiable errors; is thus satisfied because of the decrease in the percentage of affected transactions in 2014 (33 %) compared to 2013 (62 %) and 2012 (49 %); calls on the Commission and other relevant actors to ensure compliance with public procurement rules and costs eligibility of future transport projects;

512. Notes that according to the multiannual control strategy employed by the Commission, which takes into account recoveries, corrections and the effects of controls and audits over the period of implementation of the programme, the residual error rate for TEN-T was calculated at 0,84 %;

513. Draws attention to the large number of high-quality projects that could not be adopted at the 2014 CEF-Transport calls owing to a lack of available funds; believes that it is necessary to ensure sufficient funding for CEF-T projects; regrets that the CEF budget was decreased by funding provided to the European Fund for Strategic Investments (EFSI); recalls however, that point 17 of the Interinstitutional Agreement on budgetary discipline, on cooperation in budgetary matters and on sound financial management [1] provides for a 10 % flexibility to increase the CEF budget in the annual budgetary procedure and that this flexibility exists regardless of EFSI funding; insists that the implementation of projects agreed between the Parliament and the Council in Annex I to Regulation (EU) No 1316/2013 of the European Parliament and of the Council [2] would justify such an increase of the CEF budget;

514. Encourages the Commission to continue closely supervising the implementation of innovative financial instruments for leveraging Union investment and attracting new sources of funding for TEN-T infrastructure projects, such as the Marguerite Fund, Loans and Guarantees for Debt (LGTT) and the Project Bond Initiative (PBI), and to ensure that the Union budget contribution to these instruments is managed and used appropriately;

515. Notes that information on transport and tourism projects is available in various databases, such as the Financial Transparency System, the INEA database of TEN-T projects, projects co-funded through cohesion and regional funds as well as CORDIS for Horizon 2020 projects; calls for the integration of project information from these tools in order to have a better overview, both upstream and downstream, of the process of allocating Union funds; reiterates the importance of publishing an easily accessible annual list of transport and tourism projects and having a searchable online database of projects co-financed by the Union setting out the exact amount of the funding in order to enhance transparency;

516. Points out that transport projects in 2014-2020 will be financed from several sources, including the CEF, the Cohesion Fund, the European Fund for Regional Development and the EFSI; calls on the Commission, therefore, to develop synergies that will enable these different sources of funding to allocate the funds available more efficiently;

517. Acknowledges that, as regards Union funds, the 'use it or lose it' principle can induce Member States to propose low impact projects for selection; is concerned that in the past poor project selection led to some low value-for-money Union-funded transport investments; welcomes the new legal framework for 2014-2020 which strengthens the cost-benefit assessment and review process for projects;

518. Welcomes the fact that the Shift2Rail JU was established in June 2014 with a view to enhancing the competitiveness of the European rail industry; notes that separate discharge procedures on the Shift2Rail JU will be carried out, once it becomes financially autonomous in the forthcoming years; deplores, however, the delay in implementing this JU and the fact that small and medium-sized enterprises (SMEs) are finding it very difficult to gain access to it;

519. Takes the view that the Commission should ensure total transparency in the management of funds, ensuring that the public interest is protected and always, in all circumstances, takes precedent over any private interest;

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

[2] 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).

520. Notes that in the 2014 budget, as finally adopted and amended during the course of the year, specifically for tourism, a total of EUR 11 226 160 was included in commitment appropriations and EUR 6 827 266 was available in payment appropriations; calls on the Commission to make an impact assessment of financed projects in order to better define future spending priorities which are in line with the Union as the number one world's tourist destination, and enabling the tourism sector as a key potential growth area for the Union economy; calls on the Commission to include the results of the pilot projects and preparatory actions in the next year's budget planning and to provide a readily accessible annual list of projects in this field;

521. Proposes that in relation to the sectors for which the Committee on Transport and Tourism is responsible, the Parliament grants to the Commission discharge in respect of the implementation of the Union general budget for the financial year 2014;

Regional development

522. Notes that the annual report of the Court of 10 November 2015 on the implementation of the 2014 budget of the European Union found the most likely error rate in cohesion policy to be estimated at 5,7 %, which represents an increase as compared to 2013 of 5,3 %; expresses its concern at this increase, which is especially significant as far as errors with financial implications and serious negative effects on the budget are concerned; highlights that half of the estimated error rate in cohesion policy is due to the complexity of public procurement and State aid rules, as well as violations in those procedures, such as the unjustified direct award of contracts, conflict of interest and discriminatory selection criteria;

523. Acknowledges the Commission's replies to Court's report that the average decrease in the error rate compared with 2000-2006 programming period is due to an improvement of the management and control systems; calls on the Commission to provide timely information and training to authorities with a view on public procurement and State aid rules; in that context, welcomes the establishment of the Action Plan on Public Procurement; notes the application of the Integrity Pacts initiative and urges the Commission to carry out an appropriate *ex ante* evaluation as to their potential to really improve transparency and efficiency in public procurement as regards ESI Funds; calls on the Member States to fulfil the *ex ante* conditionality concerning public procurement by the end of 2016 and to transpose the 2014 Public Procurement Directives into their legal systems by April 2016, in order to avoid irregularities and ensure effective and efficient projects implementation and achievement of the envisaged results and hence the cohesion policy's goals; calls on the Commission to strictly supervise this process providing the respective guidance and technical assistance to the Member States in the context of the correct transposition of these Directives into national law;

524. Recalls that all irregularities are not fraud and that non-fraudulent and fraudulent irregularities must be differentiated; considering that non-fraudulent irregularities result often from weak financial management and control systems, the lack of administrative capacity, relating to both knowledge of the rules and of technical expertise concerning the specific works or services; calls on the Commission and Member States to ensure that appropriate, efficient and effective financial management and control systems are set up in accordance with the relevant rules of the regulatory framework, which takes into account the national regulatory situation;

525. Calls on the Commission, Member States and the regional authorities to ensure that beneficiaries are provided with consistent information about funding conditions, particularly concerning the eligibility of expenditure and the relevant ceilings for reimbursement;

526. Notes that the implementation of cohesion policy in Member States involves, depending on their institutional system, substantial national and regional procedures and rules, which constitute an additional layer, could entail irregularities and, in consequence, loss of ESI Funds and widening disparities among Member States; calls on the Commission to contribute to simplification of implementation at the national and regional level, while respecting Member States' institutional characteristics and providing them with the clarification necessary to implement regulations; reminds the Commission and Member States of the Parliament's resolution 'Towards simplification and performance orientation in cohesion policy 2014-2020' and of the need to take necessary steps in limiting excess regulatory and administrative burden to the minimum necessary level, thus enabling better absorption of the ESI Funds and avoiding errors made by final beneficiaries, especially SMEs; regrets that the Commission excluded Member States' representatives from the High-Level Group on Monitoring Simplification for Beneficiaries of ESI Funds, thus not including their opinion in order to improve the system;

527. Considers that administrative capacity is essential for regular and efficient use of ESI Funds and calls on the Commission and Member States to reinforce the exchange of knowledge and good practices on specific implementation topics (e.g. public procurement, State aid, eligibility criteria and audit trail) in particular for potential beneficiaries which have fewer administrative and financial capacities; suggests, in that context, the organisation of specific but comprehensive activities to educate public servants and authorities working on ESI Funds projects as well as beneficiaries (e.g. training and refresher courses, seminars, or providing technical and administrative support);

528. Welcomes the Commission's establishment of the 'Taiex Regio Peer 2 Peer' tool in order to facilitate peer-to-peer sharing between Member States' management, certification and audit authorities with a goal of enhancing theirs administrative capacities; underlines the importance of stepping-up efforts in the designation of authorities, which is a pre-requisite for the submission of payment claims, in order to ensure a smooth implementation of programmes and flow of resources; considers, furthermore, that the Commission should efficiently and effectively implement all available tools for early detection and prevention of risks in cohesion policy, and more specifically data mining tools, such as Arachne, for the early detection and prevention of risk in public procurement procedure; since the context of the activities of the Task Force for Better Implementation also includes activities which could enhance efficiency, effectiveness and added value of cohesion policy projects that have already been implemented, the Commission is called to assess these features through qualitative indicators;

Agriculture and rural development

529. Believes that the CAP, as one of the original European policies, is an important tool of the Union with wide impact, not only in terms of food production and ecosystem services, and in terms of actual and potential environmental, socio-economic and gender improvements as well as efforts to combat depopulation in rural areas, taking into consideration the need to develop the concept of the circular economy; considers that the CAP thus contributes to the balance between the regions of the Union, providing financial support and important tools that helps young farmers to start farming and ensure generational continuity;

530. Notes that DG AGRI did a considerable amount of work in 2014 with Member State authorities so they are increasingly able to prevent errors in agricultural spending and implement their rural development programmes, recognises DG AGRI's positive impact apparent in the 2014 ECA Annual Report, and believes that together with the Member States their actions should provide a good foundation for further improvements during the key years in the 2014-2020 spending period;

531. Urges, in extreme cases, that consistently underperforming paying agencies should be stripped of their accreditation;

532. Believes that coherent performance and delivery is crucial in the CAP which ensures safe and consistent production of our food, operates across the whole Union, with a positive effect at the social, environmental and economic level, covering production of crops and foodstuffs of all kinds;

533. Notes that the agricultural factor income per worker in the Member States that joined the Union in 2004 or later (EU-N13) is just one quarter of the agricultural factor income generated in the EU-15 ([1]);

534. Welcomes the improvements on the 2013 annual report figures and notes that the Court has concluded that as far as agricultural policy is concerned, the proportion of tested transactions resulted in a reduced error rate compared to 2013, notes that the error rate for 2014 is 2,9 % (as compared to 3,6 % in 2013) for EAGF audited in 17 Member States; and 6,2 % (down from 7 % for 2013) for rural development, environment and fisheries audited in 18 Member States and an average rate for the 'Natural Resources' chapter as a whole of 3,6 %;

535. Emphasises the need to develop a common methodology for calculating the error rate in an effort to guarantee that it is accurate and to ensure that significant disparities do not emerge between the error rate indicated by the Commission and that established by the Court;

([1]) DG AGRI — annual report 2014 — page 12.

536. Draws attention to the Commission's statement ([1]) that errors in cross-compliance (for example timely declarations of animal movement, meeting dates or deadlines) do not affect eligibility of payments (already confirmed by the Court) and that the cross-compliance error rate should be deducted from the overall error rate for better clarity;

537. Points out that the differences in the way the rules on coupled payments are implemented in the Member States is distorting competition, for example in the milk sector;

538. Welcomes the fact that the Commission has introduced new guidelines for determining financial corrections under shared management for non-compliance with public procurement rules ([2]);

539. Notes that 2014 was a transitional year, involving significant payments for the last part of the 2007-2013 funding period and during which the final elements (the implementing and delegated acts) were put in place halfway through the year for the CAP 2014-2020 funding period; notes also that the years 2015 and 2016 should likewise be considered as transitional years, in which greening and other significant policy changes had to be implemented by both farmers and Member State authorities in full for the first time, involving new and complex rules and a high number of new applicants for direct payments, given that many of the multiannual measures in Member States' rural development plans (RDPs) will only begin to be implemented in 2016, and require special attention on new tools introduced under the reform;

540. Welcomes the reduction in error rates compared to 2013 and acknowledges the major efforts and resources devoted to achieving this, particularly through information and technical support from the Commission for Member State authorities on implementation, and takes the view, however, that a simple measure of error is not in itself a measure of performance or delivery;

541. Reminds the Commission that the risk of unintentional errors owing to complex regulation is in the end borne by the beneficiary; calls for a reasonable, proportional and effective policy on sanctions to support this approach, such as avoiding double sanctioning for the same error under both the payment scheme and cross-compliance; urges the Commission to better ensure proportionality of penalties in relation to the type of error; calls for instruments for a more incentivised, output-driven approach which could offer reduced error and inspection rates and make it more possible to distinguish between error and fraud, while ensuring that farmers are still able to deliver the vital food production at the heart of the policy; believes that continuing to tackle complexity and that streamlining the CAP are one of the key elements for attracting new entrants to agriculture and for retaining them and their skills to ensure a thriving EU agricultural sector in the future;

542. Welcomes the fact that the Court is exploring how to measure performance in its annual report, particularly as the Commission intends its spending to be focused on results, points nevertheless to the difficulty of judging delivery of multiannual funding programmes, now the preferred method of delivery of environmental measures in pillar II, through a tool which examines a single year and invites the Court to explain its performance orientation specifically in relation to agricultural spending; urges the Court nevertheless to take into account the multiple objectives of rural development policy in its performance assessment so as to avoid the use of simplistic indicators and avoid resulting in misinterpretations;

543. Notes the Court's view, from its own audits, that IACS makes a significant contribution in preventing and reducing the levels of error in the schemes to which it applies ([3]) and notes the comment that weaknesses in the LPIS had been addressed in all the Member States audited through remedial action ([4]);

544. Welcomes the Commission's proposed simplification of IACS via preventative preliminary checks which will allow national administrations to identify problems with farmers' applications, make corrections and should result in a lower rate of penalties;

545. Echoes the Court's main recommendations: for Member States to ensure reliable and up-to-date information and images on LPIS to reduce the risk of errors associated with overstated eligible land; for the Commission to require Member State action plans to include remedial action to deal with the most frequent causes of error, to revise its own strategy for rural development conformity audits, and to ensure the correct application of assurance procedure on legality and regularity of transactions which will be mandatory from 2015;

([1]) Court's annual report 2014 — reply to paragraph 7.15.
([2]) Court's annual report 2014 — reply to paragraph 7.32.
([3]) Court's annual report 2014 — paragraph 7.35.
([4]) Court's annual report 2014 — paragraph 7.40.

546. Notes the agreement between Commission and Court that rural development expenditure is governed by complex rules and eligibility conditions, partly due to the nature of the policy and the heterogeneity of European regions, calls for enhancement of the simplification and preventive measures included in the 2014-2020 rules and calls in addition for that simplification to be delivered at Member State level in the new rural development programmes as a priority and as an important means of reducing error rates and improving efficiency and flexibility, thereby increasing the absorption capacity, particularly where small-scale programmes, may have attracted less interest and/or shown consistently high error rates as a result of their inflexibility in the past;

547. Calls on the Commission to submit in good time a detailed plan for reducing red tape in the context of the CAP;

548. Urges both the Commission and Member State authorities to continue to address and reduce the complexities in relation to direct payments wherever possible and give high priority to simplification of the greening measures, particularly if there are many different levels involved in the administration of EAGF and rural development funds within Member States, with different approaches for the two pillars where necessary; stresses the fact that the vast differences between Member States in terms of direct payments has widened the competitiveness gap between farmers working in the single market;

549. Expects the Commission to urgently make full use of the process of simplification of the CAP, especially with regard to the burdensome and complex regulations governing cross-compliance and greening which ultimately impacts upon farmers across Europe; stresses that the simplification process should focus on alleviating the administrative burden and should not put at risk the principles and rules agreed under the last CAP reform, which should be kept unchanged; considers that such a simplification should not imply a revision of the CAP expenditure for the period 2013-2020;

550. Points out that as a result of purchases of agricultural land by investors, small owner-run holdings are increasingly coming under pressure and that a proportion of direct payments are being made to international concerns;

551. Stresses the importance of having comparable performance indicators and figures for the same kind of programmes in different locations and looks forward to improvements in this context in the 2014-2020 period aimed at ensuring better financial management of the CAP that is rooted in the needs of each Member State;

552. Points out that CAP plays a significant role in promoting social inclusion — especially but not only through cooperative efforts — poverty reduction and economic development in rural areas by creating jobs, by the Leader and by putting in place new or improved services and infrastructure; calls for analysis of the overall effect of the two pillars of the CAP in rural areas, on where and how the funds are allocated and focusing on the real final beneficiaries;

553. Notes that spending is expected to generate benefits for both rural areas and consumers in general, and recalls that final beneficiaries spend money on goods or services in their local communities or by employing people on their holdings, thereby helping to keep people on the land in regions where agriculture and forestry are often the main economic engines in rural or isolated areas;

554. Notes that the impact of the Russian import ban on agricultural products, which struck mid-way through 2014, is a major challenge; advocates better management in the early phase of any emergency measures to ensure correct targeting of funds or, where necessary, the prompt recovery of amounts unlawfully claimed; in this context welcomes continuing efforts by the Commission to identify alternative market outlets for farm surpluses, and support the sectors affected by the ban; welcomes efforts by the Commission to identify alternative market outlets for farm surpluses and calls on the Member States to make joint efforts to eliminate obstacles to the expansion of market outlets; stresses the importance of the TTIP agreement, which might offset the closure of a number of traditional exchange markets;

555. Welcomes the Commission decision establishing exceptional aid schemes for countries that sustained losses in the dairy sector and calls on the Commission to consider further aid measures for sectors facing similar problems;

556. Expresses concern that women in rural areas of many Member States have only limited access to the employment market and calls on the Commission, as a matter of priority in its future development initiatives, to assume the task of improving and increasing access to the employment market for women in rural areas and to allocate adequate funding for a 'European guarantee for rural women', similar to the European Youth Guarantee programme, setting separate targets for women in rural areas;

557. Urges the Commission to clarify the rules regarding recognition of producer organisations, notably in the fruit and vegetables sector, and further to shorten lead times of Commission audits, in order to provide legal certainty to beneficiaries and avoid unnecessary errors;

558. In view of the Treaty aim [1] of ensuring that supplies reach consumers at reasonable prices, considers that fair access for all consumers is put at risk where there is excessive imposition of VAT on food and that VAT fraud is made more likely;

559. Believes that the objectives of the 2007-2013 programme period are still important goals, and that the Union should focus in the current period on enhancing the viability of farms and the agricultural sector, promoting a better balance in the food chain with a view to consolidating and strengthening producer organisations, supporting quality schemes, short supply chains, social cooperatives, local markets, ecosystem services and balanced territorial development, strictly in rural areas in the new RDPs, whilst avoiding unreasonable environmental expectations or expenditure;

560. Recalls that in all the Court's audits carried out on 2014 expenditure, only three cases were referred to OLAF for investigation [2] under suspicion of 'artificially created conditions to obtain aid' (new entities set up by well-established companies or groups of people) and one had previously been identified as risky by national authorities before the Court audit;

561. Notes that the implementation of the policy could be further ameliorated; insists therefore on being informed about any improvements in terms of targeting and achieving policy objectives and compliance;

562. Calls on the Commission to assess the effectiveness of payments to promote sales in third countries and to ensure that these measures do not crowd local producers out of the market;

563. Notes that at the time the 2014 Annual Activity Report was prepared by DG AGRI, there were a number of IPARD elements for which information was not available is included in the AAR and that the information have to be updated (number of farms supported, increase in gross value, number of farms introducing Union standards), while thinks that constant analysis is expected in the new funding period;

564. Notes that the 2014 Court annual report shows good results, but nevertheless calls on the Court to inform the Parliament about the steps it intends to take to bring a more multiannual examination methodology to bear as it develops the more performance-oriented approach being envisaged.

Fisheries

565. Takes note of the communication from the Commission to the Parliament, the Council and the Court on the annual accounts of the Union for the financial year 2014; takes note also of the annual report of the Court concerning the financial year 2014; takes note of DG MARE's 2014 annual activity report; takes into account the Court's Special Report No 11/2015 on fisheries partnerships agreements;

566. Takes note of the opinions of the Court on the legality and regularity of the transactions underlying the accounts; notes the adverse opinion of the Court on payment appropriations, in respect of which the overall error rate was 4,4 % but with no specific error rate concerning fisheries; calls for fisheries to be dealt with separately and not merged with agriculture, in order to guarantee greater transparency in the area of fisheries;

567. Notes DG MARE's reservation with regard to the management and control system for EFF programmes in some Member States;

[1] Article 39(1), point (e) TFEU.
[2] Court's annual report 2014 — paragraph 7.30.

568. Is reassured that the internal control system implemented by DG MARE provide sufficient assurance to adequately manage the risk relating to the legality and regularity of the transactions;

European Maritime and Fisheries Fund (EMFF)

569. Notes that the adoption after 1 January 2014 of programmes under shared management for the EMFF and other ESI Funds led to a technical revision of the MFF in order to transfer unused appropriations from 2014 to subsequent years;

570. Expresses its deep regret that the vast majority of Member States transmitted their operational programme related to the EMFF very late, which has caused huge delays in the mobilisation of funds; recalls that Member States are responsible for implementing credits in share management;

571. Takes the view that the Member States should improve the instruments and channels they use to transmit information to the Commission; recommends that the Commission exert greater pressure on Member States to submit reliable data;

572. Urges the Commission to provide all possible support for the Member States with a view to ensuring proper and full use of EMFF resources, with high implementation rates, in line with their respective priorities and needs, in particular as regards the sustainable development of the fisheries sector;

Executive Agency for Small and Medium-sized Enterprises

573. Welcomes the entrustment of the Agency on the EMFF from 1 January 2014 onwards; takes note of the Memorandum of Understanding signed between DG MARE and the Agency on 23 September 2014; stresses the need to promote a high quality support by the Agency to all its beneficiaries on the 19 EMFF actions;

European Court of Auditors' Special Report No 11/2015 (2014 Discharge): Are the Fisheries Partnership Agreements (FPAs) well managed by the Commission?

574. Calls on the Commission to take into account the Court's recommendations;

575. Laments the financial cost generated by the under-utilisation of the tonnage quotas adopted in recent protocols; proposes that payments for access rights be linked more closely with actual catches; calls on the Commission, to ensure that sectoral support disbursements are consistent with other budget support payments and calls for an improvement of the results achieved by the partner countries in the implementation of the matrix of commonly agreed actions;

576. Stresses, as the Court as pointed out, that complementarity and consistency among the FPAs negotiated within the same region can be improved, in order to maximise their potential at regional level;

577. Underlines that the information provided by independent *ex post* evaluations was not always sufficiently complete, consistent or comparable, which reduced its usefulness in the decision-making process and negotiations; notes, furthermore, that these evaluations do not sufficiently assess the extent to which the FPAs meet all of their objectives, such as making no reference to employment in Union regions depending on fishing, or giving no information on the supply of fish on the Union market;

578. Expresses concern on the lack of reliable, verifiable and accessible information on fish stocks and on the fishing effort of domestic fishing fleets, or of other foreign fleets that have also been granted access, as one of the main objectives of the FPAs is only to fish surplus stocks and this was proven as very difficult to implement in practice;

579. Urges the Commission to monitor more closely the implementation of sectoral support in order to ensure its effectiveness;

580. Emphasises the need for effective monitoring of Union-funded activities that provide sectoral support in the context of international agreements by using matrices that are as detailed as possible; emphasises, furthermore, that a call needs to be made for the proportion of sectoral support to be increased; firmly believes that the trade-related parts of agreements ought ultimately to be made conditional upon effective, sufficiently monitored, substantial sectoral support;

581. Notes with concern that the protocols currently in force still do not provide for the possibility of partial payments when the results are only partially achieved; acknowledges that, when there have been no or limited results achieved, the payment of the sectoral support for the following year is to be suspended until the targets have been met; nevertheless, calls on the Commission to include, where possible, in the new protocols the possibility of partial payments of the sectoral support;

Discharge

582. Proposes, on the basis of the data available, to grant discharge to the Commission in respect of its expenditure in the areas of maritime affairs and fisheries for the financial year 2014;

Culture and education

583. Notes with appreciation that in its first year the Erasmus+ programme has retained its key focus on boosting skills and employability, achieved its intended aim of creating closer links between Union programmes and policy developments in the areas of education, training, sport and youth, fostered Union action in such a way as to respond better to the goal of lifelong learning and helped to reduce social, economic and territorial inequalities by reaching many Union citizens; points out, however, that there are a number of problems in the Youth section of Erasmus+ related to access to funding, compared to the previous Youth in Action programme; regrets that the Commission did not allocate enough budget within the Erasmus+ programme in order to better communicate on the global changes in the new programme lines in order to be able to take on board a greater number of schools projects;

584. Takes the view that even though the increased decentralisation of funding disbursements for Erasmus+ is better able to meet some of the programme's national and local requirements, depending on the Key Actions, such decentralisation needs to be evaluated in order to prevent it from being an obstacle to the achievement of the strategic goals of Erasmus+, particularly as regards its Youth section;

585. Notes that the Erasmus+ programme helps to integrate young Europeans into the labour market, to promote employability, and to develop new skills; that it bolsters initiatives in the spheres of citizenship, volunteering, and internationalisation of youth and sport; that it helps to improve the quality of education, formal and informal training, and lifelong learning; and that it enhances the sense of European citizenship based on understanding and respect for human rights;

586. Expresses deep concern about the de facto suspension of Erasmus+ youth funding disbursements in Greece, as highlighted in the 2015 report of the European Youth Forum on the implementation of the programme;

587. Notes the difficulties reported by the Commission's DG EAC and the Education, Audiovisual and Culture Executive Agency (EACEA) in the initial implementation phase of the Erasmus+, Creative Europe and Europe for Citizens programmes, in particular with regard to some delays in the opening of the calls for proposals and the disbursement of the funding; hopes that these are exceptional circumstances and looks forward, therefore, to the coming years when these programmes will enter into a phase of greater stability compared to this first year of implementation; recommends that the Erasmus+ programme takes on board more small scale projects, which are the core of innovative experiences in all three domains: education, youth and sport;

588. Welcomes the steps towards funding models based on lump-sums and unit costs which both simplify financial management for beneficiaries of Union funding as well as for the Union itself; points out, however, in particular in the Youth section of Erasmus+, that these lump-sums and unit costs are also insufficient to finance the key operational expenditure of youth associations and NGOs; maintains that Union investment in the programme should be increased further;

589. Recalls that delays in final payments by the EACEA directly affect the beneficiaries' rights, thus jeopardising cultural associations and projects, creativity and the cultural civil society's diversity; encourages the EACEA to further improve its control and payment systems;

590. Expresses concern that the European Schools have not addressed the issues reiterated by the Court and highlights the recommendation to the Board of Governors of the European Schools to implement a rotation system for sensitive posts and to address other weaknesses, which may put at risk the basic principles of transparency and sound financial management; notes the adoption in 2014 of the new Financial Regulation for the European Schools as one of the means — if well implemented — to respond to the critical issues identified by the Court; calls on the Board of Governors of the European Schools to consider centralising some posts that are currently decentralised, such as the post of accountant, and fostering a separation of the roles of authorisation, execution and control of financial transactions, so as to minimise the risk of error and fraud; believes that a comprehensive review of the governance, management and organisation of the European Schools system would be timely given the concerns raised and the fact that 60 % of the European Schools' budget, EUR 177 million, comes from the budget of the Union;

591. Notes that the mismatch between the seven-year programming of the MFF and the ten-year programming of the political and strategic priorities of the Union could adversely affect the consistent evaluation of the results achieved by Union programmes; notes that the upcoming revision of the MFF is a key point in the management of Union spending by ensuring Union investment programmes remain efficient; insists on a thorough simplification of the application forms and criteria, especially for small scale projects, both in Erasmus+ and the Creative Europe programmes;

592. Is concerned about the Commission's payment backlog, which amounted to EUR 26 billion in 2014 — half of which was considered 'abnormal', i.e. not determined by invoices generated at the end of the financial year, as evidenced by the European Parliamentary Research Service — and for Erasmus+ alone the backlog was EUR 202 million; notes that this backlog is caused in part by an excessively inflexible MFF, which does not allow funding to be reallocated and has tight margins, partly due to the failure by the Member States to meet their commitments with regard to payment appropriations;

593. Highlights that the Europe for Citizens programme serves as a unique and direct link between the Union and its citizens in order to support actions, petitions and civil rights; considers the present funding level far too low and emphasises that the programme should be implemented within its content, becoming richer with initiatives empowering the values of European Citizenship; strongly opposes any further budget cuts or any payment delay for the Europe for Citizens programme 2014-2020;

Civil liberties, justice and home affairs

594. Notes the Court's conclusion that the consolidated accounts of the Union present fairly, in all material respects, financial position of the Union on 31 December 2014; expresses concern nonetheless that for the 21st year in a row, the financial supervisory and control systems examined were only partially effective in ensuring the legality and regularity of payments underlying the accounts;

595. Is concerned, however, that payments underlying the accounts are affected by an error rate above the materiality threshold; reminds therefore of the need for careful budgetary management and calls for further efforts to reduce the error rate;

596. Notes the new presentation of the Court's annual account report on the spending under MFF Heading 3 'Security and Citizenship'; requests for its inclusion next year, taking into account the budget increase; agrees that a new approach is needed for investing the EU budget as opposed to spending it;

597. Regrets the fact that in some Member States, laws concerning conflict of interest of members of the parliament, government and local councils is vague and insufficient; calls on the Commission to examine this situation and, if appropriate, make proposals in that regard; considers that any such proposals should also apply to existing and candidate Commission members;

598. Stresses the need to ensure value for money and learn lessons from past projects where weaknesses in the Commission's management led to delays and overspending, as occurred with the development of the second generation Schengen information system (SIS II), which was delivered six years later than planned and cost eight times more than the initial budget;

599. Notes that although the External Borders Fund has contributed to the management of external borders, the added value of the fund has been limited. The overall result could not be measured due to weaknesses in monitoring by the assigned authorities and serious deficiencies by the Commission and the Member States in their evaluations.

Gender issues

600. Recalls that, as stated in Article 8 TFEU, equality between women and men is one of the values on which the European Union is founded and the Union promotes it; considers that gender equality must be mainstreamed in all policies and therefore this has to be taken into account in the budgetary procedures;

601. Reminds the Commission that some budget lines may be indirectly furthering gender inequality by having adverse effects on women when implemented; therefore calls on the Commission to use gender budgeting analysis of both new and existing budget lines and, where possible, make necessary policy changes to ensure that gender inequality does not occur indirectly;

602. Reminds the Commission of its fresh commitment to budgeting for results and reiterates the Parliament's demand to include in the common set of result indicators for the implementation of the Union budget as well as gender-specific indicators, which would allow for better assessment of the implementation of the budget from the gender perspective;

603. Calls on the Commission to produce an assessment of the impact that Union financing has had on promoting gender equality;

604. Invites the Union to increase the share of the ESF dedicated to develop high quality public services at affordable prices for childcare, care for the elderly and dependent adults (for which women still in most cases take care of them) taking also into account the evidences provided by Gender Equality Index, recently developed by European Institute for Gender Equality (EIGE);

605. Calls on the Commission and Member States to implement full training of public officials involved in spending decisions to ensure full understanding of the effects their decisions have on gender equality;

606. Calls on all the Union institutions to assess whether there is genuine parity as regards the distribution of posts within the institutions and bodies of the Union, providing gender-by-gender statistics on staff numbers and grades as part of the discharge procedure.

RESOLUTION (EU, EURATOM) 2016/1462 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the Court of Auditors' special reports in the context of the 2014 Commission discharge

THE EUROPEAN PARLIAMENT,

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

— having regard to the general budget of the European Union for the financial year 2014 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2014 (COM(2015) 377 — C8-0267/2015) ([2]),

— having regard to the Court of Auditors' annual report on the implementation of the budget for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to its decision of 28 April 2016 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2014, Section III — Commission ([5]) and to its resolution with observations that forms an integral part of that decision,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2014 (05583/2016 — C8-0042/2016),

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

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

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([6]), and in particular Articles 62, 164, 165 and 166 thereof,

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

— having regard to the report of the Committee on Budgetary Control (A8-0127/2016),

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

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

C. whereas its observations on the special reports of the Court of Auditors form an integral part of Parliament's abovementioned decision of 28 April 2016 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2014, Section III — Commission;

([1]) OJ L 51, 20.2.2014.
([2]) OJ C 377, 13.11.2015, p. 1.
([3]) OJ C 373, 10.11.2015, p. 1.
([4]) OJ C 377, 13.11.2015, p. 146.
([5]) Texts adopted, P8_TA(2016)0147 (see page 25 of this Official Journal).
([6]) OJ L 298, 26.10.2012, p. 1.

Part I Special Report No 18/2014 of the Court of Auditors entitled 'EuropeAid's evaluation and results-oriented monitoring systems'

1. Welcomes the special report dedicated to the evaluation of EuropeAid's evaluation and results-oriented monitoring (ROM) systems and sets out its observations and recommendations below;

General comments

2. Is seriously concerned by the insufficient reliability of EuropeAid's evaluation and ROM systems, by the inadequate level of supervision and monitoring of programme evaluation and also by the fact that EuropeAid cannot ensure that staff and financial resources are appropriate and efficiently allocated to the various evaluation activities;

3. Points out that it is indispensable to provide Parliament as the budgetary control authority with a clear view of the real extent to which the Union's main objectives have been achieved;

4. Believes that hearings not only with Commission and EEAS officials but also with beneficiaries and independent experts will provide a more comprehensive assessment of EuropeAid's contribution to Union goals;

5. Recalls that external, objective and impartial feedback on the performance of the Commission's aid projects and programmes should be provided as part of the Commission's commitment to quality assurance;

6. Considers that the outcomes of the evaluations are key elements to be fed into the policy and political review process to adjust strategic political objectives and enhance the overall coherence with other Union policies; in this respect, believes that it is crucial that evaluations be independent, transparent and available to the public;

7. Believes that investing in the analysis and aggregation of results from different kinds of evaluation not only builds an overall picture of trends but allows lessons to be learned that strengthen the ultimate effectiveness of the evaluation process, while also yielding a better evidential basis for the decision-making, policymaking and continuation of existing projects in relation to specific aid instruments;

8. Considers that the sharing of knowledge by all means and tools is crucial for developing not only a culture of evaluation but above all for fostering a culture of effective performance;

9. Encourages the Court to look into all EuropeAid's funding mechanisms in order to ensure that value for money is achieved and that Union funding is efficient in advancing Union goals and values; believes that Union-funded projects should be aligned with Union policy goals in neighbouring countries, taking into consideration grantees' accountability, and that EU money is fungible;

10. Supports the Court's recommendations with regard to EuropeAid's evaluation and results-oriented monitoring systems;

The Court's recommendations

11. Takes note that the Court provides recommendations on the efficient use of evaluation and ROM resources, the prioritisation and monitoring of evaluations, the implementation of quality control procedures, the demonstration of results achieved and the follow-up and dissemination of evaluation and ROM findings;

12. Considers that EuropeAid should maintain adequate information management practices and assess its needs on a regular basis to ensure an informed allocation of financial and human resources following programme evaluations and ROM exercises;

13. Considers that EuropeAid should, to ensure that the evaluations that are carried out reflect the priorities of the organisation:

— define clear selection criteria to prioritise programme evaluations and document how they were applied in establishing the evaluation plans, taking into account the complementarity with ROM,

— significantly improve its system of monitoring and reporting on the implementation of evaluation plans, including by providing an analysis of the reasons for delays and a description of measures adopted to address them,

— strengthen the overall supervision of programme evaluation activities by EuropeAid;

14. Considers that EuropeAid should, to ensure the quality of programme evaluations and ROMs:

— insist that operational units and delegations apply quality control requirements, including, for programme evaluations, the use of a reference group and documentation of the quality controls that have been performed,

— check, on a regular basis, the application of these controls;

15. Considers that EuropeAid should, to enhance the evaluation system's capability to provide adequate information on results achieved:

— apply more rigorously the regulatory provisions requiring the use of SMART (specific, measurable, achievable, relevant and time-related) objectives and verifiable indicators,

— modify the monitoring system so that it continues to provide data on programmes until at least 3 years after their completion, and

— increase significantly the proportion of *ex post* programme evaluations;

Part II Special Report No 22/2014 of the Court of Auditors entitled 'Achieving economy: keeping the costs of EU-financed rural development project grants under control'

16. Welcomes the Court's Special Report entitled 'Achieving economy: keeping the costs of EU-financed rural development project grants under control' and endorses its conclusions and recommendations;

17. Notes that Union rural development policy is the key to fostering the competitiveness of agriculture, to ensuring the sustainable management of natural resources and to furthering climate action; highlights the importance of territorial development of rural economies and communities including the creation and maintenance of employment;

18. Regrets that the Commission did not offer guidance or spread good practice at the start of the 2007-2013 programming period and did not ensure that Member States' control systems were effective before they started approving grants; underlines that since 2012, the Commission has adopted a more active and coordinated approach;

19. Notes that many weaknesses were found in the Member States' control of the costs of rural development grants; notes that the Commission agrees that savings could be made by better control of costs in rural development project grants while still obtaining the same outcomes and results and achieving the same objectives; welcomes the fact that workable, cost-effective approaches have been identified and could be more widely applied, that the Commission accepts the Court's findings and that it has expressed its intention to work with the Member States to improve control of rural development costs in the 2014-2020 programming period;

20. Shares the Court's view that the Commission and Member States should check early in the new programming period that the control systems operate efficiently and are effective in light of the risks;

21. Stresses that the Commission should encourage Member States to use the checklist and the criteria developed by the Court and contained in Annex I ([1]);

22. Stresses that the Commission and Member States should cooperate to ensure that the approaches followed for all rural development programmes meet the criteria determined by the Court for assessing whether control systems address the risks of over-specification, uncompetitive prices and project changes and target the areas of greatest risk; considers that an *ex ante* assessment of the control systems by Member State authorities' internal audit services (or by other inspection or audit bodies) should be part of this process;

23. Believes that Member States should: apply more widely cost-effective approaches that have already been identified; assess costs against the expected outputs or results; check whether standard costs result in overpayments; use real market prices as reference prices for equipment and machinery etc. and not suppliers' list prices; check that the costs are reasonable including when public procurement procedures have been followed; implement higher requirements and/or checks for measures with high aid rates etc.;

24. Welcomes the fact that the Commission has undertaken to provide guidance on controls and penalties in the context of rural development, including a specific section on the reasonableness of costs and a checklist for managing authorities annexed to the special report; notes that training and sharing of experiences will be part of the European Network for Rural Development activities in the 2014-2020 period;

Part III Special Report No 23/2014 of the Court of Auditors entitled 'Errors in rural development spending: what are the causes and how are they being addressed?'

25. Is concerned at the high error rate detected by the Court in rural development policy; notes, however, the slight downward development in the last three years;

26. Recognises the effort made by Member States and the Commission with a view to reducing errors in rural development spending, especially in this time of economic difficulties and fiscal austerity;

27. Notes that on the basis of Member States' and its own audit findings, the Commission has implemented or is in the process of implementing corrective measures in many fields identified in the Court's special report;

28. Recalls that the Court has stated in its annual reports that in numerous cases the national authorities would have had sufficient information to prevent or detect and correct the errors before declaring the expenditure to the Commission, which would have lowered the error rate significantly;

29. Observes that the easier the rules are to implement, the fewer errors will occur; is concerned that the error rate could again rise in forthcoming years given the complexity of the new rules of the reformed CAP; therefore calls for a real simplification of the CAP, together with clearer guidance for national authorities and farmers;

30. Considers that the cost of management and controls (EUR 4 billion) for the whole CAP is substantial and that the emphasis should be put on improving the efficiency of the controls and not increasing their number; in this context appeals to the Commission and Member States to focus on the root causes of errors in rural development spending; considers that the following preventive and corrective actions should be taken by the Member States, where relevant:

([1]) See in Annex I of the special report the checklist developed by the Court to assess the design of control systems in light of the risks associated with rural development costs.

(a) Public procurement

In the application of the concept of *ex ante* conditionality Member States should develop and provide detailed guidance to beneficiaries on how to apply public procurement rules;

The national authorities specialising in monitoring compliance with public procurement rules should be involved in this process; focus should be put on the three main breaches of rules: unjustified direct awards without a proper competitive procedure; misapplications of selection and award criteria and a lack of equal treatment of tenderers;

(b) Intentional circumvention of rules

Based on the specific eligibility and selection criteria from their rural development programmes, Member States should establish guidelines to help their inspectors to identify indicators of potentially fraudulent actions;

(c) Agri-environment payments

Member States should increase the scope of their administrative controls to include checks on commitments based on documentary evidence, which are currently carried out only in the 5 % of cases where on-the-spot checks are performed; in addition, the system of reductions and sanctions should be designed to have a meaningful dissuasive effect on potential rule-breakers;

31. Requests that the Commission closely monitor the implementation of the rural development programmes and take account in its conformity audits of the applicable rules including those adopted at national level where relevant, in order to reduce the risk of repeating weaknesses and errors encountered during the 2007-2013 programming period;

32. Believes that there are still many inconsistencies in methodologies of error-rate calculation not only between those used by the Commission and Member States but also between those used within the Commission services, which makes the introduction of appropriate national legislation in Member States more difficult; calls on the Commission to apply a uniform error-rate calculation methodology that could be fully reflected in the methodologies of Member States;

33. Supports a more intensive use of simplified cost methods where relevant and in compliance with legislative rules, and requests that the Commission and the Member States analyse to what extent the characteristics of a more focused scope, limited eligibility criteria and the use of simplified cost options can be replicated in the design and implementation of an increased number of support measures, without jeopardising the overall objectives of those measures;

34. Requests that the Commission and Member States analyse how to improve the scheme for supporting investments in the processing of agricultural products and also analyse the agri-environment payments measure so that, as far as possible, commitments can be controlled via Member States' administrative checks;

35. Appeals to the Commission to perform a detailed causal analysis of negative correlations between the financial execution rate and the error rate;

Part IV Special Report No 24/2014 of the Court of Auditors entitled 'Is EU support for preventing and restoring damage to forests caused by fire and natural disasters well managed?'

36. Calls on the Commission to establish common criteria to identify the scale of fire risk in European forests, in order to end the arbitrary and inconsistent definition of high fire risk areas and therewith the deficient evaluation and selection process by Member States;

37. Urges the Member States to select their preventive actions according to the actual needs of fire risk and in line with the requirements of measure 226 instead of other environmental or economic objectives; insists in this regard on the necessity for beneficiaries to prove unconditionally and document accurately their need for support under this measure; endorses the Court's recommendation of prioritising actions in the environmentally most valuable forests such as Natura 2000 forest areas;

38. In view of the alarming findings of the Court regarding average costs for similar actions in different regions, demands a reasonable and verifiable ceiling for support and a thoroughly grounded justification in case of any change to it;

39. Invites Member States better to coordinate and structure their forest-fires policies; supports the creation of a European platform for beneficiaries to share and promote best practices;

40. Deplores especially the Court's finding of continued severe deficiencies in the period 2014-2020 due to the consistently poor monitoring framework; urges the Commission to take immediate action to improve its monitoring and control system;

41. Calls on the Commission to support the delivery of harmonised data on the multifunctional role of forests and forest resources, by encouraging the establishment of an European forest information system based on national data and its integration into an European data platform;

42. Insists in addition that Member States establish a sound control system that includes retention of relevant documents and information; calls in this regard on the Commission to ensure that support is only granted where Member States have established such an appropriate and reviewable control system;

43. Calls on Member States to report regularly on the effects of the actions carried out and reductions in the number of fires or natural disasters and damaged areas;

Part V Special Report No 1/2015 of the Court of Auditors entitled 'Inland waterway transport in Europe: no significant improvements in modal share and navigability conditions since 2001'

44. Welcomes the Court's special report entitled 'Inland waterway transport in Europe: no significant improvements in modal share and navigability conditions since 2001' and endorses its findings, conclusions and recommendations;

45. Notes that the Union transport sector is crucial to the completion of the single market, SME competitiveness and overall economic growth in Europe;

46. Concludes that development of the inland waterways mode of transport lags behind the pace of road and rail transport despite a decade of investment; urges a significant increase in the efforts of the Commission and the Member States;

47. Encourages the Commission and Member States to make use of roadmaps for research, development and innovation in the inland waterway sector as they do in others and to include port infrastructure and equipment in this effort, to ensure that the technical developments are compatible with other transport modes' requirements, thereby ensuring multimodal transport;

48. Considers that implementation of the objectives set out in the 2001 White Paper, its 2006 mid-term review and the 2006 and 2013 Naiades (Integrated European action programme for inland waterway transport) programmes was ineffective in part due to a lack of commitment by Member States;

49. Notes that Member States' interest in investing in a community transport policy has decreased, that they give preference to financing national, regional and local projects and that project selection processes are decentralised, which prevents the Commission from prioritising eligible projects;

50. Underlines that Member States have legally committed to providing national funding for the implementation of the core network so that strategically important waterways in Europe are transformed into high-capacity transport corridors;

51. Observes that the strategic coordination role of the Commission has been weakened, which has led to a mismatch between implemented projects and Union-level priorities;

52. Draws attention to the fact that through research based on the Court's special reports ([1]), similar conclusions to the ones concerning inland waterways can be drawn regarding other transport areas funded by the Union budget; notes that in such areas of public urban transport and airport infrastructure, projects often suffer from:

(a) low added value following implementation;

(b) poor measurement of outcomes;

(c) insufficient emphasis on cost-efficiency;

(d) lack of impact assessment;

(e) incoherent regional, national and supranational plans;

(f) under-utilisation of infrastructure lowering the overall effect;

(g) lack of sustainability;

(h) weaknesses in project design and mobility policy;

(i) absence of a sound mobility policy;

(j) difficult cooperation between the Commission and Member States' authorities;

53. Considers that the abovementioned conclusions, along with the observations concerning inland waterways transport, indicate common Union-wide horizontal issues; considers that the outcomes of Union funding for transport in general are weakened by the unsatisfactory state of strategic planning and a lack of coherence, sustainable outcomes, efficiency and effectiveness;

54. Believes that sustainable policy outcomes are possible through intensive cooperation between the Member States on the one hand and between the Member States and the Commission on the other to safeguard the development of inland waterway transport;

([1]) Special Report No 1/2014 entitled 'Effectiveness of EU-supported public urban transport projects' and Special Report No 21/2014 entitled 'EU-funded airport infrastructures: poor value for money'.

55. Recommends that both the Commission and the Member States pay common commitments the utmost attention because the Union's transport sector operates in a complex environment of economic, political and legal variables where the establishment of multimodal networks meets obstacles and constraints related to diverging priorities and inconsistent engagement;

56. Recommends that the Member States focus on inland waterway projects that are directly related to the core network corridors in order to provide the greatest impact and most immediate benefits for improving inland waterway transport;

57. Recommends that the principle of 'less is more' be applied when Member States invest in waterway transport: limited Union resources should be focused on the highest priority projects in order to effectively remove bottlenecks and establish an integrated Union-wide waterway network;

58. Recommends that the Member States regard Regulation (EU) No 1315/2013 of the European Parliament and of the Council [1] (the TEN-T Regulation) and Regulation (EU) No 1316/2013 of the European Parliament and of the Council [2] (the Connecting Europe Facility Regulation) as essential tools in streamlining projects so as to achieve the objectives laid out by the Commission since 2001;

59. Recommends that the TEN-T instrument and the Connecting Europe Facility be intensively utilised as an opportunity for investment with a focus on strategically important Union corridors (a core and comprehensive network) with specific standardised infrastructure requirements for the entire network length, with legally binding deadlines for project implementation;

60. Recommends that in-depth strategic approaches and planning be used in synchronising the funding from ESIF, TEN-T and the Connecting Europe Facility to effectively and efficiently achieve inland waterway transport objectives;

61. Recommends that establishing intermodal transport centres along the Core Network be considered a key enabling factor on the path to shifting transport of goods and cargo from roads to inland waterways;

62. Recommends that the Member States take into consideration the Commission's coordination role when it comes to long-term strategic projects such as the core network corridors;

63. Recommends that the Commission identify and analyse all horizontal issues, focusing extensively on strategic planning, cooperation with and between the Member States and project selection and implementation, in order to allow the conclusions to be taken into consideration in the current programming period;

64. Considers that the Commission needs to provide intensive technical assistance and guidance to the Member States prior to submitting project proposals and throughout the implementation phase so as to eliminate obstacles it has identified to waterway transport;

65. Recommends that the Commission focus its funding on those projects that are most relevant for inland waterway transport and offer comprehensive plans to eliminate bottlenecks;

66. Recommends that the Commission prioritise funding of projects and initiatives in Member States aiming to improve waterway transport through innovative solutions such as high-tech navigation, alternative fuels and efficient vessels; considers that the Commission should also encourage multilateral European knowhow and knowledge exchange programmes between different Union ports;

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[1] Regulation (EU) No 1315/2013 of the European Parliament and of the Council of 11 December 2013 on Union guidelines for the development of the trans-European transport network and repealing Decision No 661/2010/EU (OJ L 348, 20.12.2013, p. 1).

[2] 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).

67. Recommends that the Commission improve awareness among the Member States and their regions on available funding instruments for supporting inland waterway transport in view of eliminating existing bottlenecks along the key corridors;

68. Considers that coordination among Member States for the development of inland waterways transport should be significantly improved through facilitation and more binding commitments and conditions, which will frame work on the multimodal core network corridors set up by the Connecting Europe Facility and the TEN-T Regulation;

69. Considers that specific and achievable actions to eliminate bottlenecks should be negotiated by the Commission and agreed upon by the Member States in the form of an implementation schedule;

70. Calls on the Commission to update its strategic goals and recommendations for the inland waterway and to propose a Union inland waterways strategy and action plan for 2020 onwards;

71. Recommends that the *ex ante* evaluation of operations by the Commission concerning the inland water transport assess outcomes in the context of the overall objectives set since 2001 and the realisation of the Core Network;

Part VI Special Report No 2/2015 of the Court of Auditors entitled 'EU funding of urban waste water treatment plants in Danube river basin: further efforts needed in helping Member States to achieve EU waste water policy objectives'

72. Believes that reporting on the appropriateness of waste water treatment should be required for agglomerations with a population equivalent (p.e.) below 2 000 which have collection systems in place given the requirements of Article 7 of Council Directive 91/271/EEC [1] (the Urban Waste Water Treatment Directive, UWWTD); notes that, for the agglomerations where the collection systems don't exist, reporting should include information on whether adequate measures have been included in river basin management plans;

73. Agrees with the Court that the Commission should audit Member States' reporting on the number of agglomerations with a p.e. above and below 2 000 where there have been significant changes, in particular from one category to another;

74. Highlights the need to encourage the Member States to establish clear legal obligations for households to connect to existing sewage networks where such obligations do not yet exist or are linked to vague deadlines;

75. Notes that the time needed to assess compliance with the UWWTD should be shortened by requiring Member States to report data within six months of the Commission's reference date; notes, moreover, that the Commission should screen for issues of lengthy reporting periods under other environment-related directives;

76. Insists on the necessity to expedite the absorption of Union funds for investments in the field of waste water by Member States, as delays were noted for Member States covered by this report and the absorption of Union funds has been slow; asks the Commission to provide technical, legal and administrative help to beneficiaries in order to ensure the completion of the ongoing projects in due time;

77. Notes that the Commission recognises that the absorption rate at the end of 2013 in all Member States concerned was quite low, hence the existence of a de-commitment risk at programme level (Article 93 of Council Regulation (EC) No 1083/2006 [2]); stresses, however, that there are objective reasons for this, such as a need to strengthen the technical, legal and administrative capacity in the Members States concerned; notes, moreover, that the Commission points out that payments for most of the projects usually occur during the last years of implementation (i.e. 2014 and 2015 for the 2007-2013 programming period);

[1] Council Directive 91/271/EEC of 21 May 1991 concerning urban waste water treatment (OJ L 135, 30.5.1991, p. 40).
[2] Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999 (OJ L 210, 31.7.2006, p. 25).

78. Believes that Member States should be requested to provide updated information on the amount of additional funds they will need to ensure that the implementation deadlines set out in the UWWTD can be achieved, both for agglomerations with a p.e. above 2 000 and agglomerations with a p.e. below 2 000 which have collection systems in place; welcomes the introduction of the structured implementation and information framework (SIIF) reporting tool which should improve the reporting process at national level;

79. Highlights the need to carry out the necessary projects in the Member States to ensure compliance of non-compliant agglomerations with the UWWTD;

80. Stresses the need to improve the environmental performance of Union-funded water utilities and for the Commission to make bigger efforts to monitor the implementation of the related legislation and enforce the deadlines for achievement of the objectives of the UWWTD; considers that equivalent protection of the environment should be ensured throughout the Union;

81. Believes that Member States should be encouraged to explore and disseminate information on the possibilities of cost savings such as by using the energy-production potential of sewage sludge or by using sewage sludge as valuable raw material for phosphorus recovery;

82. Notes that the final payments for 'major projects' approved under an operational programme should be made conditional upon the existence of an appropriate solution for reusing sewage sludge; encourages Member States to follow the same approach for projects approved at national level;

83. Encourages Member States to implement a responsible waste water tariff policy and to adapt, where necessary, the legal provisions in the area of water pricing to avoid tariffs lower than the commonly accepted affordability ratio of 4 %;

84. Encourages Member States to ensure that public owners of waste water treatment plants, such as municipalities, make available sufficient funding in the long term for necessary maintenance and renewal of waste-water infrastructure;

Part VII Special Report No 3/2015 of the Court of Auditors entitled 'EU Youth Guarantee: first steps taken but implementation risks ahead'

85. Welcomes the Court's special report entitled 'EU Youth Guarantee: first steps taken but implementation risks ahead' and endorses its recommendations;

86. Notes that the Court is assessing the initiative in the middle of its implementation and welcomes the Court's ambition to start evaluating the use of Union funds at an earlier stage;

87. Highlights that the Youth Guarantee is a key aspect of the response to youth unemployment; welcomes the fact that Union heads of state and government have decided to allocate EUR 6,4 billion in Union funds (EUR 3,2 billion from the European Social Fund and EUR 3,2 billion from a new budget line) to the Youth Guarantee; points out that this is a good start, but not enough for a successful Youth Guarantee; therefore asks the Commission to make sure that further funds can be found to support the Youth Guarantee over the seven-year period;

88. Notes that funding for youth employment comprises the European Structural and Investment Funds (ESIF) as well as instruments like Erasmus+, Erasmus for Young Entrepreneurs and other programmes; underlines that better synergy must be achieved between all available sources;

89. Finds the financing of the Youth Guarantee scheme very complex given the various funding options available through the European Social Fund (ESF) and the Youth Employment Initiative (YEI); asks the Commission to provide guidance to Member States' authorities taking into due consideration that local, regional and national authorities face different challenges when implementing the scheme and therefore require specific guidelines;

90. Is of the opinion that the Commission has devoted many resources to ensuring that this measure will be effective in tackling youth unemployment; regrets, however, that much less energy has been put into ensuring the coordination of its implementation by Member States;

91. Points out that not only the availability of funding, but also the successful absorption of funds is a necessary condition for an effective implementation of the Youth Guarantee; regrets, therefore, that in several regions across Europe, the absorption capacity of the ESF fund is very low; calls on Member States to provide the necessary administrative and human resources to use the funds provided to properly realise the Youth Guarantee;

92. Is of the opinion that despite the need to improve absorption capacity, Member States should also be focusing on outcomes when implementing the scheme, as should be the Commission in its monitoring role, so as to ensure long-term effects from invested funds;

93. Asks the Commission to develop a comprehensive monitoring system including a set of standards to assess the implementation of the Youth Guarantee measures and to evaluate their success in Member States; invites also the Commission to consider the inclusion of compulsory targets for fighting youth unemployment within the framework of the European semester;

94. Considers that it is fundamental to combine effective implementation of the available funds by Member States with extensive assistance from the Commission to close the implementation gaps;

95. Notes that the Union has no hard-law competences on active labour market policies, but emphasises the need for the Commission to provide the Member States with best-practice examples on how to implement the Youth Guarantee, in particular those practices identified by the European network of public employment services;

96. Urges Member States to use Union funding and to commit to reforms aiming to overcome gaps in education, in skills training, in establishing public-private partnerships and in enhancing employment services and its accessibility;

97. In order to ensure adequate implementation and a positive long-term impact, asks Member States to initiate institutional change where needed and to foster cooperation between local communities, education authorities, public employment offices, local industries and business, trade unions and youth associations; believes this is crucial to achieving better capacity-planning and a strategic results-oriented use of the various available sources funding;

98. Reminds Member States that they should commit to extending national funding as a complement to the ESF and YEI appropriations to ensure the necessary boost to youth employment;

99. Welcomes the Commission's proposal to amend Regulation (EU) No 1304/2013 of the European Parliament and of the Council [1] on the European Social Fund to increase the initial pre-financing amount paid to operational programmes supported by the YEI, thereby increasing the initial pre-financing in 2015 from around 1 % to 30 % for the allocation of the YEI; points out that the Commission should itself commit to paying the pre-financing amount to Member States immediately after the entry into force of the amending Regulation, to enable a prompt implementation of the operational programmes supported by the YEI;

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

100. Asks the Commission to deploy a comprehensive monitoring scheme which includes the Indicator Framework for Monitoring the Youth Guarantee in combination with the planned result indicators, focusing on outcomes and assessing the employment status of individuals benefiting from the youth employment measures;

101. Is of the opinion that supply-side labour market policies need to be considered in conjunction with education, youth, and welfare policies and the bigger macro-economic context;

102. Notes that the Commission's 2016 annual implementation report on the Youth Guarantee and the upcoming special reports of the Court concerning youth employment are major opportunities to address the existing weaknesses, both at Commission level and at national, regional and local levels;

Part VIII Special Report No 4/2015 of the Court of Auditors entitled 'Technical assistance: what contribution has it made to agriculture and rural development?'

103. Asks the Commission to clarify the scope and application of technical assistance to Member States in the area of rural development; considers that, in particular, the Commission should clarify the distinction between operational/'capacity-building' expenditure and eligible administrative/'budget support' costs, notably in the case of payroll;

104. Asks the Commission to monitor closely Member States' implementation of technical assistance;

105. Asks the Commission to take appropriate measures to ensure that general administrative expenditure such as regular IT maintenance is not charged to technical assistance budget lines;

106. Asks the Commission to require, in future, Member States to report administrative/'budget support' costs for rural development separately so as to make it more transparent that part of technical-assistance funding is spent on such support;

107. Asks the Commission to establish with Member States a suitable performance framework for technical-assistance funding; considers that, in particular, the technical assistance needs of the Commission and of the Member States should be properly assessed and there should be a mechanism in place to set objectives and measure progress towards them;

Part IX Special Report No 5/2015 of the Court of Auditors entitled 'Are financial instruments a successful and promising tool in the rural development area?'

108. Requests that the Commission identify the challenges, specific characteristics and obstacles faced in rural development in order to encourage Member States to better set up and assess the budgetary demand for financial instruments and to avoid over-capitalisation, which commits funds without contributing to the implementation of Union policies; requests also that access for final beneficiaries be facilitated to allow for a more active implementation of financial instruments at regional level, in particular in comparison to grants;

109. Requests that Member States provide reliable quantifiable information to enable determination of the appropriate type of funds and allocation of financial resources in accordance with this; request also that the Commission and Member States implement monitoring systems that allow evaluation of the effectiveness of the financial instruments;

110. Requests that the Commission provide guidance and actively promote a higher quality of mandatory *ex ante* assessments for financial instruments, as introduced for the 2014-2020 programming period, so as to identify specific weaknesses and to avoid over-capitalisation; requests, in addition, that Member States establish the risk exposure ratio through appropriate technical analysis;

111. Requests that the Commission set appropriate standards and targets for leverage and revolving effects in order to increase the effectiveness of the financial instruments for the 2014-2020 programming period; requests also that the Commission and the Member States perform a thorough assessment prior to the future use and development of financial instruments in the area of rural development on the basis of their contribution to the implementation of Union policies and effectiveness for beneficiaries;

112. Requests that the Commission and the Member States decide on clear transitional rules between programming periods to promote the long-term effects and sustainability of financial instruments;

113. Requests that the Commission encourage Member States to establish a single financial instrument which is able to provide both loans and guarantees, thus increasing its activity and critical mass;

114. Requests that Member States find ways to overcome selection weaknesses in the management of grants for investment measures, which could result in deadweight or displacement effects; requests, for this reason, that Member States apply appropriate and clearly defined indicators, such as return on investment and projected cash-flow statements in order to ensure the viability of projects;

115. Requests that Member States examine how grants and financial instruments can be combined in the operational programme to provide the best value for money, by optimising leverage and revolving effects;

116. Requests that the Commission provide clearly defined operational implementing rules, including the exit policy, in due time and before the closure of the 2007-2013 programming period;

Part X Special Report No 6/2015 of the Court of Auditors entitled 'The integrity and implementation of the EU ETS'

117. Is disappointed that it was not possible to obtain a complete analysis of the efficiency of the various implemented allocation systems by the Member States during phase II of the EU Emissions Trading Scheme (ETS) (2008-2012), which would have been of the utmost importance in informing political recommendations on the basis of the Court's audit results;

118. Notes that the Court's assessment focused on the implementation of phase II of the EU ETS (2008-2012), while for phase III of the EU ETS (2013-2020) significant reforms, including Union harmonisation measures, were decided and implemented;

119. Welcomes the fact that significant improvements to the framework for protecting the integrity of the ETS have been implemented, including most of the spot market for allowances in the Financial Instruments Directive [1] and market abuse directive [2] and regulation [3]; calls on the Commission to consider complementary measures in line with the Court's recommendations, including measures covering compliance traders;

120. Urges the Commission and the Member States to ensure transparency and effective Union-level oversight of the emissions market and procedures for cooperation involving national regulators and the Commission;

121. Considers that the Commission, as the guardian of the Treaties should monitor closely implementation in Member States and assist more thoroughly throughout the process; believes that the right balance between robust monitoring, reporting and verification and administrative burden is necessary; considers that the Commission has to ensure predictability of legal decisions and legal certainty, thereby taking into account the guidance of the European Council;

[1] Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC (OJ L 145, 30.4.2004, p. 1).

[2] Directive 2014/57/EU of the European Parliament and of the Council of 16 April 2014 on criminal sanctions for market abuse (market abuse directive) (OJ L 173, 12.6.2014, p. 179).

[3] Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (OJ L 173, 12.6.2014, p. 1).

122. Notes that the Court assessed the integrity and implementation of the EU ETS, but also that an analysis of the efficiency of the ETS system and its achievements is necessary, including an evaluation of the interaction between European and national legislation such as in the development of renewable energies and energy efficiency measures, which likewise have a profound effect on CO_2 emissions and thus the carbon market;

123. Asks that the Court include affected industrial sectors in its analysis, especially with regard to legal certainty and predictability, and in how far a reliable legal framework is ensured and how recent adjustments of the ETS framework have possibly impacted on the effectiveness of the system;

124. Is concerned that at the time of the audit, the risk of VAT fraud in the ETS was still not fully addressed, since a third of the Member States did not yet implement legislation on the reverse charge mechanism; calls on all Member States to do so without further delay;

125. Believes that it is crucial to take all necessary measures to avoid carbon leakage and to ensure the fair international competitiveness of existing measures for free allocation of emissions allowances; requests an assessment by the Commission of industrial sectors and companies vulnerable to carbon leakage to clearly identify areas where loss of business for the European industry to countries without strict climate legislation have occurred;

Part XI Special Report No 7/2015 of the Court of Auditors entitled 'The EU police mission in Afghanistan: mixed results'

126. Requests that the Commission and the European External Action Service (EEAS) apply the lessons learnt not only from the EUPOL mission in Afghanistan but also from other Common Security and Defence Policy (CSDP) missions with the aim of facilitating knowledge transfer and synergy effects among different missions; calls for clearer horizontal guidance by the EEAS for CSDP missions where appropriate; points out that the coordination among all Union actors involved including Member States as well as with other international actors is key to the success of current and future missions;

127. Requests that the EEAS increase the accountability of its main financial instrument in Afghanistan, the Law and Order Trust Fund Afghanistan (LOTFA) managed by the UNDP, which is criticised for mismanagement and the lack of transparency; reiterates furthermore the need to use all suitable funding channels for future CSDP missions, including EU Trust Funds, in an efficient way to ensure the achievement of the mission's policy goals and sound financial management;

128. Requests that the Commission and the EEAS create synergies and cross-references among project activities as well as a strong and efficient linkage between the mission objectives and the milestones laid down in the Mission Implementation Plan (MIP);

129. Considers that subjects such as gender, women's empowerment and education need to play an important role in the training curricula of EUPOL and other CSDP missions; notes in this context that EUPOL has been largely successful in training related activities but less so in mentoring and advising;

130. Requests that the Commission and the EEAS coordinate CSDP missions more thoroughly in advance with other Union bilateral missions and international efforts with similar objectives; calls in this respect for more cooperation and coordination between the Union and Member States to promote synergies under a European framework; requests that the mandate for ongoing and future CSDP missions determine clearly the responsibilities for coordination with other Union actors including Member States;

131. Requests that the Commission and the EEAS pay particular attention to procurement procedures to ensure that they are responsive to the CSDP's operational needs; points out that the implementation of projects has suffered from cumbersome procurement procedures leading to under-performance and that the use of simplified or flexible procedures has led to an increase in procedures brought to contract finalisation;

132. Requests that the Commission and the EEAS further increase the effectiveness of their CSDP missions by improving the long-term sustainability of the outcomes achieved; acknowledges, however, that support from the Union and the international community is a decisive factor for the achievement of these long-term goals;

133. Requests that the Commission and the EEAS observe the Union's achievements after the phasing out of EUPOL by the end of 2016, including the possibility of a further commitment beyond 2016;

134. Requests that the Commission and the EEAS develop detailed guidelines well in advance with regard to the downsizing and closure of missions as well as the liquidation of mission assets;

Part XII Special Report No 8/2015 of the Court of Auditors entitled 'Is EU financial support adequately addressing the needs of micro-entrepreneurs?'

135. Welcomes the Court's special report entitled 'Is the EU financial support adequately addressing the needs of micro-entrepreneurs?', and endorses in principle its recommendations;

136. Notes that microcredit, even if still considered immature, is steadily growing in the Union and has an impact on job creation of above 250 000 jobs (data from 2013);

137. Is of the opinion that there are substantial differences between the European Social Fund (ESF) grants and the European Progress Microfinance Facility (EPMF) financial instruments, which tend to serve different purposes; considers that different support mechanisms may be appropriate for different market conditions;

138. Notes that the Court in this audit compares two dissimilar financial mechanisms that have different approaches and objectives; stresses that ESF and EPMF differ in many aspects, namely structure, rules and target groups, with the latter being exclusively devoted to micro-financing whereas the former covers a much broader range of aspects;

139. Highlights the fact that these two financial facilities are complementary and bring great benefits for micro-borrowers through the three financial instruments grants, loans and guarantees; considers that grants — which are only provided through the ESF — are as essential to microcredit as the other two instruments and their performance should be assessed taking into account their complementary role;

140. Stresses the importance of the microfinance objectives in improving social inclusion, combating unemployment and increasing access to finance for unemployed, other disadvantaged people and microenterprises; considers, in this regard, that the grants and the financial instruments must have the primary responsibility of helping people and micro-entrepreneurs to overcome the difficulties in reaching those objectives;

141. Is of the opinion that the grants are fundamental to accomplishing the objectives of growth, inclusion and employment set out in the Commission's communication entitled 'Promoting decent work for all — The EU contribution to the implementation of the decent work agenda in the world'(COM(2006) 249) and Commission's communication entitled 'A shared commitment for Employment'(COM(2009) 257) and in Regulation (EU) No 1296/2013 of the European Parliament and of the Council [1] on the European Union Programme for Employment and Social Innovation (EaSI);

[1] Regulation (EU) No 1296/2013 of the European Parliament and of the Council of 11 December 2013 on a European Union Programme for Employment and Social Innovation ('EaSI') and amending Decision No 283/2010/EU establishing a European Progress Microfinance Facility for employment and social inclusion (OJ L 347, 20.12.2013, p. 238).

142. Underlines the need for a reinforced microfinance system that is an economic and social development tool supporting the needs of those in real need;

143. Finds that the relatively little focus on financial instruments in improving the conditions of vulnerable groups needs to be overcome in the EaSI for the 2014-2020 programming period;

144. Takes the view that there was not enough complementarity between the EPMF and the ESF, in order to respect the requirement to all microcredit providers to work with entities, particularly supported by the ESF, providing training and mentoring services;

145. Welcomes the fact that most of the weaknesses detected and recommendations made by the Court have already been addressed by the Commission in the new regulatory framework (2014-2020);

Part XIII Special Report No 9/2015 of the Court of Auditors entitled 'EU support for the fight against torture and the abolition of the death penalty'

146. Welcomes the special report dedicated to Union support for the fight against torture and the abolition of the death penalty and sets out its observations and recommendations below;

147. Recalls that human rights are a cornerstone of the Union's external action and its bilateral and multilateral relations; believes that as a key priority of the Union they should receive continuous attention;

148. Emphasises that the Union is strongly committed to preventing and eradicating all forms of torture and other ill-treatment and abolishing the death penalty; notes that the main instrument used for this purpose is the European Instrument for Democracy and Human Rights (EIDHR) providing grants to civil society organisations for implementing projects;

149. Notes that in the 2007-2013 programming period, EUR 100,9 million within the EIDHR framework was earmarked for projects relating to the fight against torture and the death penalty; points out, however, that this amount of money is relatively small when the ambitious objectives of the instrument and the global area it applies to are taken into consideration;

150. Stresses that thinly-spread financing — applied in more than 120 countries worldwide — dilutes the impact of the EIDHR; urges the Commission to prioritise better and to narrow its focus to improve outcomes; highlights that resources should focus on countries with substantial needs and issues with actual potential for improvement; welcomes that the Commission has already started working towards a more targeted focus in its call for proposals for 2015;

151. Notes the Court's observation that funded projects are often not well-coordinated with other Union action, such as traditional development support and dialogue with partner countries, have not been part of a coherent and strategic approach and have not complemented each other well; encourages the Commission to develop a global strategy to complement the activities sharing the same objectives and avoid double funding;

152. Encourages the EEAS and the Commission to put the focus and political momentum on the areas where they are most needed, while improving Union delegations' capacity on the ground, so as to deepen effectiveness, results and impact culture in human rights and democracy policies;

153. Calls on the EEAS and the Commission to increase and mainstream the effectiveness of human rights dialogues, country strategies and specific guidelines by ensuring that key human rights like the abolition of the death penalty and combating torture are systematically raised at all levels of policymaking with third countries;

154. Believes that more joint programming and monitoring between EEAS and the Commission on human rights issues should be pursued to make them more in line with local political and human rights strategies;

155. Requests the implementation of a more qualitative and strategic approach in the overall selection process with respect to the applications received under calls for proposals; encourages the Commission to apply this instrument in accordance with a long-term vision based on concrete, measurable objectives;

156. Urges the EEAS and the Union delegations to pay regular attention to the developments or setbacks in all countries and to use all means of influence; supports the role of Union delegations in political analysis and shaping, coordinating role and reporting functions;

157. Highlights that the instrument is a good mapping exercise to analyse the state and development of human rights in the world; points out that the constant presence and interest of the Union can lead to change where torture and the death penalty are concerned; stresses, however, that the Commission needs to develop a strategic approach to this issue;

158. Notes that the Commission obtains detailed information about the human rights situation in other countries through various channels and that it uses the information to define priorities; notes with concern that although the Commission has at its disposal specific country strategies for human rights containing a thorough analysis of the situation in the countries concerned and providing key priorities in the area, they have not been properly taken into consideration when allocating funding and coordinating other Union actions; points out that the added value of the country strategies is limited due to their strictly confidential nature; calls on the Commission to give access to the strategies to project assessors to secure maximum added value;

159. Welcomes the demand-driven approach to financing projects and considers it to be a good way of engaging experienced, motivated organisations proposing high-quality projects; notes with satisfaction that this bottom-up approach encourages civil society organisations to design their projects in line with their administrative, operational and geographical capacities and their own strategy;

160. Regrets that smaller local civil-society organisations might be disadvantaged when requesting grants due to lengthy and complicated application procedures, language requirements and/or experience requirements; calls on the Commission to speed up and simplify the application process to encourage quality projects to apply;

161. Welcomes the fact that the Commission organises seminars and training sessions for local civil-society organisations, promotes partnerships and allows sub-granting, and has for the past four years organised a civil society seminar before the launch of the global calls for proposals to provide the opportunity to introduce the EIDHR;

162. Is worried that a lack of self-sustainable organisations jeopardises the continuity of their activities, risking a loss of expertise; welcomes the fact that the Commission is trying to mitigate the financial dependence of such organisations by allowing them to hire fundraising officers within the framework of the EIDHR;

163. Points out that according to the Court's assessment, the project outcomes were generally difficult to measure as the impact sought is frequently intangible, no targets are set for performance indicators and reporting by civil society organisations to the Commission concentrates on activities;

164. Takes into account that the fight against torture and the abolition of the death penalty are long-term processes, the impact and the results are difficult to quantify, the EIDHR is tackling sensitive issues in difficult political contexts and its implementation requires thorough and time-consuming management;

165. Points out in this regard that the systems for measuring impacts are also rather weak because of unclear logical frameworks for projects, which lack well-defined benchmarks and targets; calls on the Commission to clarify the requirements in the logical frameworks for projects to improve results and added value;

166. Invites the Commission to prepare an in-depth impact assessment of the EIDHR financing and to draw conclusions from such analysis; encourages the Commission to take into account the impact and results of different forms of projects during the selection procedure; welcomes the fact that the Commission is already working on the improved impact assessment of human rights projects and invites the Commission to share the results with the discharge authority;

167. Notes that project assessments are based on a scoring system and standardised evaluation grids with criteria concerning project design, relevance, capacity, feasibility, effectiveness, sustainability and cost-effectiveness and that grants are awarded to the projects with the highest score; notes from the Court that the standardised evaluation grids have number of shortcomings in terms of the guidance available on scoring against these criteria; calls on the Commission to clarify the guidance and invites the Commission to reconsider improving the standardised evaluation grids;

168. Requests that the Commission mitigate the shortcomings in its assessment highlighted by the Court; welcomes nevertheless the existence of a certain flexibility in assessing projects in the field of human rights, which cannot be considered purely as a box-ticking exercise; highlights that there is a need to use common sense, as previously noted by the discharge authority;

169. Notes from the Court that the objectives of most calls for proposals were described in a general way; notes the Commission's observation that a holistic approach to the calls for proposals is its preferred strategy; calls however on the Commission to ensure that the EIDHR funds are used in an effective manner by securing the feasibility, viability and added value of the projects, which could be done by setting minimum requirements for the results of the project in the calls for proposals;

170. Welcomes the fact that civil-society organisations interested in receiving the grant first need to submit a concept note describing the main features of the project they propose; considers the concept note to be a time- and cost-effective solution for pre-selection of the projects;

171. Notes the Court's observation that project selection was well-documented but lacked rigour and that weaknesses in the projects were not remedied after their identification; notes with satisfaction that the overall conclusions of the evaluation boards were reported with sufficient detail; welcomes the fact that project activities were generally carried out as planned and cost-effective; calls on the Commission to improve the consistency of project evaluations;

172. Notes the Court's observation that beneficiary organisations have different interpretations of what is covered by the flat-rate amount to cover indirect costs, which may result in undervaluing the organisation's work or covering ineligible expenses; invites the Commission to clarify the rules regarding the flat-rate amount;

173. Welcomes the new Union action plan on human rights and democracy for the period 2015-2019 as a renewed political commitment developing greater coherence and consistency within the full range of Union external policies and financial instruments;

174. Welcomes the fact that the Commission has already started to implement a rights-based approach and will continue to do so by mainstreaming this approach into procedures and templates, drafting roadmaps and organising training sessions;

Part XIV Special Report No 10/2015 of the Court of Auditors entitled 'Efforts to address problems with public procurement in EU cohesion expenditure should be intensified'

175. Welcomes the findings and recommendations of the Court's special report entitled 'Efforts to address problems with public procurement in EU cohesion expenditure should be intensified';

176. Notes that with a total of EUR 349 billion allocations between 2007-2013, the cohesion policy is the key policy to reducing economic and social disparities between regions in Europe; highlights therefore the importance of proper public procurement processes when it is the procurement process that is identified by the Court as a major source of the errors within Union cohesion expenditure;

177. Emphasises that 40 % of the projects implemented between 2007-2013 contained errors in public procurement procedures and that unjustified direct awards, misapplication of selection criteria and selection bias were the main errors;

178. Notes that the main sources of errors were a lack of administrative capacity, the incorrect transposition of Union Directives by Member States, inconsistent interpretation of legislation and insufficient planning;

179. Draws attention to the fact that the complexity of the legal and administrative public procurement framework is viewed as one of the causes of errors; notes that 90 % of 69 audit authorities claimed that the current level of complexity is higher than it needs to be; notes that nearly 50 % pointed out that the main area for improvement in public procurement practices could be simplification of the procedures;

180. Calls therefore on Member States to avoid rules that go beyond Union Directives; believes that this would also encourage and facilitate the participation of SMEs in public procurement procedures;

181. Notes that the main finding of the Court was that there is an insufficient effort made by the Commission and Member States to conduct regular and systematic analysis of public procurement and that the lack of coherent, detailed data made it impossible to analyse, address and prevent these errors;

182. Shares the Court's view that the Commission should develop a database to analyse the frequency, seriousness and causes of public procurement errors; considers that the Commission should ensure that it obtains consistent and reliable information from the Member States on irregularities;

183. Welcomes the proactive approach taken by the Commission in the 2014-2020 programming period, which aims to support national action plans to be implemented by 2016 through guidance, monitoring and technical assistance; acknowledges that by this proactive approach, the Commission intends to reduce the risk of a possible suspension of payments to operational programs after 2016;

184. Expects the Commission to suspend payments and impose financial corrections on those Member States which have failed to achieve these targets only as a last resort, when all other means of prevention, correction and assistance have been exhausted;

185. Welcomes the fact that while the Commission has long addressed the problems of public procurement errors which were evident in the area of cohesion policy, it is now doing so in a more coordinated way under the umbrella of the public procurement action plan; calls in this context on the Commission to push forward the implementation of this plan and report on its progress annually;

186. Expects the Commission to set up a high-level group to provide leadership in tackling problems in public procurement and promote its simplification;

187. Encourages the Commission and Member States to exploit the opportunities provided by e-procurement, which has high potential for improving transparency and broader access to tenders, including for SMEs, and for preventing irregularities and fraud;

188. Encourages the Commission and Member States to continue their efforts in the field of exchange of experience and best practice;

189. Welcomes the IT-based fraud alert tool ARACHNE and calls on all Member States to encode comprehensive and good-quality data to help this programme work properly;

Part XV Special Report No 11/2015 of the Court of Auditors entitled 'Are the fisheries partnership agreements well managed by the Commission?'

190. Welcomes the more stable legal framework offered by fisheries partnership agreements (FPAs) compared to the private agreements; notes that European ship owners have expressed a preference for FPAs and asked the Commission to extend the network of agreements;

191. Asks the Commission to better respect the exclusivity clause; notes that, although some factors do not depend on the Commission, it should start the process of negotiating a new protocol well in advance of the expiry of the current one; urges the Commission to shorten negotiation periods wherever possible;

192. Urges the Commission to improve consistency between the FPAs and other Union initiatives and funding sources in the fisheries sector within the same region, to define regional strategies for the development of fisheries governance and to ensure that protocols negotiated within the same region are consistent with the relevant regional strategy and with other Union funding;

193. Requests that the Commission focus more on restrictive technical conditions, such as the narrow definition of fishing areas; highlights the fact that this could affect the profitability of the Union external fleet;

194. Asks the Commission to consider the utilisation of previous protocols and to endeavour better to link payments for access rights to actual catches, while ensuring that fishing activities are not adversely affected;

195. Notes with concern that the cost of the FPAs negotiated by the Commission has been relatively high compared to the rates in the past; requests that the Commission take into account the principles of economy, efficiency and effectiveness when preparing the FPA negotiations to guarantee value for money and compliance with sound financial management;

196. Notes that *ex post* evaluations should focus on obtaining a consistent and comparable analysis of the return on public money spent under the protocols as well as a comprehensive and critical analysis of their effectiveness for the Union and the partner country concerned;

197. Encourages the Commission to strengthen its negotiating power; underlines the importance of the total Union financial contribution to partner countries;

198. Urges the Commission to use the most up-to-date data for its *ex post* report; asks the Commission to make this available to stakeholders in a timely manner;

199. Calls on the Commission to promote the acceptance of electronic licences or of a list of authorised vessels in partner countries for the whole period of validity of the licences; highlights the need to reduce delays in the licence application process; calls on the Commission to identify and reduce procedural bottlenecks;

200. Invites the Commission to ensure that the new catch database is fully used by flag Member States and provides reliable catch data that can be consolidated, monitored and kept up-to-date;

201. Notes that the Commission has put in place a database for catch-data management; notes furthermore that this database should contain weekly catch data from Member States broken down by fishing area; notes with concern that this database was still not operational at the time of the Court's audit and that Member States had not complied with their reporting requirements; invites the Commission to remedy this issue in partnership with Member States and to include clear and consistent data regarding actual final catches, in order to avoid possible negative financial consequences when the final catch is higher than the reference tonnage;

202. Urges the Commission to monitor more closely the implementation of sectoral support to ensure its effectiveness and cost-effectiveness; asks the Commission to ensure effective coordination of the actions implemented by partner countries; invites the Commission to include in the protocols formal eligibility conditions for the funded actions;

203. Calls on the Commission to ensure that sectoral support disbursements are consistent with other budget support payments and based on the results achieved by partner countries in the implementation of the matrix of commonly agreed actions;

204. Notes with concern that, even though the sectoral support payments should be paid once the partner countries are able to demonstrate the results achieved, the protocols currently in force still do not provide for the possibility of partial payments when the results are only partially achieved; acknowledges the Commission's observation that, when there have been no or limited results achieved, the payment of sectoral support for the following year is to be suspended until the targets have been met; nevertheless, calls on the Commission, where possible, to include in the new protocols the possibility of partial payments of sectoral support;

Part XVI Special Report No 12/2015 of the Court of Auditors entitled 'The EU priority of promoting a knowledge-based rural economy has been affected by poor management of knowledge-transfer and advisory measures'

205. Requests that the Member States put in place procedures to analyse the knowledge and skills needs of rural operators that go beyond the setting of broad themes, in particular for calls for proposals or tender periods, and that the Commission provide additional guidance on how Member States should carry out such recurrent analyses, formulating this in specific rather than general terms;

206. Calls on Member States to ensure that support for the establishment of new advisory services is granted only where there is a demonstrated deficit in relevant services in the area concerned and where the need for financing new staff, facilities and/or equipment exists;

207. Calls on the Member States to select the service providers that receive public funds through fair and transparent competition, regardless of whether they use calls for proposals or formal public procurement procedures;

208. Recommends that Member States take into consideration the public procurement guidance for practitioners on the avoidance of the most common errors in projects funded by the European structural and investment funds;

209. Requests that the Commission provide additional specific guidance on in-house delivery, subcontracting and the assessment of service delivery by consortiums and adequately monitor Member States' procedures to ensure that the selection of knowledge-transfer and advisory activities is competitive, fair and transparent;

210. Calls on Member States to assess the need to support knowledge-transfer and advisory activities that are readily available on the market at a reasonable price and, if this need is justified, to ensure that the costs of the supported activities do not exceed the costs of similar activities offered by the market;

211. Requests that the Commission build on the first steps taken to ensure complementarity between Union funds to mitigate the risk of double-funding and duplication of administration;

212. Calls on Member States to establish feedback systems that use monitoring and evaluation information to improve upcoming calls for proposals or tendering procedures and requests that the Commission provide guidance to Member States as to how they may execute such recurrent feedback procedures and that it monitor whether Member States have put them in place;

213. Requests that the Commission increase without delay the risk profile of knowledge-transfer and advisory measures and enhance its supervision and management accordingly;

214. Calls on the Member States to share their best practices and continue their project evaluations so as to have a good basis for the 2014-2020 implementation period;

215. Calls on the Commission to communicate comprehensive assessment of consultancy services with a focus on outcomes and net effects in order to avoid a purely quantitative evaluation of investment;

216. Requests that the Commission promote the exchange of good practices on methodological approaches through networking activities;

Part XVII Special Report No 13/2015 of the Court of Auditors entitled 'EU Support to timber-producing countries under the FLEGT Action Plan'

217. Welcomes the special report dedicated to Union support to timber-producing countries under the Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan and sets out its observations and recommendations below;

218. Considers the FLEGT initiative to be essential to improving forest governance, to keeping forests standing and to ensuring law enforcement, in particular by deploying all possible means inter alia voluntary partnership agreements or financial due diligence, in order to address the global issue of illegal logging and help to secure timber exports to the Union;

219. Deplores, however, the cumulative shortcomings identified in the implementation phase of the FLEGT action plan and projects, which now require a rapid and thorough evaluation;

220. Strongly believes that it is time, after allocating EUR 300 million over 2003-2013 for FLEGT-related support, to undertake a serious cost-benefits analysis of the FLEGT process for reducing illegal logging and related trade but also to streamline the design of existing mechanisms to make them more effective in terms of outcomes and impacts;

221. Deplores the slow implementation of the FLEGT Action Plan, the late adoption of Regulation (EU) No 995/2010 of the European Parliament and of the Council [1] (the Union timber regulation) and the Commission's slowness to learn lessons from the overall funding for FLEGT;

222. Calls on the Commission to prioritise its aid efforts through clear objectives and criteria; invites the Commission therefore to move away from structuring Union funding from different budgets and consider using one single, clearly defined budget;

223. Calls on the Commission to reinforce swiftly transparency and accountability frameworks through monitoring and regular reporting, including appropriate progress assessment; urges the Commission furthermore to monitor and report on the implementation of the Union timber regulation in Member States and to take the necessary legal action to ensure its application;

224. Calls on the Commission to streamline and better coordinate its efforts to fight illegal logging across different Union policies and the services involved;

225. Recalls that the traceability of timber products through an operational and legally established licensing system between the Union and timber exporting countries should be considered as a continuous core objective, particularly in light of factors identified by the Court such as widespread corruption, poor law enforcement and insufficient assessment of risk and constraints in projects;

226. Calls on the Commission to negotiate timber import standards in future bilateral or multilateral trade related agreements, in order not to undermine the successes achieved through the FLEGT Action Plan with timber-producing countries;

227. Considers that the governance gaps in the FLEGT system should be addressed either in an external evaluation of FLEGT action or on an ad hoc basis by the Commission;

Part XVIII Special Report No 14/2015 of the Court of Auditors entitled 'The ACP Investment Facility: does it provide added-value?'

228. Welcomes the special report dedicated to the added value of the African, Caribbean and Pacific States (ACP) Investment Facility as a concrete and positive example of follow-up by the Court of the 2012 and 2013 discharge procedure wherein Parliament asked for a special report to be prepared on the performance and alignment with Union development policies and objectives of the European Investment Bank's (EIB) external lending activities before the mid-term review of the EIB's external mandate and the mid-term review of the Investment Facility;

229. Considers the inclusion in the Court's work plan of such an audit on the ACP Investment Facility as a good practice in terms of cooperation between Parliament and the Court and their work of collaborative scrutiny;

230. Believes that this audit report is a stepping stone as it is the first audit carried out by the Court in this specific area; deplores the fact that the ACP Investment Facility does not fall within the scope of the Court's annual statement of assurance audit;

231. Notes the positive conclusions regarding the coherence of the ACP Investment Facility with Union development policy objectives and its catalytic effect; welcomes the good cooperation between the EIB and the Commission, in particular in the project prospection and selection;

[1] Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market (OJ L 295, 12.11.2010, p. 23).

232. Regrets, however, that the Court could not identify more precisely the added value delivered by the ACP Investment Facility; invites the Court therefore, in future special reports, to give more concrete examples and to single out some projects to better illustrate its conclusions and recommendations; invites the Court to benefit from this first experience in further refining the means to assess leveraging, the catalytic effect and the added value of such facilities; invites the Court also to consider added value not only through the lens of the classic Tryptic (Economy, Efficiency, Effectiveness) but in a broader sense including a second Tryptic (Ecology, Equality and Ethics);

233. Agrees with the Court's recommendations; calls therefore on the Commission to take into account the Court's recommendations in its future legislative proposals and negotiations such as in the revision of the EIB's external mandate or the post-Cotonou agreement;

234. Recommends a swift adaptation of the Investment Facility and EIB's policy according to the outcome of the COP21 and the possible post-2015 Millennium Development Goal as a matter of political consistency from the Union; believes that the fight against climate change and all its direct and indirect consequences, especially in the world's poorest countries, should be given greater priority;

235. Believes that it is crucial for the EIB to invest time continuously in due diligence combined with results assessment tools in order to get a better knowledge of the profile of financial intermediaries and beneficiaries and also better to evaluate the impact of projects on final beneficiaries; calls on the EIB to take the Court's recommendations into account seriously and to improve current practices in order to strengthen the added value of the ACP Investment Facility;

236. Believes that there should be no Union taxpayers' money that is not subject to Parliament's discharge; therefore reiterates and strongly believes that the ACP Investment Facility managed by the EIB on behalf of the Union should be subject to Parliament's discharge procedure given that the Investment Facility is financed by Union taxpayers' money;

237. Notes that the tripartite agreement referred to in Article 287(3) of the Treaty on the Functioning of the European Union governing cooperation between the EIB, the Commission and the Court of Auditors with respect to the modes for controls exercised by the Court on the EIB's activity in managing Union funds and Member States' funds is up for renewal in 2015; reiterates Parliament's stance that the remit of the Court should be updated in this context by including any new EIB financial instruments involving public funds from the Union or the European Development Fund;

Part XIX Special Report No 15/2015 of the Court of Auditors entitled 'EU Energy Facility support for renewable energy in East Africa'

238. Welcomes the special report dedicated to the ACP-EU Energy Facility support for renewable energy in East Africa (EF) and sets out its observations and recommendations below;

239. Welcomes the fact that from the second call for proposals under the EF, it has become compulsory to include a preliminary feasibility analysis; emphasises that such feasibility analyses should be based on accurate and realistic scenarios; emphasis also that the scenarios should already include estimates of how local communities can be included in the implementation of the project to improve local ownership and project promotion;

240. Takes the view that the link between feasibility of a project and its social, economic and environmental sustainability should be better established to ensure not just the efficiency, coherence and visibility of the EF's investment projects but also their effectiveness and broader results in the regions concerned;

241. Considers that the monitoring of projects and associated risks should be regularly performed and accompanied by rapid mitigation measures in view of adjusting if need be the procurement strategy, selection and implementation process; considers that the findings in the monitoring reports should be used in the implementation of the subsequent calls for proposals;

242. Calls on the EF to ensure that local stakeholders such as NGOs or local communities are involved over the whole life-span of projects, from launch to post-completion, taking into consideration the requirements of specific projects; calls for continued support to local capacity-building with a proper training offer throughout a project's life, the main aim being to further improve local ownership and promote coordination so that the project is viable and sustainable after the funding period expires;

243. Calls on the Commission's Directorate-General for International Cooperation and Development (DG DEVCO) to make sure that the implementing partners answer all requests for additional information concerning the implementation of the project(s); calls on DG DEVCO to focus especially on potential corruption and/or fraud-related activities by the implementing partners, while avoiding unnecessary additional administrative burdens; and in the case of corruption and/or fraud, calls on DG DEVCO to duly terminate contracts and look for new partners in the region;

244. Calls on the Commission to ensure policy coherence and close cooperation with the other actors in the field, especially UN bodies and the SE4ALL (Sustainable Energy for All), but not only in the field of energy, in view of achieving the best possible results for people living in the region and the environment; considers that synergies with other projects on the ground, including projects in the planning phase whenever possible, should be exploited by all projects as much as possible;

Part XX Special Report No 16/2015 of the Court of Auditors entitled 'Improving the security of energy supply by developing the internal energy market: more efforts needed'

245. In order to achieve a proper and continuous functioning of the internal energy market, calls on Member States to coordinate their investments in energy infrastructure and the way they regulate their energy markets, to ensure optimum value for Union money;

246. Considers that energy market reforms start at a Member State level; considers that implementation of the jointly agreed energy packages, especially the Third Energy Package, would create the conditions for realisation of the internal energy market;

247. Considering the future regional approach towards the energy security, stresses the importance of individual Member States being able to ensure the necessary infrastructure to export and import energy but also to act as a transit country for electricity and gas;

248. Stresses that all future Union energy projects must comply with Union legislation and with the energy union's principles: diversification, security of supply, accessibility, competitiveness and sustainability;

249. Considers that strengthening and improving interconnections with neighbouring Member States should be seen as a priority; encourages the development of bi-directional capacity (bi-directional flows) at each border interconnection by involving Member States through which corridors pass;

250. Considers that implementation of strategic infrastructure projects contributes to medium and long-term aspects of energy security;

251. Calls on the Commission to allocate increased financial resources and powers necessary to the Agency for the Cooperation of Energy Regulators and considers that the agency should be allowed to recruit additional staff in order to enable the full and effective implementation of the monitoring of energy markets;

Part XXI Special Report No 17/2015 of the Court of Auditors entitled 'Commission's support of youth action teams: redirection of ESF funding achieved, but insufficient focus on results'

252. Welcomes the Court's report, endorses its recommendations and is pleased that the Commission accepts these and will take them into account in the future; welcomes the fact that the Commission has implemented these recommendations in its 2014-2020 European structural and investment funds (ESIF) legal framework, thus ensuring better value for money, i.e. via a performance framework and reserve, *ex ante* conditions and common output and result indicators;

253. Notes that youth unemployment is a serious issue across the Union and appropriate resources at Union and national level should be dedicated to tackling it; strongly encourages Member States to utilise the available Union support;

254. Notes that the youth action teams were mainly a political exercise and announced as such from the outset, aimed at persuading national governments to redirect unused funds to tackle youth unemployment, while at the same time not imposing additional administrative or/and legal procedures or allocating new funds;

255. Notes the politically difficult nature of this task and acknowledges the good work of the youth action teams in raising awareness at the highest political level, bringing different political and administrative authorities together and convincing them to prioritise youth employment over other initiatives;

256. Stresses that a focus on performance and results is needed and is pleased that the new regulatory framework for the 2014-2020 programming period includes provisions for reporting on results from Member States;

257. Notes that often, Member States that need funding the most also suffer from weak administrative capacity which leads to a focus on managing the project, instead of managing the investment goals;

258. Notes that investment effects are still largely monitored through quantitative indicators, which does not reflect all aspects of good assessment practice; notes that output does not equal outcome;

259. Calls on the Commission to set up an early warning mechanism against unutilised ESIF appropriations so that Member States have sufficient time to reallocate funds to youth employment measures;

260. Looks forward to the Court's report on the 'EU Youth Guarantee — Implementation in Member States', due to be completed at the beginning of 2017 and suggests that the outcome should be taken into account for the mid-term review of the multiannual financial framework;

Part XXII Special Report No 20/2015 of the Court of Auditors entitled 'The cost-effectiveness of EU Rural Development support for non-productive investments in agriculture'

261. Recommends that the Commission encourage Member States to implement non-productive investments (NPIs) more in synergy with other rural development measures and environmental schemes and that the Commission monitor the relevant Member States' implementation through their annual implementation reports from 2017;

262. Recommends that the Commission provide guidance to Member States on NPIs' selection criteria for the 2014-2020 programming period and check that they apply appropriate procedures for the selection of projects; in this context also recommends that Member States ensure that the NPIs' selection procedures are transparent, made public and effectively implemented, and that they verify effectively the compliance with these criteria;

263. Recommends that the Commission ensure that the contribution of NPIs to achieving the Union agri-environmental objectives is monitored, or at least specifically assessed during the evaluations of the 2014-2020 programming period;

264. Recommends that the Commission encourage and assist those Member States where NPI support is significant to define specific result indicators for the NPIs most frequently funded in order to ensure better monitoring and assessment of the NPIs' contribution to achieving the Union agri-environmental objectives; in this regard, requests that Member States report on these indicators in their annual implementation reports starting from June 2016 and include an assessment of the results of NPIs in their evaluation plans;

265. Recommends that the Commission provide further guidance on the definition of criteria which determine the remunerative characteristics of NPIs benefiting from the highest aid rates and that Member States establish such criteria without any delay and use them to modulate the intensity of support;

266. Requests that Member States implement, without delay, procedures to ensure that the costs of the supported NPIs do not exceed the costs of similar types of goods, service or works offered by the market; considers that in this regard Member States should define appropriate benchmarks and/or reference costs against which the costs of NPIs are systematically verified as part of their administrative checks;

267. Recommends that the Commission use the information provided by the Member States regarding the controllability and verifiability of the measures for the approval of their RDPs for 2014-2020 to ensure that Member States define and implement adequate procedures regarding the reasonableness of costs, and to verify Member States' effective application of the controls foreseen in this regard; recommends also that the Commission facilitates exchange of good practices between Member States concerning establishment of procedures for cost-reasonableness checks;

268. Recommends that Member States define, before the first on-the-spot controls for the 2014-2020 programming period are performed, a method for the timely consolidation and analysis of the cause of the errors found during these controls, and undertake the necessary measures for improvement of their management and control systems of the NPIs schemes;

269. Recommends that the Commission take into consideration the weaknesses identified by the Court in the area of NPI expenditures and take appropriate measures together with Member States to ensure proper financial management for these kind of investments;

Part XXIII Special Report No 22/2015 of the Court of Auditors entitled 'EU supervision of credit rating agencies — well established but not yet fully effective'

270. Stresses that the objective of Regulation (EC) No 1060/2009 of the European Parliament and of the Council [1] (CRAR) is to introduce '(…) a common regulatory approach in order to enhance the integrity, transparency, responsibility, good governance and independence of credit rating activities, contributing to the quality of credit ratings issued in the Union and to the smooth functioning of the internal market, while achieving a high level of consumer and investor protection'(Article 1 of the CRAR);

271. Recognises that the Court and the European Securities and Markets Authority (ESMA) agreed on many aspects of the audit and recommendations;

272. Welcomes the fact that ESMA laid down good foundations for effective supervision of the credit rating agencies in the Union in a short period of time; notes, however, that the Court considers the procedure to be cumbersome, due to the split into completeness and compliance phases required by the regulation;

[1] 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).

273. Shares the Court's opinion that during the registration process, ESMA should adequately document its assessment of all the regulatory requirements regarding the credit rating methodologies, and evidence of the approval process should not only be stored in internal correspondence but in dedicated case files;

274. Welcomes the fact that the Court and ESMA agree on ESMA's risk-based approach; considers that the risk identification process should be transparent, comprehensible and traceable;

275. Is of the opinion that all investigations should be properly documented so as to demonstrate and ensure that all conclusions are supported by adequate analyses of the evidence; notes, to this end, that the Court recommends putting in place a dedicated supervisory IT tool; notes ESMA's position that its current monitoring tools have been effective; however, remains convinced that a dedicated IT tool would be the best way to manage information in a transparent, comprehensible and traceable manner bearing in mind normal rates of staff turn-over; requests, therefore, that ESMA foresee the introduction of such an IT tool in its budgetary planning;

276. Recalls that one of the purposes and responsibilities of the CRAR is to ensure independence and to avoid conflicts of interest (see Annex 1 of the CRAR); believes therefore that credit rating agencies should also verify rating analysts' trading activities; considers, nevertheless, that ESMA should supervise, in a structured manner, the systems put in place by the credit rating agencies for dealing with conflicts of interest;

277. Points to Article 23 of the CRAR which provides: 'In carrying out their duties under this Regulation, ESMA, the Commission or any public authorities of a Member State shall not interfere with the content of credit ratings or methodologies'; considers that the implementation of credit rating agencies' methodologies can therefore only be monitored, once the registration is completed, by ongoing supervisory procedures;

278. Agrees that ESMA should examine all important aspects of the design and implementation of credit-rating-agency methodologies which have not yet been covered; is concerned that this task cannot be fully performed due to a lack of resources;

279. Regrets that the current system does not guarantee an effective protection of the markets in the event of a leak and calls on ESMA to improve its control system to prevent and counter those actions that can lead to distortions in the markets;

280. Regrets that the current rules governing the euro do not ensure that all ESMA-registered credit rating agencies are on an equal footing; calls on the European Central Bank and the European legislator to remedy the situation as soon as possible;

281. Acknowledges that the central repository will be integrated in the European rating platform (Article 11a of the CRAR) created in 2013 and for which the work is ongoing; asks ESMA to ensure the soundness of data reported by credit rating agencies;

282. Calls on ESMA to further improve and harmonise disclosure practices across credit rating agencies;

283. Welcomes ESMA's intention to further improve its website and publish, in particular, all applicable legislation and relevant documents and make the website more user-friendly;

284. Notes that some terminology used in the CRAR methodology may leave room for interpretation and could therefore have a negative bearing on the implementation of the regulation; calls therefore on ESMA and the Court to transmit to Parliament and the Commission a list of legislative provisions which could benefit from further clarification;

Part XXIV Special Report No 2/2016 of the Court of Auditors entitled '2014 report on the follow-up of the European Court of Auditors' Special Reports'

285. Welcomes the fact that 23 of 44 recommendations were fully implemented;

286. Welcomes also that the Commission, by and large, accepted the Court's additional recommendations in the current special report;

287. Notes, however, that the Court considered that 18 of 44 recommendations were either partially implemented, not implemented at all or could not be verified:

(a) in the agricultural policy area (10 recommendations), follow-up of recommendations often concerned the Commission and Member States and the former was of the opinion that it had fulfilled its responsibility;

(b) in the social policy area (two recommendations), coming under shared management, the Court considered that performance and effectiveness were not measured sufficiently;

(c) in the area of external relations (three recommendations), the Court considered that the Commission should directly assess the reasonableness of projects costs and rely less on the market knowledge of international organisations; and that the Commission should have upgraded the quality and security of the Common External Relation Information System (CRIS); and

(d) in the area of competition (three recommendations), the Court was of the opinion that preliminary investigations should be better managed, the number of unfounded complaints reduced and the State aid reporting interface (SARI) improved;

288. Stresses that from the point of view of the discharge authority, it is unsatisfactory when adversarial procedures end with the Commission and the Court reaching different conclusions; calls therefore on both institutions to avoid such an outcome;

289. Calls on the Court to clearly indicate in its recommendations which kind of action is expected from the Commission and which kind of action is expected from the Member States;

290. Calls on the Court to develop a system, together with national audit authorities, which will allow the Court to evaluate the follow-up Member States have given to its recommendations;

291. Emphasises that it never received a satisfactory explanation of why the Commission for several years considered it very important that Directorates-General dispose of their own internal audit capabilities, only to regroup the internal audit capabilities under the Internal Audit Service again as of April 2015;

292. Instructs its President to forward this resolution to the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

DECISION (EU, EURATOM) 2016/1463 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the Education, Audiovisual and Culture Executive Agency for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2014 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2014 (COM(2015) 377 — C8-0199/2015) ([2]),

— having regard to the final annual accounts of the Education, Audiovisual and Culture Executive Agency for the financial year 2014 ([3]),

— having regard to the Commission's report on the follow-up to the discharge for the 2013 financial year (COM(2015) 505), and to the accompanying Commission staff working documents (SWD(2015) 194, SWD(2015) 195),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2014 (COM(2015) 441), and to the accompanying Commission staff working document (SWD(2015) 170),

— having regard to the Court of Auditors' report on the annual accounts of the Education, Audiovisual and Culture Executive Agency for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2014 (05585/2016 — C8-0040/2016),

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

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

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([6]) and in particular Articles 62, 164, 165 and 166 thereof,

— having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ([7]), and in particular Article 14(3) thereof,

([1]) OJ L 51, 20.2.2014.
([2]) OJ C 377, 13.11.2015, p. 1.
([3]) OJ C 367, 5.11.2015, p. 2.
([4]) OJ C 409, 9.12.2015, p. 73.
([5]) OJ C 377, 13.11.2015, p. 146.
([6]) OJ L 298, 26.10.2012, p. 1.
([7]) OJ L 11, 16.1.2003, p. 1.

— having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes [1], and in particular the first and second paragraphs of Article 66 thereof,

— having regard to Commission Implementing Decision 2013/776/EU of 18 December 2013 establishing the Education, Audiovisual and Culture Executive Agency and repealing Decision 2009/336/EC [2],

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

— having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A8-0140/2016),

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 2014;

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 2014, Section III — Commission and executive agencies, and in its resolution of 28 April 2016 on the Court of Auditors' special reports in the context of the Commission discharge for the financial year 2014 [3];

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 2014, 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

[1] OJ L 297, 22.9.2004, p. 6.
[2] OJ L 343, 19.12.2013, p. 46.
[3] Texts adopted of that date, P8_TA(2016)0148 (see page 91 of this Official Journal).

DECISION (EU, EURATOM) 2016/1464 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the Executive Agency for Small and Medium-sized Enterprises (formerly the Executive Agency for Competitiveness and Innovation) for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2014 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2014 (COM(2015) 377 – C8-0199/2015) ([2]),

— having regard to the final annual accounts of the Executive Agency for Small and Medium-sized Enterprises (formerly the Executive Agency for Competitiveness and Innovation) for the financial year 2014 ([3]),

— having regard to the Commission's report on the follow-up to the discharge for the 2013 financial year (COM(2015) 505), and to the accompanying Commission staff working documents (SWD(2015) 194, SWD(2015) 195),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2014 (COM(2015) 441), and to the accompanying Commission staff working document (SWD(2015) 170),

— having regard to the Court of Auditors' report on the annual accounts of the Executive Agency for Small and Medium-sized Enterprises (formerly the Executive Agency for Competitiveness and Innovation) for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2014 (05585/2016 – C8-0040/2016),

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

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

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([6]) and in particular Articles 62, 164, 165 and 166 thereof,

— having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ([7]), and in particular Article 14(3) thereof,

([1]) OJ L 51, 20.2.2014.
([2]) OJ C 377, 13.11.2015, p. 1.
([3]) OJ C 367, 5.11.2015, p. 9.
([4]) OJ C 409, 9.12.2015, p. 90.
([5]) OJ C 377, 13.11.2015, p. 146.
([6]) OJ L 298, 26.10.2012, p. 1.
([7]) OJ L 11, 16.1.2003, p. 1.

— having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes [1], and in particular the first and second paragraphs of Article 66 thereof,

— having regard to Commission 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 [2],

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

— having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A8-0140/2016),

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 (formerly the Executive Agency for Competitiveness and Innovation) discharge in respect of the implementation of the Agency's budget for the financial year 2014;

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 2014, Section III – Commission and executive agencies, and in its resolution of 28 April 2016 on the Court of Auditors' special reports in the context of the Commission discharge for the financial year 2014 [3];

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 2014, 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 (formerly the Executive Agency for Competitiveness and Innovation), the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President — Martin SCHULZ

The Secretary-General — Klaus WELLE

[1] OJ L 297, 22.9.2004, p. 6.
[2] OJ L 341, 18.12.2013, p. 73.
[3] Texts adopted of that date, P8_TA(2016)0148 (see page 91 of this Official Journal).

DECISION (EU, EURATOM) 2016/1465 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the Consumers, Health, Agriculture and Food Executive Agency (formerly the Consumers, Health and Food Executive Agency) for the financial year 2014

THE EUROPEAN PARLIAMENT

— having regard to the general budget of the European Union for the financial year 2014 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2014 (COM(2015) 377 — C8-0199/2015) ([2]),

— having regard to the final annual accounts of the Consumers, Health, Agriculture and Food Executive Agency (formerly the Consumers, Health and Food Executive Agency) for the financial year 2014 ([3]),

— having regard to the Commission's report on the follow-up to the discharge for the 2013 financial year (COM(2015) 505), and to the accompanying Commission staff working documents (SWD(2015) 194, SWD(2015) 195),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2014 (COM(2015) 441), and to the accompanying Commission staff working document (SWD(2015) 170),

— having regard to the Court of Auditors' report on the annual accounts of the Consumers, Health, Agriculture and Food Executive Agency (formerly the Consumers, Health and Food Executive Agency) for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2014 (05585/2016 — C8-0040/2016),

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

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

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([6]) and in particular Articles 62, 164, 165 and 166 thereof,

— having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ([7]), and in particular Article 14(3) thereof,

([1]) OJ L 51, 20.2.2014.
([2]) OJ C 377, 13.11.2015, p. 1.
([3]) OJ C 367, 5.11.2015, p. 2.
([4]) OJ C 409, 9.12.2015, p. 56.
([5]) OJ C 377, 13.11.2015, p. 146.
([6]) OJ L 298, 26.10.2012, p. 1.
([7]) OJ L 11, 16.1.2003, p. 1.

— having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes [1], and in particular the first and second paragraphs of Article 66 thereof,

— having regard to Commission Implementing Decision 2013/770/EU of 17 December 2013 establishing the Consumers, Health and Food Executive Agency and repealing Decision 2004/858/EC [2],

— 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' [3],

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

— having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A8-0140/2016),

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 (formerly the Consumers, Health and Food Executive Agency) discharge in respect of the implementation of the Agency's budget for the financial year 2014;

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 2014, Section III — Commission and executive agencies, and in its resolution of 28 April 2016 on the Court of Auditors' special reports in the context of the Commission discharge for the financial year 2014 [4];

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 2014, 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 (formerly the Consumers, Health 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 — Martin SCHULZ

The Secretary-General — Klaus WELLE

[1] OJ L 297, 22.9.2004, p. 6.
[2] OJ L 341, 18.12.2013, p. 69.
[3] OJ L 363, 18.12.2014, p. 183.
[4] Texts adopted of that date, P8_TA(2016)0148 (see page 91 of this Official Journal).

DECISION (EU, EURATOM) 2016/1466 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the European Research Council Executive Agency for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2014 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2014 (COM(2015) 377 – C8-0199/2015) ([2]),

— having regard to the final annual accounts of the European Research Council Executive Agency for the financial year 2014 ([3]),

— having regard to the Commission's report on the follow-up to the discharge for the 2013 financial year (COM(2015) 505), and to the accompanying Commission staff working documents (SWD(2015) 194, SWD(2015) 195),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2014 (COM(2015) 441), and to the accompanying Commission staff working document (SWD(2015) 170),

— having regard to the Court of Auditors' report on the annual accounts of the European Research Council Executive Agency for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2014 (05585/2016 – C8-0040/2016),

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

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

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([6]) and in particular Articles 62, 164, 165 and 166 thereof,

— having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ([7]), and in particular Article 14(3) thereof,

([1]) OJ L 51, 20.2.2014.
([2]) OJ C 377, 13.11.2015, p. 1.
([3]) OJ C 367, 5.11.2015, p. 12.
([4]) OJ C 409, 9.12.2015, p. 247.
([5]) OJ C 377, 13.11.2015, p. 146.
([6]) OJ L 298, 26.10.2012, p. 1.
([7]) OJ L 11, 16.1.2003, p. 1.

— having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes [1], and in particular the first and second paragraphs of Article 66 thereof,

— having regard to Commission Implementing Decision 2013/779/EU of 17 December 2013 establishing the European Research Council Executive Agency and repealing Decision 2008/37/EC [2],

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

— having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A8-0140/2016),

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 2014;

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 2014, Section III – Commission and executive agencies, and in its resolution of 28 April 2016 on the Court of Auditors' special reports in the context of the Commission discharge for the financial year 2014 [3];

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 2014, 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 — Martin SCHULZ

The Secretary-General — Klaus WELLE

[1] OJ L 297, 22.9.2004, p. 6.
[2] OJ L 346, 20.12.2013, p. 58.
[3] Texts adopted of that date, P8_TA(2016)0148 (see page 91 of this Official Journal).

DECISION (EU, EURATOM) 2016/1467 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the Research Executive Agency for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2014 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2014 (COM(2015) 377 – C8-0199/2015) ([2]),

— having regard to the final annual accounts of the Research Executive Agency for the financial year 2014 ([3]),

— having regard to the Commission's report on the follow-up to the discharge for the 2013 financial year (COM(2015) 505), and to the accompanying Commission staff working documents (SWD(2015) 194, SWD(2015) 195),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2014 (COM(2015) 441), and to the accompanying Commission staff working document (SWD(2015) 170),

— having regard to the Court of Auditors' report on the annual accounts of the Research Executive Agency for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2014 (05585/2016 – C8-0040/2016),

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

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

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([6]) and in particular Articles 62, 164, 165 and 166 thereof,

— having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ([7]), and in particular Article 14(3) thereof,

— having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ([8]), and in particular the first and second paragraphs of Article 66 thereof,

([1]) OJ L 51, 20.2.2014.
([2]) OJ C 377, 13.11.2015, p. 1.
([3]) OJ C 367, 5.11.2015, p. 10.
([4]) OJ C 409, 9.12.2015, p. 379.
([5]) OJ C 377, 13.11.2015, p. 146.
([6]) OJ L 298, 26.10.2012, p. 1.
([7]) OJ L 11, 16.1.2003, p. 1.
([8]) OJ L 297, 22.9.2004, p. 6.

— having regard to Commission Implementing Decision 2013/778/EU of 13 December 2013 establishing the Research Executive Agency and repealing Decision 2008/46/EC ([1]),

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

— having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A8-0140/2016),

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 respect of the implementation of the Agency's budget for the financial year 2014;

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 2014, Section III – Commission and executive agencies, and in its resolution of 28 April 2016 on the Court of Auditors' special reports in the context of the Commission discharge for the financial year 2014 ([2]);

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 2014, Section III – Commission and the resolution forming an integral part of those decisions, to the Director of the Research Executive Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ L 346, 20.12.2013, p. 54.
([2]) Texts adopted of that date, P8_TA(2016)0148 (see page 91 of this Official Journal).

DECISION (EU, EURATOM) 2016/1468 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the Innovation and Networks Executive Agency (formerly the Trans-European Transport Network Executive Agency) for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2014 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2014 (COM(2015) 377 — C8-0199/2015) ([2]),

— having regard to the final annual accounts of the Innovation and Networks Executive Agency (formerly the Trans-European Transport Network Executive Agency) for the financial year 2014 ([3]),

— having regard to the Commission's report on the follow-up to the discharge for the 2013 financial year (COM(2015) 505), and to the accompanying Commission staff working documents (SWD(2015) 194, SWD(2015) 195),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2014 (COM(2015) 441), and to the accompanying Commission staff working document (SWD(2015) 170),

— having regard to the Court of Auditors' report on the annual accounts of the Innovation and Networks Executive Agency (formerly the Trans-European Transport Network Executive Agency) for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2014 (05585/2016 — C8-0040/2016),

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

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

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([6]) and in particular Articles 62, 164, 165 and 166 thereof,

— having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ([7]), and in particular Article 14(3) thereof,

— having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ([8]), and in particular the first and second paragraphs of Article 66 thereof,

([1]) OJ L 51, 20.2.2014.
([2]) OJ C 377, 13.11.2015, p. 1.
([3]) OJ C 367, 5.11.2015, p. 10.
([4]) OJ C 409, 9.12.2015, p. 362.
([5]) OJ C 377, 13.11.2015, p. 146.
([6]) OJ L 298, 26.10.2012, p. 1.
([7]) OJ L 11, 16.1.2003, p. 1.
([8]) OJ L 297, 22.9.2004, p. 6.

— 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 [1],

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

— having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A8-0140/2016),

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 (formerly the Trans-European Transport Network Executive Agency) discharge in respect of the implementation of the Agency's budget for the financial year 2014;

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 2014, Section III — Commission and executive agencies, and in its resolution of 28 April 2016 on the Court of Auditors' special reports in the context of the Commission discharge for the financial year 2014 [2];

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 2014, Section III — Commission and the resolution forming an integral part of those decisions, to the Director of the Innovation and Networks Executive Agency (formerly the Trans-European Transport Network 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

[1] OJ L 352, 24.12.2013, p. 65.
[2] Texts adopted of that date, P8_TA(2016)0148 (see page 91 of this Official Journal).

DECISION (EU, EURATOM) 2016/1469 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the general budget of the European Union for the financial year 2014, Section III — Commission

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2014 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2014 (COM(2015) 377 – C8-0199/2015) ([2]),

— having regard to the Commission's report on the follow-up to the discharge for the 2013 financial year (COM(2015) 505), and to the accompanying Commission staff working documents (SWD(2015) 194, SWD(2015) 195),

— having regard to the Commission communication of 3 June 2015 entitled 'Synthesis of the Commission's management achievements in 2014 (COM(2015) 279), and to the accompanying Annexes,

— having regard to the Commission's annual evaluation report on the Union's finances based on the results achieved (COM(2015) 313) and to the accompanying Commission staff working documents (SWD(2015) 124, SWD(2015) 125),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2014 (COM(2015) 441), and to the accompanying Commission staff working document (SWD(2015) 170),

— having regard to the Court of Auditors' annual report on the implementation of the budget for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2014 (05583/2016 – C8-0042/2016),

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2014 (05585/2016 – C8-0040/2016),

— 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 Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([6]) and in particular Articles 62, 164, 165 and 166 thereof,

— having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ([7]), and in particular Article 14(2) and (3) thereof,

([1]) OJ L 51, 20.2.2014.
([2]) OJ C 377, 13.11.2015, p. 1.
([3]) OJ C 373, 10.11.2015, p. 1.
([4]) OJ C 377, 13.11.2015, p. 146.
([5]) OJ L 248, 16.9.2002, p. 1.
([6]) OJ L 298, 26.10.2012, p. 1.
([7]) OJ L 11, 16.1.2003, p. 1.

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

— having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A8-0140/2016),

1. Approves the closure of the accounts of the general budget of the European Union for the financial year 2014;

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 2014, Section III – Commission and executive agencies, and in its resolution of 28 April 2016 on the Court of Auditors' special reports in the context of the Commission discharge for the financial year 2014 [1];

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

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

[1] Texts adopted of that date, P8_TA(2016)0148 (see page 91 of this Official Journal).

DECISION (EU) 2016/1470 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2014, Section IV — Court of Justice

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2014 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2014 (COM(2015) 377 — C8-0202/2015) ([2]),

— having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

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

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

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

— having regard to the report of the Committee on Budgetary Control (A8-0123/2016),

1. Grants the Registrar of the Court of Justice discharge in respect of the implementation of the budget of the Court of Justice for the financial year 2014;

2. Sets out its observations in the resolution below;

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

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ L 51, 20.2.2014.
([2]) OJ C 377, 13.11.2015, p. 1.
([3]) OJ C 373, 10.11.2015, p. 1.
([4]) OJ C 377, 13.11.2015, p. 146.
([5]) OJ L 298, 26.10.2012, p. 1.

RESOLUTION (EU) 2016/1471 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

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 2014, Section IV — Court of Justice

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2014, Section IV – Court of Justice,

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

— having regard to the report of the Committee on Budgetary Control (A8-0123/2016),

1. Notes with satisfaction that in its 2014 annual report, the Court of Auditors observed that no significant weaknesses had been identified in respect of the audited topics relating to human resources and procurement for the Court of Justice of the European Union (the 'Court of Justice');

2. Welcomes the fact that, on the basis of its audit work, the Court of Auditors concluded that the payments as a whole for the year ended on 31 December 2014 for administrative and other expenditure of the institutions and bodies were free from material error;

3. Notes that in 2014, the Court of Justice had appropriations amounting to EUR 355 367 500 (EUR 354 880 000 in 2013) and that the implementation rate was 99 %; welcomes the increase of the utilisation rate in 2014 when compared to that of 96,3 % in 2013;

4. Takes note that the Court of Justice's budget is purely administrative, with more than 75 % being used on expenditure concerning persons working within the institution and the remaining on buildings, furniture, equipment and other expenditure;

5. Welcomes the productivity of the judicial activity of the Court in 2014 with 1 691 cases brought before the three courts and 1 685 cases completed in that year;

6. Notes that the Court of Justice completed 719 cases in 2014 (701 completed cases in 2013) and had 622 new cases brought before it (699 in 2013); endorses the positive statistical results and believes performance can be improved in the future;

7. Takes note that in 2014 the General Court received 912 new cases, had 814 cases dealt with and 1 423 cases pending, which represented a general increase in the number of proceedings when compared to 2012 and 2013;

8. Points out that the creation of nine temporary secretary posts at the General Court in 2014 strengthened the judicial team, ensuring its efficiency and increasing its rate of performance;

9. Notes that in 2014, the Civil Service Tribunal completed 152 cases, compared to 184 in 2013, and had 216 pending cases; notes that in 2014 the Tribunal was less efficient in its general judicial activity;

10. Encourages the Court of Justice to continue improving the use of the existing resources; is of the opinion that the internal reforms implemented in 2014, namely the reform of the Rules of Procedure governing the operations of the General Court and of the Civil Service Tribunal and the development of IT applications to improve the dealing with procedures and communication, have contributed to an optimisation of the use of resources;

11. Welcomes the Court of Auditors' plan to carry out a review of the Court of Justice to assess its performance, following Parliament's request made to it in the context of the discharge for 2013;

12. Notes the information, provided in January 2016, regarding the list of external activities pursued by the judges, which had been requested during the exchange of views held in Parliament's Committee on Budgetary Control on the discharge for 2014; regrets that the number of judges participating in the various events is not mentioned; calls for an overview of all external activities undertaken by each judge, including lecturing, talks, other events and preparation for them during working hours, and not just of officially approved activities; requests disclosure of all resources used in conjunction with judges' external activities, e.g. translation services, law clerks and drivers;

13. Is of the opinion that all information on the outside activities of each judge should be accessible to the general public; requests that that information be published on the website of the Court of Justice and included in its annual activity reports (AARs);

14. Calls for a declaration of judges' financial interests to be posted on the website of the Court of Justice;

15. Expects that the ongoing reform of the General Court will go through an impact assessment in order to confirm that it is adequate and brings simplification to the judicial architecture of the Court of Justice;

16. Notes with satisfaction the improvements made in the e-Curia application and the increased number of Member States that started using it in 2014; however regrets that there are three Member States that remain out of the list of users;

17. Invites the Court of Justice to step further into new technologies, so that a further reduction in the number of paper copies as well as in the number of meetings requiring translation and interpretation is possible without undermining the Court's responsibilities;

18. Takes note that the activity of the translation directorate was considered satisfactory; believes that savings can still be made in relation to the non-judicial documents applying a restricted translation regime;

19. Notes that the Court of Justice takes part in the Working Group on Key Inter-institutional Activity and Performance Indicators (KIAPI) that analyses amongst other matters the costs of translations; regrets that the Court still does not provide data according to the harmonised methodology agreed within the KIAPI;

20. Reiterates the request to have the agenda of the Court of Justice meetings included as an annex in its AARs;

21. Notes that there is still a shortage of women in positions of responsibility at the Court of Justice and calls for the imbalance to be corrected as soon as possible;

22. Considers the answer given by the Court of Justice to Parliament's question no. 26 (Pensions) to be unsatisfactory; requests from the Court a clear and detailed answer, as is provided by other institutions; considers that the Court should answer to all questions sent to it by Parliament and calls on the Court to be fully transparent concerning pensions;

23. Notes that the Court of Justice has 75 official vehicles in its fleet at a cost of EUR 1 168 251; notes that the drivers' salaries amounted to EUR 2 434 599 in 2014; considers this to be an excessively high expense, which is in contradiction with the overall trend in the Union institutions to limit the usage of official vehicles; reiterates its call on the Court to reduce the number of official cars at the disposal of its Members and staff; stresses that the cost of the extensive private services provided by drivers is borne by Union taxpayers; recommends that the Court examine these matters in an inter-institutional context and urges it actively to promote green mobility;

24. Welcomes the measures taken by the Court of Justice to meet the principle of green public procurement and supports the maintenance of this strategy;

25. Notes with satisfaction that the Court of Justice's building policy is attached to its AAR.

DECISION (EU) 2016/1472 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2014, Section V — Court of Auditors

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2014 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2014 (COM(2015) 377 – C8-0203/2015) ([2]),

— having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

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

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

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

— having regard to the report of the Committee on Budgetary Control (A8-0107/2016),

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 2014;

2. Sets out its observations in the resolution below;

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

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ L 51, 20.2.2014.
([2]) OJ C 377, 13.11.2015, p. 1.
([3]) OJ C 373, 5.11.2015, p. 1.
([4]) OJ C 377, 13.11.2015, p. 146.
([5]) OJ L 298, 26.10.2012, p. 1.

RESOLUTION (EU) 2016/1473 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

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 2014, 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 2014, Section V — Court of Auditors,

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

— having regard to the report of the Committee on Budgetary Control (A8-0107/2016),

1. Notes that the annual accounts of the Court of Auditors (the 'Court') are audited by an independent external auditor - PricewaterhouseCoopers SARL - in order to apply the same principles of transparency and accountability that it applies to its auditees; takes note of the auditor's opinion that 'the financial statements give a true and fair view of the financial position of the Court';

2. Emphasises that in 2014, the Court's final appropriations amounted to a total of EUR 133 498 000 (EUR 142 761 000 in 2013) and that the overall rate of implementation for the budget was 98,8 % compared to 92 % in 2013; welcomes the improvement in the executions rate with a reduced budget;

3. Stresses that the Court's budget is purely administrative, with a large amount being used on expenditure concerning persons working within the institution;

4. Acknowledges the crucial role of the Court in ensuring better and smarter spending of Union funds; recalls that the Court is in a pre-eminent position to provide the legislator and the budgetary authority with valuable opinions on the results and outcomes achieved by the Union's policies, with a view to improving the economy, efficiency and effectiveness of Union-financed activities;

5. Welcomes the Court's reform project started in late 2014 aimed at streamlining the audit process, transforming the Court into a task-based organisation and expanding the scope of work of its staff; invites the Court to inform the discharge authority of the objectives achieved and of the impact identified following that reform;

6. Reminds the Court that Parliament, the Council and the Commission agreed in point 54 of the common approach on decentralised agencies from 2012 that all aspects of outsourced external audits 'remain under the full responsibility of the ECA, which manages all administrative and procurement procedures required and finances these, as well as any other costs associated with outsourced external audits, from its own budget'; deeply regrets that the new audit approach of involving private sector auditors resulted in an augmented administrative burden for the decentralised agencies; notes with concern that this resulted in an increase of administrative burden by 85 %, to more than 13 000 hours compared to the previous audit managed by the Court, equating to an average of 3,5 full time equivalents; regrets that the time spent on procurement and administration of the audit contracts created more than 1 400 hours of additional work for the decentralised agencies, and that the total additional expenditure of external private sector audits in 2014 amounted to EUR 550 000; reiterates its call to the Court to follow the agreed common approach and contract and pay for agencies' external auditors and provide better guidance to private auditors so as to significantly reduce the administrative burden;

7. Notes with satisfaction that the Court is planning to carry out a review of the Court of Justice to assess its performance, following Parliament's request made in its discharge resolution of 29 April 2015 for the financial year 2013 ([1]);

8. Building upon this good cooperation, asks the Court to prepare a special report on whether the Commission has made good use of its powers in supporting and controlling Member States when implementing the Union budget;

9. Supports the Court in its efforts to devote more resources to performance audits; expects the tasked-based organisation of audit staff to enable the Court to assign resources more flexibly without undermining its mission; is of the opinion that, pursuant to Article 287(3) TFEU, closer cooperation between the Court and national supreme audit institutions should be pursued, in particular in connection with conducting the performance (value for money) audit reports of different Union policies and programmes and the auditing of shared-management arrangements; expects concrete results as regards the sharing of the Court's annual work programme;

10. Notes the Court's initiative to reform its chambers' system; would like to learn more about it;

11. Takes good note that the year 2014 set a record in the output delivered by the Court and welcomes new features such as the landscape review;

12. Notes that the timescales required to produce special reports have shortened since 2008 although they have not yet achieved the 18-month target; stresses that the target must be realistic so as not to compromise the quality of the reports;

13. Encourages the Court to examine the relationship between the number and timeliness of special reports;

14. Stresses that the recommendations contained in special reports are often unclear and is of the opinion that they should consistently disclose the positive and the negative aspect of the conduct of the countries concerned;

15. Notes with satisfaction that the obligation of a 5 % staff reduction is being implemented without negative impact on the Court's policy of reinforcing its audit services; calls on the Court to make sure that further cuts will not adversely affect the quality of its reports;

16. Calls on the Court to ensure the geographical balance of its staff, in particular in management and directorial posts, along with merit and expertise;

17. Appreciates the efforts made by the Court to improve gender balance among its staff; highlights and welcomes the increase in the number of women auditors, which will doubtless have repercussions in terms of their presence in positions of responsibility in that sector, as well as the creation of a network of women auditors; stresses the need to continue working in this direction;

18. Appreciates the efforts made by the Court in relation to professional training for its auditors, with a view to making the management and updating of knowledge more effective; congratulates the Court on its collaboration with the University of Metz/Nancy in creating specialist courses in European auditing, and encourages the Court to establish contacts with other European universities for the same purpose;

19. Takes note that the balance of funds available in the contract created to pay for the K3 building will be used to finance the upgrading of the K2 building; would like to know more about the extent of those works;

([1]) Resolution of the European Parliament, of 29 April 2015, 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 2013, Section V — Court of Auditors (OJ L 255, 30.9.2015, p. 123).

20. Reiterates its call for the Court's building policy to be attached to its annual activity report;

21. Recognises that the Court has been making efforts to reduce translation costs; believes that the conclusion of a cooperation agreement for translation - as the ones the consultative committees have with Parliament - could be considered as part of the Court's 2013-2017 strategy to improve efficiency and reduce costs; asks the Court to consider outsourcing translation as an additional way of saving costs;

22. Acknowledges the results achieved by the inter-institutional committee for translation and interpretation in agreeing a harmonised methodology which enables direct comparisons of the translation costs of all institutions; welcomes the fact that the Court is providing data according to this methodology;

23. Calls on the Court to include in its annual activity reports, in compliance with the existing rules on confidentiality and data protection, the results and consequences of closed OLAF cases, where the institution or any of the individuals working for it were the subject of the investigation;

24. Notes that the implementation of the internal auditor service recommendations to review the rules included in the guide to missions was postponed for technical reasons;

25. Notes the Court's first steps towards a paperless environment; supports the Court's initiative but expects Parliament's Committee on Budgetary Control to continue to receive a few paper copies of the Court's reports; endorses the environmental strategy implemented by the Court up until now including its focus on reducing energy consumption, higher utility of video-conferencing, the installation of a rain water recovery system and the promotion of sustainable mobility;

26. Welcomes the improved clarity of the Court's messages through the media; expects such improvements to continue;

27. Appreciates the cooperation between the Court and Parliament's Committee on Budgetary Control and welcomes the Court's regular feedback in response to its requests.

DECISION (EU) 2016/1474 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2014, Section X — European External Action Service

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2014 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2014 (COM(2015)377 – C8-0208/2015) ([2]),

— having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2014, 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 2014, 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 Rule 94 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Foreign Affairs (A8-0136/2016),

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 2014;

2. Sets out its observations in the resolution below;

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

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ L 51, 20.2.2014.
([2]) OJ C 377, 13.11.2015, p. 1.
([3]) OJ C 373, 5.11.2015, p. 1.
([4]) OJ C 377, 13.11.2015, p. 146.
([5]) OJ L 298, 26.10.2012, p. 1.

RESOLUTION (EU) 2016/1475 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

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 2014, 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 2014, Section X — European External Action Service,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Foreign Affairs (A8-0136/2016),

1. Welcomes the fact that the European External Action Service (EEAS) has continued to implement its budget without being affected by major errors and that the overall level of error in the administrative budget has been estimated by the Court of Auditors at 0,5 %;

2. Notes that the Court of Auditors has not identified any significant weaknesses in the selected systems and annual activity report;

3. Calls on the EEAS to improve its monitoring systems for the timely updating of the personal situation of staffs members, which may have an impact on the calculation of family allowances; is concerned by the fact that staff allowances were already a point of concern and were subject to errors in previous years; requests that more rigorous controls on this matter be performed on behalf of the EEAS by the Office for the Administration and Payment of Individual Entitlements;

4. Invites the EEAS to continue its efforts to support and monitor the implementation of procurement rules and procedures in the delegations through access to advice, training and guidance from headquarters, especially for the procurement of security services;

5. Acknowledges the efforts to better structure the *ex ante* and *ex post* controls of operations within the EEAS; calls on the EEAS in that context to reduce the rate of errors found on commitments and payments under verification, currently estimated at 18 %;

6. Notes that the final budget for the year 2014 for the EEAS headquarters was EUR 518,6 million, representing a 1,9 % increase compared to the preceding financial year, with the budget being split as follows: EUR 212,9 million for EEAS headquarters and EUR 305,7 million for Union delegations; notes that, in addition to the EEAS' own budget, the Commission contributed EUR 271 million in compensation for the management of Commission staff in the network of delegations;

7. Takes note that, at the EEAS headquarters, 65 % of the budget is intended for the payment of salaries and other entitlements of statutory and external staff (i.e. EUR 138,2 million) and 14 % (or EUR 29,9 million) for buildings and associated costs and computer systems, (including classified information systems and equipment for 12,7% (i.e. EUR 27,1 million));

8. Notes that for the Union delegations, EUR 305,7 million was divided between EUR 103,4 million (33,7 %) relating to the remuneration and entitlements of statutory staff, EUR 59,8 million (19,6 %) for external staff and outside services, EUR 19 million (6,2 %) for other expenditure related to staff, EUR 103,1 million (33,8%) for buildings and EUR 20,4 million (6,7 %) for other administrative expenditure;

9. Notes that the EEAS is now entirely responsible for all administrative costs related to the functioning of the delegations except for the delegations located in African, Caribbean and Pacific (ACP) countries; recalls that an adequate budgeting process and in particular a simplification of the budget structure remains a core challenge in the short term in order to streamline financial circuits and to help the consolidation of the EEAS's functioning;

10. Calls on the EEAS to simplify current budget arrangements and make them less rigid, so as to allow flexible but effective use to be made of delegation staff in the interests of the Union;

11. Takes note of the new organisational chart and the corresponding rationalisation of a formerly top-heavy management structure in favour of fewer hierarchical layers; nevertheless notes with regret that the internal administrative and financial framework of the EEAS is still overly complex and rigid; observes that the current structure does not allow the EEAS to react to crises in a timely manner and that, similarly, the period of time taken to access crucial information is lengthy; calls on the EEAS to prepare in cooperation with the Commission, the Council and Member States a further reform in order to streamline its internal processes and simplify its structure;

12. Remains concerned about continuing imbalances in the staffing profile of the EEAS as regards gender and nationality; welcomes recent progress but notes that gender imbalances, particularly in higher grades and in management, remain considerable; regrets the low percentage of one of the genders in senior management positions in EEAS headquarters (16 %) and in heads of delegation posts (23 %) and expects to see an improvement in the gender balance in future annual reports; reiterates its concerns about the disproportionate number of high-grade posts in the EEAS;

13. Urges the EEAS to revise the staffing formula establishing the balance between staff drawn from Member States and from the Union institutions; insists on the fact that such formula should apply to all levels of the hierarchy, in particular to heads of delegation where Member States' diplomats are strongly overrepresented, with 59 of the 128 heads of delegation coming from Member States (i.e. 46 %) out of which only 20 from Member States which joined the Union in 2004, 2007 and 2013; considers this overrepresentation to be a wrong signal sent to Member States which joined the Union since 2004; is of the opinion that a better balance between the Member States and the Union institutions, and also amongst the Member States, is necessary in order to represent and reflect the diversity within the Union;

14. Emphasises that geographical balance, namely the relationship between staff nationality and the size of Member States, should still remain an important element of resources management particularly with respect to the Member States that have acceded to the Union since 2004, who now represent 18 % of staff at 'administrator' (AD) level at headquarters and delegations, compared to their share of the Union population of 21 %, for which progress is still awaited;

15. Notes that in 2014 the EEAS reduced the number of staff in its headquarters by 17 posts as a result of the implementation of the 5 % staff reduction;

16. Notes that the statutory target that at least one-third of staff at AD level within the EEAS should be comprised of Member States' diplomats was reached in 2013 and slightly exceeded in 2014, at 33,8 %;

17. Notes, however, the relatively high number of seconded national experts from Member States (407 in 2014 with 350 at headquarters and 57 in delegations) and requests further clarification on their entitlements, financial costs for the EEAS budget and potential issue of conflicts of interest; believes that a clear policy related to seconded national experts should be further developed;

18. Encourages the EEAS to carry on with the reflection process taking place within it on the future of the EU special representatives and their relationship with the special envoys and the EEAS;

19. Stresses the importance of taking steps to better integrate the EU special representatives more closely into the administrative structure and senior management of the EEAS in order to increase interaction and coordination, exploit synergies and ensure cost-effectiveness; welcomes the efforts made to address the need to better integrate EU special representatives and the information that the EEAS is negotiating with Member States on that issue; asks to be informed about further advancements on this issue;

20. Stresses that transparency and accountability are essential requirements not only for democratic scrutiny but also for the adequate functioning and the credibility of missions carried out under the Union flag; reiterates the importance attached by Parliament to exercising oversight over the different common security and defence policy (CSDP) missions and operations;

21. Notes the creation of shared services centres as a means to improve both centralised logistical, procurement and administrative support to the CSDP civilian missions and to the EU special representatives and the speed of deployment and cost-efficiency of those missions; notes also that a mission support platform is currently being established without, however, creating duplication of functions;

22. Welcomes that co-location projects of Union delegations with Member States continued to be developed in 2014 with the signature of 17 co-location memoranda of understanding, bringing the total number of co-location arrangements to 50; asks the EEAS to continue this trend and to report regularly to Parliament's Committee on Budgetary Control on this issue;

23. Emphasises that Union heads of delegation continue to be overburdened with administrative tasks due to the inflexibility of the financial regulation; states that adequate tools should be provided to the heads of delegation, to effectively manage and oversee the delegations without generating excessive administrative burden; welcomes in this context the discussion on the identification of tasks to be possibly performed remotely and the possibility of establishing regional administrative support centres that will alleviate some of those burdens and may form part of a broader future solution; repeats its call on the EEAS and the Commission to consider all solutions to that issue for the purpose of economies of scale;

24. Encourages the EEAS to enhance coordination and supervision of Local Consular Cooperation among the Union Member States' Embassies and Consulates and to further consider the possibility of providing consular services through Union delegations; reiterates its call to the EEAS to prepare a detailed analysis of financial implications and cost savings that would be made;

25. Urges the EEAS to establish closer cooperation, coordination and synergies of activities between the Union delegations and Member States' Embassies abroad;

26. Is concerned about efficiency and efforts of work of the Union delegations abroad; urges the EEAS to regularly pursue its evaluation programme of the delegations and to provide in its annual activity report a synthesis of the main weaknesses and difficulties encountered in the functioning of the Union delegations on the basis of the action plan established for each delegation as a result of the evaluation mission;

27. Takes the view that heads of Union delegations should be regularly reminded of their duties during their recruitment and pre-posting in terms of their management and oversight responsibilities in management assurance related to their delegation portfolio of operations (key management processes, control management, adequate understanding and assessment of the key performance indicators) and not only to focus or concentrate on the political component of their duties;

28. Notes that eight delegations have issued a declaration of assurance with a reservation due to procurement issues, lack of human resources and/or extreme local security constraints;

29. Believes that the heads of Union delegations should be provided with clear guidance in relation to the general operational guidelines on the definition of the reservation and its components, the elements to be considered for the issuance of a reservation such as the level of the financial and reputational risks at stake, the operational weaknesses, internal and external constraints identified and related impact on the management of funding and payments operations; recalls that the potential issuance of a reservation should clearly identify the process encountering recurrent or temporary weaknesses whilst being correlated to the functioning, adequacy and performance of the set of internal control standards (ICS);

30. Welcomes the effective implementation of ICS as the conclusion of the internal survey carried out in 2014 at EEAS headquarters and in delegations, with the exception of the issue of business continuity which still needs swift improvement in management procedures; considers it useful to have a dynamic and holistic approach in the treatment of management information, performance indicators and the ICS as each type of information, based on international good practice to achieve clearly defined policy and operational objectives, contributes to the overall quality and exhaustiveness of the management processes and to the efficiency and effectiveness of the management of Union policies;

31. Calls on the EEAS and EuropeAid to reinforce supervision of the heads of delegation in their capacity as authorising officers by sub-delegation for the Commission with a view to increasing their accountability within the global chain assurance by providing qualitative and exhaustive reporting (with the so-called External Assistance Management Report) in the context of the establishment of the respective EEAS and EuropeAid annual activity reports;

32. Urges the EEAS and EuropeAid to ensure that the Union delegations actively address the shortcomings identified in the external assistance programmes and projects already during the implementation phase, so that ongoing programmes and projects meet their objectives and avoid delays;

33. Calls on the Commission to strengthen efforts and decrease outstanding commitments (*reduce reste à liquider* (RALs), RACs and RAPs) and shorten the average period of project implementation;

34. Welcomes that improved and more comprehensive guidelines reinforcing the supervision of the heads of delegation, covering both the accountability and reporting requirements, have been issued in the framework of the External Assistance Management Report (EAMR) exercise covering the year 2015;

35. Acknowledges that the assessments derived from the EAMRs provide only a snapshot of the situation of each project at the end of the year and that the actual impact of the identified difficulties can only be assessed by the end of the project;

36. Welcomes the signature of an administrative arrangement between the European Anti-Fraud Office (OLAF) and the EEAS in accordance with the new OLAF regulation which has entered into force;

37. Deplores the fact that the rules and operational guidelines applicable to the status of whistleblower are not yet finalised under the common foreign and security policy; urges the EEAS to finalise and adopt those rules by the end of 2016;

38. Considers that the EEAS and the Commission should develop support functions to assist with the rapid, efficient and consistent deployment of CSDP missions, providing pre-deployment training for all staff on Union procedures and policies, comprehensive guidelines on operational tasks, making maximum use of the lessons learnt from previous CSDP missions to facilitate knowledge transfer and synergy effects among different missions;

39. Calls on the EEAS to increase the accountability of its main financial instrument in Afghanistan, the Law and Order Trust Fund Afghanistan managed by the United Nations Development Programme (and multi-donor trust funds in other third countries), which is criticised for mismanagement and the lack of transparency; reiterates furthermore the need to use all suitable funding channels for future CSDP missions, including Union trust funds, in an efficient way in order to ensure the achievement of the mission's policy goals and sound financial management;

40. Stresses that some CSDP missions involve extensive security-related costs; emphasises at the same time that a secure working environment is essential in order to implement projects effectively and recruit skilled personnel; calls on the EEAS to consider security-related expenses in the mission budget in order to provide sufficient financial means for the implementation of the actual mission mandate;

41. Invites the EEAS and the Commission to pay particular attention to procurement and human resources procedures in order to ensure that they are responsive to the CSDP's operational needs; points out that the implementation of projects has suffered from cumbersome procurement procedures leading to underperformance;

42. Encourages the EEAS, in order to improve the sustainability of CSDP mission outcomes, to ensure that sustainability aspects are taken into account in the operational planning of all its mission activities by systematically assessing the local needs and capacity to sustain outcomes;

43. Calls on the EEAS and the Commission to coordinate CSDP missions more thoroughly in advance with other Union efforts, bilateral missions and international efforts with similar objectives; calls in this respect for more cooperation and coordination between the Union and its Member States by promoting synergies;

44. Reiterates the need to improve cooperation between Member States in their foreign and security policy in order to achieve cost savings; stresses that this is of crucial importance for Member States to be able to respond decisively to shared security challenges during a period in which such challenges are markedly on the rise;

45. Observes with regret that the EEAS is still missing an overarching strategy and vision for the institution which makes it difficult to react rapidly on unexpected events in a fast developing world; calls on the EEAS to clarify its vision for the future in order to give a direction to its otherwise weakly implemented mission and to provide high-quality support to the Union institutions and Member States in pursuing foreign policy; in this regard, calls on the EEAS to develop expertise on global issues such as climate change or energy security;

46. Urges the EEAS and the Commission to implement lessons learnt from the Eulex case in close coordination with Parliament, jointly exploring ways to implement the recommendations contained in the Jacqué report commissioned by the High Representative of the Union for Foreign Affairs and Security Policy, and to address any outstanding issues;

47. Calls on the Court of Auditors to include in its next annual report a review of the follow-up by the EEAS of Parliament's recommendations made in this resolution.

DECISION (EU) 2016/1476 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2014, Section VI — European Economic and Social Committee

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2014 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2014 (COM(2015) 377 – C8-0204/2015) ([2]),

— having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

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

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

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

— having regard to the report of the Committee on Budgetary Control (A8-0111/2016),

1. Grants the Secretary-General of the European Economic and Social Committee discharge in respect of the implementation of the budget of the European Economic and Social Committee for the financial year 2014;

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, the European Ombudsman, the European Data Protection Supervisor and the European External Action Service, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ L 51, 20.2.2014.
([2]) OJ C 377, 13.11.2015, p. 1.
([3]) OJ C 373, 10.11.2015, p. 1.
([4]) OJ C 377, 13.11.2015, p. 146.
([5]) OJ L 298, 26.10.2012, p. 1.

RESOLUTION (EU) 2016/1477 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

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 2014, 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 2014, Section VI — European Economic and Social Committee,

— having regard to the decision of the European Ombudsman of 18 November 2015 closing the inquiry into complaint 1770/2013/JF against the European Economic and Social Committee,

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

— having regard to the report of the Committee on Budgetary Control (A8-0111/2016),

1. Welcomes the fact that on the basis of its audit work, the Court of Auditors concluded that the payments as a whole for the year ending 31 December 2014 for administrative and other expenditure of the institutions and bodies were free from material error;

2. Notes with concern that in its 2014 annual report, the Court of Auditors observed weaknesses at the European Economic and Social Committee (EESC) in four cases out of the 15 procurement procedures it examined;

3. Welcomes the fact that, in response to the observations made by the Court of Auditors, the EESC has set up a specific support service for public procurement to assist directorates other than the logistics directorate, which already has such a service; expects it to be fully operational in the second half of 2016;

4. Takes note that in 2014 the EESC budget amounted to EUR 128 559 380 (EUR 130 104 400 in 2013), corresponding to a decrease of 1,19 % in comparison to the 2013 annual budget, with a utilisation rate of 95,6 %; notes the increase in the utilisation rate in 2014 but regrets that it still has not reached the 96,8 % of 2012;

5. Stresses that the EESC budget is purely administrative, with a large amount being used on expenditure on persons working within the institution and the remaining amount on buildings, furniture, equipment and miscellaneous running costs;

6. Takes note of the follow-up observations attached to the EESC annual activity report (AAR) in Parliament's discharge resolution of 29 April 2015 for the financial year 2013 ([1]);

7. Notes that the EESC produced fewer reports and opinions in 2014 and held fewer legislative work meetings; is however surprised at the increased number of legal opinions issued by the legal unit in that period; asks to be informed of reasons behind this expansion;

8. Notes that a cooperation agreement between the EESC and Parliament, with two annexes on administrative cooperation and budgetary impact in common with a parallel agreement between Parliament and the Committee of the Regions, was signed on 5 February 2014 with the objective of developing political and administrative cooperation;

([1]) Resolution of the European Parliament, of 29 April 2015, 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 2013, Section VI — European Economic and Social Committee (OJ L 255, 30.9.2015, p. 128).

9. Welcomes the EESC response to Parliament's request in its abovementioned discharge resolution for the financial year 2013 to make an individual assessment of the impact that the cooperation agreement is having in terms both of human resources and of expenditure, synergies, added value, and substantive quality;

10. Finds that there is still room for improvement within the cooperation agreement, particularly in the political sphere; believes that Parliament, the EESC and the Committee of the Regions are capable of developing further synergies that will enhance productivity at all levels in areas of cooperation and calls for specific detailed provisions to be laid down concerning the functioning of the services shared by the three institutions; asks for EESC members to be polled on their satisfaction with the services provided to them by the European Parliamentary Research Service; asks to be kept informed of the cooperation agreement follow-up;

11. Asks for the mid-term review of the cooperation agreement to include a detailed breakdown per institution of the savings and increased budgetary costs resulting from it;

12. Takes note that the EESC has implemented the new reimbursement rules for members' travel expenses based on real costs, following Parliament's specific requests in the 2013 discharge resolution last year; welcomes the fact that the system has become fully operational with the beginning of the current new EESC term starting in autumn of 2015;

13. Notes with concern that total reimbursement of travelling expenses and allowances paid to the EESC beneficiaries amounted to EUR 17 375 864; urges the institution to develop a systematic strategy to reduce those expenses and allowances substantially;

14. Takes note that in 2014 the EESC had a positive balance of EUR 1 560 000 under the cooperation agreement; notes with concern that 36 officials from the EESC and 24 from the Committee of the Regions, all from the translation services and for the most part very near to retirement age, were transferred under the cooperation agreement, with the result that both institutions will make significant savings in staff chapters (salaries and pensions) while Parliament's costs will increase considerably both in the short term (salaries) and in the long term (pensions);

15. Regrets the increase of staff mission costs from EUR 338 366 in 2013 to EUR 387 481 in 2014 (14,5 %);

16. Urges the inclusion of an overview of staff holding management positions sorted by nationality, gender and position in the AAR;

17. Welcomes the close collaboration of the EESC and the Committee of the Regions in drawing up the internal whistleblowing rules since they have some services and staff in common; considers however that the EESC has taken too much time to approve those rules; welcomes nevertheless the fact that the rules are being enforced retroactively;

18. Notes the slight improvement in 2014 in the number of one of the genders holding management posts (40 %; 39 % in 2013); regrets however the persistent gap, which has no correspondence in the other categories; stresses the importance of establishing medium-term goals by which the necessary balance may be attained, and urges the continuance of active work towards this goal;

19. Welcomes the launch by the EESC of a specific course on 'Ethics and Integrity' to improve knowledge and awareness of staff members' rights and obligations; considers, however, that this course should not be mandatory just for new staff members but for all staff;

20. Regrets that the EESC has not yet implemented all the measures requested by Parliament in paragraph 24 of its abovementioned discharge resolution for 2013; considers that in not forwarding information on two court rulings against the EESC to Parliament's Bureau and its own members and staff, and by choosing instead to include that information in other publications of a general nature, the EESC did not act as it should have; hopes that omissions of this kind will be resolved through development of the new rules on whistleblowers and consequently may in this specific case be rectified retroactively;

21. Hopes that with the enforcement of the new rules on whistleblowers, the EESC will immediately and efficiently take the measures necessary to ensure recognition, respect and consideration of whistleblowers in cases acknowledged as such by the General Court prior to the adoption of those rules; calls for the necessary measures to be taken to end once and for all the attacks being made against those whistleblowers through various EESC publications;

22. Deplores the fact that in the aforementioned decision closing inquiry 1770/2013/JF against the EESC, the Ombudsman states that the EESC only accepted part of the proposal made to remedy maladministration; deplores the fact that the EESC has not acknowledged maladministration nor any error in its decision to reassign the complainant; deplores the fact that the EESC has not agreed to acknowledge those errors in principle although in practice it has accepted some of the Ombudsman's recommendations to grant the complainant compensation for injustices done;

23. Takes note of the information provided by the EESC in the follow-up to the abovementioned discharge resolution for 2013 on the use of videoconferencing tools; requests that it be kept informed of the progress achieved on this matter; believes that the use of videoconferencing and similar technologies will allow the EESC to cut travel and meeting costs significantly;

24. Notes that the number of meetings using videoconferencing tools has doubled in comparison to 2013; notes that the videoconferencing tool has been used in meetings where no interpretation is needed; encourages the EESC to use the language training effectively in order to ensure that less interpretation is needed and thus its work is more effective and efficient;

25. Encourages the EESC to strengthen its information and communication policy as well as its presence in the social media;

26. Notes the EESC's effort to raise its profile through an effective information and communication policy; agrees with it focusing on boosting inter-institutional cooperation in order to improve communication and visibility as well as on enhancing the presence of members of institutions at national level, and encourages the EESC to continue working along these lines; welcomes, in that connection, any further efforts to improve the flow of information and, hence, transparency;

27. Notes with satisfaction the downward trend in the rate of requested but unused interpretation services from 5,1 % in 2013 to 4,3 % in 2014; expects that the terms negotiated under the cooperation agreement will ensure further reductions in interpretation costs;

28. Finds the 1 % reduction in outsourced translation compared with 2013 surprising; expects this trend to change after the implementation of the cooperation agreement, which foresees more outsourcing of translation after the transfer of translation staff to Parliament;

29. Acknowledges the results reached by the inter-institutional committee for translation and interpretation settling a harmonised methodology which enables direct comparisons of the translation costs of all institutions; welcomes the fact that the EESC is providing data according to this methodology;

30. Regrets that one major event had to be postponed in 2014; reiterates its calls on the EESC to plan the organisation of in-house events better;

31. Welcomes the inclusion of the results and consequences of closed European Anti-Fraud Office cases in 2014 in the AAR;

32. Welcomes the EESC's decision to attach its building policy to the AAR;

33. Takes note of the cooperation between the EESC and Parliament's Committee on Budgetary Control, in particular in relation to the discharge exercise.

DECISION (EU) 2016/1478 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2014, Section VII — Committee of the Regions

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2014 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2014 (COM(2015)0377 — C8-0205/2015) ([2]),

— having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

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

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

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

— having regard to the report of the Committee on Budgetary Control (A8-0132/2016),

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 2014;

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, the European Ombudsman, the European Data Protection Supervisor and the European External Action Service, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ L 51, 20.2.2014.
([2]) OJ C 377, 13.11.2015, p. 1.
([3]) OJ C 373, 10.11.2015, p. 1.
([4]) OJ C 377, 13.11.2015, p. 146.
([5]) OJ L 298, 26.10.2012, p. 1.

RESOLUTION (EU) 2016/1479 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

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 2014, 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 2014, Section VII — Committee of the Regions,

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

— having regard to the report of the Committee on Budgetary Control (A8-0132/2016),

1. Notes that in its 2014 annual report, the Court of Auditors (the 'Court') observed that no significant weaknesses had been identified in respect of the audited topics relating to human resources and procurement for the Committee of the Regions (the 'Committee');

2. Notes that, on the basis of its audit work, the Court concluded that the payments as a whole for the year ended 31 December 2014 for administrative and other expenditure of the institutions and bodies were free from material error;

Budget and financial management

3. Notes that in 2014, the Committee had an approved budget of EUR 87 600 000 (EUR 87 373 000 in 2013), of which EUR 86 300 000 were commitment appropriations with a utilisation rate of 98,5 %; welcomes the increase of the utilisation rate in 2014;

4. Notes that Objective 4 of the Directorate for Administration and Finance 'to ensure effective internal control environment and monitor the implementation of the Financial Regulations' was not achieved for two out of three impact indicators: the rate of return for correction of legal or budgetary commitments or payments falls below the 4 % target, while the number of financial exceptions increases by 6 % in 2014, instead of decreasing by 3 %;

5. Is concerned by the increase in the number of exception reports: 87 financial exceptions and three administrative exceptions; stresses that those three administrative exceptions were related to non-compliance with internal procedures; notes that four derogations were made in 2014 (compared to one in 2013) on procurement rules or contract management and that most of the derogation reports (58 out of 81) are related to absence or insufficiency of legal commitments; asks for detailed information on how those derogations occurred and on the amounts involved; requires a full report on corrective measures taken to prevent similar situations by the end of June 2016;

6. Notes the 13 transfers between budget lines during the financial year 2014; is of the opinion that the transfers concerning the political groups' communication budget and printing in the *Official Journal of the European Union* could have been foreseen in the initially approved budget;

Savings and administrative expenditure

7. Stresses that the Committee's budget is purely administrative, with a large amount being used for expenditure relating to persons working within the institution and the remaining amount relating to buildings, furniture, equipment and miscellaneous running costs;

8. Notes nevertheless that a total of EUR 8 277 556 was spent in 2014 only on travel and meeting allowances for members and alternate members of the Committee plus EUR 409 100 on missions and travel costs of staff; considers the number of missions to be extremely high (787), as is the expenditure generated by members for travel and meeting allowances; considers that missions undertaken by members should be clearly described in the annual activity report ('AAR'), with detailed expenses and a cost-benefit analysis; stresses that the reference to members' missions is vague, imprecise and does not provide clear figures; urges the Committee always to include data on members' missions in its AAR;

9. Considers the total amount of EUR 9 594 089 paid by the Committee for 2014 lease expenses (external lessors) to be too high; recalls that even after withdrawing the contribution of EUR 1 181 382 from the European Economic and Social Committee (the 'EESC'), the net amount paid by the Committee remained higher than the accounting share of those lease payments, the difference being recorded as building expenses (EUR 852 464); stresses that most of the liabilities of the Committee result from transactions generated by the leased buildings (95,6 % in 2014) and that at the end of 2014 the financial lease debt amounted to EUR 65 051 695; calls on the Committee to identify solutions jointly with Parliament and the Commission, such as extensive joint use of buildings and meeting and conference rooms, to reduce costs;

10. Requests that the Committee's building policy be attached to its AAR, especially given that it is important that the costs of such a policy be properly rationalised and not excessive;

11. Notes the savings made in interpretation services; regrets that thorough information on the utilisation and cancellation rate of interpretation services was not provided in the Committee's AAR; requests that those data be included in the Committee's AAR for 2015;

12. Notes with satisfaction that the Committee included information on unused interpretation services in its AAR for 2013; considers it to be positive that the unused rate of the interpretation services has decreased from 3,23 % in 2012 to 2,51 % in 2013 and believes that that rate can still be improved; calls on the Committee to plan its meetings better;

13. Notes the increased use of videoconferencing by the Committee; regrets however the delay in the introduction of portable videoconferencing facilities and asks to be informed of developments with regard thereto in the Committee's AAR for 2015; takes note that, according to the Committee, the videoconferencing tool has been used in the meetings where no interpretation is needed; encourages the Committee to use the language training effectively in order to ensure that less interpretation is needed and thus the work of the Committee is more effective and efficient; calls on the Committee to provide the discharge authority with an update in that regard by the end of June 2016;

14. Urges extensive use of videoconferencing and all related tools in order to significantly cut costs; does not understand how such a high number of missions to Greece or Italy (77 and 125, respectively) translates into added value for the citizen of those countries or other Union citizens;

Cooperation and agreements

15. Welcomes the adoption of the Charter for Multilevel Governance in Europe in 2014, launched with a commitment to developing new forms of dialogue and partnership between all public authorities within the Union, so as to optimise public policies, public spending and increase policy delivery; asks to be informed of the project's strategy in that regard and results thereof;

16. Notes that a cooperation agreement between Parliament, the Committee and the EESC was signed on 5 February 2014 with the objective of developing political cooperation; notes that an Annex on administrative cooperation was also agreed;

17. Finds that there is still room for improvement with regard to collaboration between Parliament and the Committee based on the cooperation agreement, in particular with regard to political aspects; invites both institutions to examine whether further synergies that enhance productivity in the domains covered by the cooperation agreement can be found and asks to be kept informed of developments in this regard; calls for the establishment of specific detailed provisions on the functioning of the services shared by Parliament, the Committee and the EESC;

18. Calls for Committee members to be polled on their satisfaction with the services provided for them by the European Parliamentary Research Service; asks to continue to be informed of developments with regard to the cooperation agreement;

19. Asks for a detailed breakdown per institution of the budgetary savings and increased budgetary costs resulting from the cooperation agreement to be included in the mid-term review;

20. Notes that in 2014 the Committee and the EESC had a positive budgetary position within the framework of the cooperation agreement; notes with concern that 24 officials from the Committee and 36 from the EESC, all from the translation services and for the most part very near to retirement age, were transferred under the agreement, with the result that both institutions will make significant savings in budget chapters for staff (salaries and pensions) while Parliament's costs will increase considerably both in the short term (salaries) and in the long term (pensions);

21. Takes note of the fact that a new administrative bilateral cooperation agreement between the Committee and the EESC was signed in 2015; requests that it be kept informed of that bilateral cooperation in the context of the mid-term assessment;

22. Notes the cooperation between the Committee and Parliament's Committee on Budgetary Control, in particular in relation to the discharge exercise;

Human resources management

23. Regrets that Objective 2 of the Directorate for Translation — 'improve working methods and optimise human and financial resources management' — was not achieved; is concerned at the low execution rate for budget line 1 4 2 0 (translation outsourcing and translation tools); notes, in particular, that the budget execution rate for several of the translation lines was well below the average of previous years;

24. Acknowledges the results reached by the inter-institutional committee for translation and interpretation settling a harmonised methodology which enables direct comparisons of the translation costs of all institutions; welcomes the fact that the Committee is providing data according to this methodology;

25. Notes the continued shortage of women holding senior Committee posts; calls for an equal opportunities plan to be established with regard to management positions, with the aim of correcting this imbalance as quickly as possible;

26. Regrets that fewer than 35 % of managers are women while more than 60 % of the staff is composed of women; stresses, therefore, that only 28 % of senior management posts are occupied by women; calls upon the Committee to correct this imbalanced situation concerning women;

Procurement and contract management

27. Stresses that the audit committee analysed the Committee's current procurement practices and made recommendations relating to the improvement of the financial circuits, accompanied by 15 measures to reinforce control systems; requests detailed information on the procurement quality assurance group and its effectiveness and a description and follow-up of the recommendations of the audit committee in this respect, by the end of June 2016;

28. Regrets that the number of derogations from procurement rules or contract management increased from 1 in 2013 to 4 in 2014; notes that one such derogation arose from a procedural error in a joint Committee-Parliament continuity of IT services procedure; calls on the Committee to take the necessary measures to ensure this type of situation does not recur; asks the Committee to address, without delay, the ongoing issue of all exception reports due to non-compliance with the provisions of the Financial Regulation or the internal rules of procedure; notes, however, that the number of exceptions represents only 0,4 % of the operations concerned;

Internal audit

29. Notes that the audit committee, which was created in 2013, met twice in 2014; is concerned about the results of the follow-up of the audit on the performance of IT projects; considers that the performance of IT projects and applications is a clearly identified weakness, for which little to no measures were taken; strongly regrets that only one of the 15 recommendations of the audit authority was closed; requests an impact analysis of those IT projects and their added value for the Union citizens by the end of June 2016;

30. Notes with satisfaction that 16 out of 18 recommendations made by the auditors on the performance of external written communication were closed and that, according to the second follow-up report, risks of lack of efficiency and effectiveness due to the remaining open recommendations are considered as low;

31. Notes the approval by the Secretary General in 2015 of the audit on the adequacy of the statutory rights definition system and requests supplementary information on the 19 recommendations on revision of sub-delegation procedures, improvement of risk analysis in connection with verification results, definition or revision of procedures and checklists, the application of the training policy, publication of decisions on appointments, transfer and status; urges the Committee to come up by the end of June 2016 with an action plan designed by the audited service, which should include deadlines on implementing necessary corrective measures;

Rules on whistleblowing, conflicts of interest and 'revolving doors' situations

32. Welcomes the adoption by the Committee of a decision laying down rules on whistleblowing ([1]), which entered into force on 1 January 2016; considers, however, that it took too long to lay down those rules; calls on the Committee to publish them and to inform the discharge authority of its progress with regard to their implementation in its AAR; welcomes, nevertheless, the close collaboration of the Committee of the Regions with the European Economic and Social Committee in drawing up their internal whistleblowing rules since they have some services and staff in common; welcomes also the fact that those rules are being enforced retroactively;

33. Finds it unacceptable that the Committee has been dealing with the same whistleblowing case since 2003 and that, despite the Civil Service Tribunal judgments of 2013 ([2]) and 2014 ([3]), and Parliament's discharge resolution of 29 April 2015 ([4]), it has not yet complied with those judgments, recognised the plaintiff's action as being legitimate, or finally closed the case; urges the Committee to take all necessary steps to resolve this situation without further delay and to admit publicly that the whistleblower's findings were correct, as stated by the European Anti-Fraud Office and other Union bodies; calls on the Committee to inform Parliament of progress with regard to the whistleblowing case by the end of June 2016;

34. Acknowledges that, according to the Committee, no situations of conflicts of interest occurred during the financial year 2014; urges the Committee to publish CVs and declarations of interests of all members and senior staff management and to adopt an internal policy and clear rules on the prevention and management of conflicts of interest and 'revolving doors' situations, in accordance with the guidelines published by the Commission; expects the Committee to provide those CVs, declarations of interest and rules to Parliament by the end of June 2016;

Overall performance, planning and strategic management

35. Notes the Committee's efforts and achievements in stepping up its information and communication policy; encourages the Committee to boost interinstitutional cooperation in order to improve communication and visibility as well as to enhance the presence of Members of the institutions at national level; welcomes, in that regard, any further efforts on the Committee's part to improve the flow of information and, hence, transparency;

36. Stresses that the risks identified during the audits and risk analyses that have been performed, particularly in the areas of financial management and operational or organisational matters, need to be addressed without delay; requests a detailed presentation of the mitigation measures that the Committee proposes, and a clear calendar for their implementation, by the end of June 2016;

37. Calls on the Committee to notify Parliament of actions taken to 'engage participation' of Union citizens, such as in situations where mutual exchanges with citizens and their involvement have occurred and where direct results — measurable, focused and with a visible impact — have been obtained through such participation.

([1]) Decision No 508/2015 of the Committee of the Regions, of 17 December 2015, laying down rules on whistleblowing.

([2]) Judgment of the Civil Service Tribunal (First Chamber) of 7 May 2013, *Robert McCoy* v *Committee of the Regions of the European Union* (Case F-86/11; ECLI:EU:F:2013:56).

([3]) Judgment of the Civil Service Tribunal (First Chamber) of 18 November 2014, *Robert McCoy* v *Committee of the Regions of the European Union* (Case F-156/12; ECLI:EU:F:2014:247).

([4]) Resolution of the European Parliament, of 29 April 2015, 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 2013, Section VII — Committee of the Regions (OJ L 255, 30.9.2015, p. 132).

DECISION (EU) 2016/1480 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2014, Section VIII — European Ombudsman

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2014 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2014 (COM(2015) 377 — C8-0206/2015) ([2]),

— having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

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

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

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

— having regard to the report of the Committee on Budgetary Control (A8-0121/2016),

1. Grants the European Ombudsman discharge in respect of the implementation of the budget of the European Ombudsman for the financial year 2014;

2. Sets out its observations in the resolution below;

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

The President — Martin SCHULZ

The Secretary-General — Klaus WELLE

([1]) OJ L 51, 20.2.2014.
([2]) OJ C 377, 13.11.2015, p. 1.
([3]) OJ C 373, 5.11.2015, p. 1.
([4]) OJ C 377, 13.11.2015, p. 146.
([5]) OJ L 298, 26.10.2012, p. 1.

RESOLUTION (EU) 2016/1481 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

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 2014, 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 2014, Section VIII — European Ombudsman,

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

— having regard to the report of the Committee on Budgetary Control (A8-0121/2016),

1. Notes with satisfaction that in its 2014 annual report, the Court of Auditors observed that no significant weaknesses had been identified with respect to the audited topics related to the human resources and the procurement for the European Ombudsman (the 'Ombudsman');

2. Emphasises the fact that on the basis of its audit work, the Court of Auditors concluded that the payments as a whole for the year ended on 31 December 2014 for administrative and other expenditure of the institutions and bodies were free from material error;

3. Stresses that the Ombudsman's budget is purely administrative and amounted in 2014 to EUR 9 857 002 (EUR 9 731 371 in 2013), with EUR 7 977 702 being allocated to Title I (expenditure relating to persons working for the institution), EUR 1 346 800 attributed to Title 2 (buildings, equipment and miscellaneous operating expenditure) and EUR 532 500 to Title 3 (expenditure resulting from special functions carried out by the institution);

4. Takes note that of the total appropriations, 97,87 % were committed (98,20 % in 2013) and 93,96 % paid (91,82 % in 2013), with a utilisation rate of 97,87 % (98,20 % in 2013), which represents a decrease in the utilisation rate;

5. Notes a particular increase of commitments in 2014 related to the Members of the institution; asks the Ombudsman to give a comprehensive description of those amounts in its follow-up report to the 2014 discharge;

6. Welcomes the fact that, in line with its new Strategy Towards 2019, the Ombudsman pursued own-initiative inquiries, taking up a more systemic approach of complex issues falling within its mandate; considers this to be an effective tool and asks the Ombudsman regularly to inform the discharge authority about the impact of those inquiries and to identify clearly the coordinator's tasks; points out, however, that the Ombudsman's priority should be to address complaints from citizens within a reasonable time frame and that own-initiative inquiries should under no circumstances infringe on that objective;

7. Welcomes the creation of a new post designated as 'own-initiative inquiry coordinator'; considers it to be a step towards a more efficient work and invites the Ombudsman to report to the discharge authority on the performance, impact and efficiency of this post;

8. Calls on the Ombudsman's office to comply with the principle of transparency, in particular as regards identifying and assigning clear lines of responsibility, and to ensure that the Ombudsman website is updated regularly and accurately reflects the organisation chart of the institution;

9. Notes that the Strategy Towards 2019 introduced new key performance indicators (KPI) with very specific targets and that, according to the KPI scoreboard, some of those targets have not been reached; in this regard, notes that the Ombudsman scored lower in terms of the proportion of inquiries closed within 12 and 18 months and furthermore in the proportion of cases in which the admissibility decision is taken within one month; invites the Ombudsman to develop a strategy for the mitigation of any potential weaknesses in this regard and to keep the discharge authority informed on any developments thereto;

10. Welcomes the fact that the ratio of closed to ongoing inquiries reached the highest ever level at the end of the previous exercise (2013), with a score of 1,4 closed enquiries for every ongoing one, against a target of 1,1; stresses that the proportion of inquiries closed within 12 and 18 months decreased in 2014; acknowledges that, according to the Ombudsman, the new Strategy Towards 2019, including the pursuit of own-initiative inquiries, had an impact on the number of the cases closed; asks the Ombudsman to explain that impact clearly to the discharge authority in the next follow-up report to the discharge;

11. Stresses that the number of complaints falling outside the Ombudsman's remit remains very high, especially from citizens of some Member States such as Spain and Poland, which undoubtedly creates a great deal of frustration among citizens regarding Union institutions in general and the Ombudsman in particular; calls, therefore, on the Ombudsman to improve its information and communication policy and to forge stronger links for smooth and regular cooperation with the European Network of Ombudsmen and national and regional ombudsmen in order to remedy this problem;

12. Notes that, according to the KPI scoreboard, the level of satisfaction among the Ombudsman's staff was lower than targeted; acknowledges that this was mainly related to crucial changes in the Ombudsman structure and has since been remedied by a certain number of measures; calls on the Ombudsman to continue to ensure a high level of staff satisfaction;

13. Welcomes the well-structured, clear and reader-friendly annual activity report (AAR) presented by the Ombudsman; welcomes its intensified external communication strategy and stronger presence on the social media;

14. Expects the Ombudsman to continue to strive for consistency in the AAR and to make it fully comprehensive, as it is an important tool for the assessment of its work;

15. Notes the large number of missions by the Ombudsman staff between Brussels and Strasbourg (212 in total, costing EUR 126 000 plus an estimated EUR 60 000 in lost working time while travelling); calls on the Ombudsman to reduce to the fullest extent possible the number of missions of its staff and to make maximum use of video-conferencing and other related technical means, as other institutions are already doing, in order to avoid unnecessary travel and significantly reduce costs; reminds the Ombudsman, furthermore, of the environmental impact of CO_2 emissions generated by this commuting, and that it is therefore important that it assumes its responsibilities in this regard and reports to Parliament on the progress it has made;

16. Is concerned at the Ombudsman's recruitment policy, which has involved using emergency procedures directly to employ former trainees on short-term contracts; deplores the fact that three temporary staff were hired in 2014 without passing any selection procedure; calls on the Ombudsman to bring, as a matter of urgency, its staff selection criteria into line with the European civil service's standards of quality, transparency, objectivity and equal opportunities;

17. Welcomes the progress made by the Ombudsman in 2015 on gender balance; stresses, however, that the available data for 2014 still show great disparities, particularly in AST posts (21/9) and management positions (9/2), and emphasises the importance of setting medium-term objectives to achieve the necessary balance, and of continuing to work actively on this direction;

18. Asks the Ombudsman, with a view to ensuring greater transparency, to include a table of all human resources broken down by nationality, gender and grade in its AAR; calls on the Ombudsman to answer questions raised by Parliament and the other institutions on pensions;

19. Renews its call, made last year, for the Ombudsman to state the rate of requested but unused interpretation services for 2014 in its AAR for 2015;

20. Welcomes the savings on the budget lines for translation and publications;

21. Reiterates its calls on the Ombudsman to include in its AAR, in compliance with the existing rules on confidentiality and data protection, the results and consequences of closed OLAF cases, where the Ombudsman or any of the individuals working for it were the subject of an investigation;

22. Takes note of the Ombudsman's calculations with regard to potential savings of EUR 195 000 should it only have one seat; takes into account that the seat of the Ombudsman is tied to the seat of Parliament and therefore deems it necessary that the Ombudsman be included in any debate on centralisation of the Parliament's seat; stresses that such centralisation should be actively promoted.

DECISION (EU) 2016/1482 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2014, Section IX — European Data Protection Supervisor

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2014 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2014 (COM(2015) 377 — C8-0207/2015) ([2]),

— having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

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

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

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0109/2016),

1. Grants the European Data Protection Supervisor discharge in respect of the implementation of the budget for the financial year 2014;

2. Sets out its observations in the resolution below;

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

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ L 51, 20.2.2014.
([2]) OJ C 377, 13.11.2015, p. 1.
([3]) OJ C 373, 10.11.2015, p. 1.
([4]) OJ C 377, 13.11.2015, p. 146.
([5]) OJ L 298, 26.10.2012, p. 1.

RESOLUTION (EU) 2016/1483 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

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 2014, 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 2014, Section IX – European Data Protection Supervisor,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0109/2016),

1. Notes the conclusion of the Court of Auditors (the 'Court') that the payments as a whole for the year ended 31 December 2014 for administrative and other expenditure of the European Data Protection Supervisor (the 'Supervisor') were free from material error and that the examined supervisory and control systems for administrative and other expenditure were effective;

2. Notes that in the Court's annual report on the implementation of the Supervisor's budget concerning the financial year 2014 (the 'Court's report'), the Court observed that no serious weaknesses had been identified in respect to the audited topics related to the human resources and procurement for the Supervisor;

3. Notes that in 2014 the Supervisor had a total allocated budget of EUR 8 012 953 (EUR 7 661 409 in 2013) and that the implementation rate was 92 % (84,7 % in 2013); welcomes the improved result;

4. Regrets that the Court's report was stated as being confidential in the Supervisor's annual activity report ('AAR') for 2014;

5. Stresses that the Supervisor's budget is purely administrative, with a large amount being used for expenditure relating to persons working within the institution and the remaining amount relating to buildings, furniture, equipment and miscellaneous running costs;

6. Notes that all open recommendations made by the Internal Audit Service were closed in 2014, including that on securing the data contained in complaints;

7. Notes that further to internal audit recommendations and according to the Supervisor's Strategic Internal Audit Plan, a Procurement Plan was adopted for the first time for the year 2014; encourages the Supervisor to improve its financial autonomy;

8. Regrets that the Supervisor did not make available full information about its policy on conflicts of interest; urges the Supervisor to adhere to the rules covered by Article 16 of the Staff Regulations, to lay down clear binding rules regarding 'revolving doors' in accordance with the guidelines published by the Commission and to make that information available to Parliament in its AAR for 2015;

9. Notes that the Supervisor adopted a decision on internal rules concerning whistleblowing in 2015; asks the Supervisor to include that information in its AAR for 2015 and to ensure full compliance with Article 22c of the Staff Regulations, which entered into force on 1 January 2014;

10. Notes that very limited information is available on procurement procedures and selection criteria of contractors; observes that only one contract award decision for 2014 is published on the Supervisor's website; calls on the Supervisor to include a list of all contracts awarded in which it has participated, even if launched by other institutions, and their procedures and selection criteria on their website and in its AAR for 2015;

11. Notes the agreement achieved at the end of 2015 by Parliament and the Council on the new data protection legal framework, proposed by the Commission on 25 January 2012;

12. Reiterates its call to be informed about the use of videoconferencing facilities in 2014; welcomes the information on the use of new devices, such as Parliament's voxbox;

13. Endorses the use of key performance indicators to assess the efficient use of resources; calls on the Supervisor to continue to provide the scoreboard in its AARs;

14. Reiterates its request made in 2015 for the Supervisor's building policy to be attached to its AAR, especially given that it is important that the costs of such a policy be properly rationalised and not excessive; calls, therefore, on the Supervisor to provide the discharge authority with its building policy in its AAR for 2015;

15. Reiterates its request made in 2015 to have an exhaustive table of all the human resources at the Supervisor's disposal, with a break-down according to grade, sex and nationality; notes that that table should be automatically included in the Supervisor's AARs; calls, therefore, on the Supervisor to provide Parliament with an exhaustive table of all human resources as detailed in this paragraph in its AAR for 2015;

16. Notes that appropriations allocated to missions, travels and other ancillary expenditure of its Members and staff were kept unchanged in 2014; calls on the Supervisor to reduce that expenditure, where possible, without undermining its role;

17. Calls on the Supervisor to provide, by the end of May 2016, detailed information on missions undertaken by its Members and staff in its AARs, including the cost of each mission;

18. Notes the cut to the budget lines for translation, publications and activities of the Supervisor.

DECISION (EU) 2016/1484 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2014

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 2014 (COM(2015) 379 — C8-0248/2015),

— having regard to the financial information on the European Development Fund (COM(2015) 295),

— 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 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendations of 12 February 2016 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 2014 (05219/2016 — C8-0036/2016, 05220/2016 — C8-0037/2016, 05223/2016 — C8-0038/2016, 05224/2016 — C8-0039/2016),

— having regard to the Commission's report on the follow-up to the discharge for the 2013 financial year (COM(2015) 505), and to the accompanying Commission staff working documents (SWD(2015) 194 and SWD(2015) 195),

— having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States, of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000 ([3]) 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 373, 10.11.2015, p. 289.
([2]) OJ C 379, 13.11.2015, p. 124.
([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 [1],

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Article 74 of the Financial Regulation of 16 June 1998 applicable to development finance cooperation under the fourth ACP-EC Convention [2],

— having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the 9th European Development Fund [3],

— 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 [4],

— 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 [5],

— having regard to Rule 93 and the third indent of Rule 94 of, and Annex V to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Development (A8-0137/2016),

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 2014;

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
Martin SCHULZ

The Secretary-General
Klaus WELLE

[1] OJ L 210, 6.8.2013, p. 1.
[2] OJ L 191, 7.7.1998, p. 53.
[3] OJ L 83, 1.4.2003, p. 1.
[4] OJ L 78, 19.3.2008, p. 1.
[5] OJ L 58, 3.3.2015, p. 17.

DECISION (EU) 2016/1485 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the eighth, ninth, 10th and 11th European Development Funds for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the financial statements and revenue and expenditure accounts for the eighth, ninth, 10th and 11th European Development Funds for the financial year 2014 (COM(2015) 379 – C8-0248/2015),

— having regard to the financial information on the European Development Fund (COM(2015) 295),

— having regard to the Court of Auditors' annual report on the activities funded by the eighth, ninth, 10th and 11th European Development Funds for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendations of 12 February 2016 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 2014 (05219/2016 – C8-0036/2016, 05220/2016 – C8-0037/2016, 05223/2016 – C8-0038/2016, 05224/2016 – C8-0039/2016),

— having regard to the Commission's report on the follow-up to the discharge for the 2013 financial year (COM(2015) 505), and to the accompanying Commission staff working documents (SWD(2015) 194 and SWD(2015) 195),

— having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States, of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000 ([3]) 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 373, 10.11.2015, p. 289.
([2]) OJ C 379, 13.11.2015, p. 124.
([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 ([1]),

— 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 ([2]),

— 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 ([3]),

— having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the 9th European Development Fund ([4]),

— 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 ([5]),

— 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 ([6]),

— having regard to Rule 93 and the third indent of Rule 94 of, and Annex V to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Development (A8-0137/2016),

1. Notes that the final annual accounts of the eighth, ninth, 10th and 11th European Development Funds are shown in Table 2 of the Court of Auditors' annual report;

2. Approves the closure of the accounts of the eighth, ninth, 10th and 11th European Development Funds for the financial year 2014;

3. 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 — Martin SCHULZ

The Secretary-General — Klaus WELLE

([1]) OJ L 247, 9.9.2006, p. 32.
([2]) OJ L 210, 6.8.2013, p. 1.
([3]) OJ L 191, 7.7.1998, p. 53.
([4]) OJ L 83, 1.4.2003, p. 1.
([5]) OJ L 78, 19.3.2008, p. 1.
([6]) OJ L 58, 3.3.2015, p. 17.

DECISION (EU) 2016/1486 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the Agency for the Cooperation of Energy Regulators for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0089/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators ([4]), and in particular Article 24 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control (A8-0087/2016),

1. Grants the Director of the Agency for the Cooperation of Energy Regulators discharge in respect of the implementation of the Agency's budget for the financial year 2014;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the Agency for the Cooperation of Energy Regulators, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 409, 9.12.2015, p. 18.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 211, 14.8.2009, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2016/1487 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Agency for the Cooperation of Energy Regulators for the financial year 2014

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 2014,

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

— having regard to the report of the Committee on Budgetary Control (A8-0087/2016),

A. whereas, according to its financial statements, the final budget of the Agency for the Cooperation of Energy Regulators (the "Agency") for the financial year 2014 was EUR 10 880 000, representing a decrease of 8,80 % compared to 2013; whereas the entire budget of 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 2014 (the "Court's report"), stated that it had obtained reasonable assurances that the Agency's annual accounts were reliable and that the underlying transactions were legal and regular,

Follow-up of 2013 discharge

1. Notes that, according to the Court's report, regarding two comments made in the Court's 2012 report and marked as "ongoing" in the Court's 2013 report, corrective actions have been taken and both recommendations are now marked in the Court's report as "completed"; notes, furthermore, that, regarding the three comments made in the Court's 2013 report, corrective actions have been taken and two comments are now marked as "completed" while one is marked as "not applicable";

2. Acknowledges that, according to the Agency:

— a high cash balance of EUR 5 500 000 at year end, resulting partly from the receipt of an amending budget relating to the implementation of Regulation (EU) No 1227/2011 of the European Parliament and of the Council [1] ("REMIT"), was balanced during 2014 and reduced to EUR 3 300 000 at the end of 2014; notes with satisfaction that the Court's report indicates follow-up action as "completed";

— its revised policy on the prevention and management of conflicts of interests was adopted by the Agency's Administrative Board on 31 January 2015; acknowledges furthermore that that new policy is applicable to the Agency's staff, the members and alternates of all of the three Agency's boards, as well as to Agency Working Group ("AWG") Chairpersons, Vice-Chairpersons and Task Force Convenors, who are in a position to steer the work of the AWGs;

— the CVs and declarations of interest of Agency's management board members, AWG Chairpersons, Vice-Chairpersons and Task Force Convenors were mostly published on the Agency's website; calls on the Agency to review and publish the remaining CVs and declarations of interest without delay, as provided for in its policy;

[1] 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).

Budget and financial management

3. Notes that budget monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 95 %, reaching the Agency's planned target and representing a decrease of 2,53 % compared with 2013; notes furthermore that the payment appropriations execution rate was at 69,84 %, representing an increase of 14,84 % compared with 2013; finds that the payment appropriations execution rate is below the Agency's target of 75 %, mainly due to the renewal or negotiation of the Agency's annual contracts towards the end of the year as well as due to the multiannual nature of the implementation of REMIT;

4. Regrets that no agreement was reached for any contribution towards the Agency from the European Free Trade Association states, as the Third Energy Package has yet to be incorporated into the Agreement on the European Economic Area;

Commitments and carryovers

5. Acknowledges that the carry-overs relating to Title II administrative expenditure appropriations amounted to EUR 980 000, representing 41 % of appropriations for Title II administrative expenditure; notes furthermore that those carry-overs were mainly related to studies for the implementation of REMIT as well as to annual contracts renewed towards the year end;

6. Takes note of the fact that a total of EUR 1 570 000 from Title III committed appropriations was carried over into 2015, representing 62 % of committed appropriations for operational expenditure; notes, furthermore, that the rate of the Title III carry-overs was reduced by 29 % compared with the year 2013; emphasises that those carry-overs were mainly related to the complex multi-annual activity of the implementation of REMIT, for which Commission Implementing Regulation (EU) No 1348/2014 [1] was adopted on 17 December 2014;

7. Acknowledges that, according to the Court's report, the Agency made two pre-financing payments at the end of 2014 stemming from the appropriations received through an amending budget late in 2013 and amounting to EUR 1 560 000; notes that those payments were associated with contracts for the provision of REMIT-related services in the period 2015 to 2017; takes note of the fact that the Agency had to suspend part of the implementation of REMIT due to the adoption of the REMIT Regulation taking place later than originally expected; understands that those payments will allow the Agency to finance its future REMIT-related activities and awarded contracts as originally planned; stresses, however, that even though the implementation of REMIT has a complex and multiannual nature, high carry-overs and pre-financing payments are in contradiction with the budgetary principle of annuality; notes that the Agency should continue to improve the planning and implementation of its annual budget;

Procurement and recruitment procedures

8. Notes with satisfaction that the Agency adopted its revised policy on recruitment procedures and the work of the Selection Panels in April 2014; notes, furthermore, that this policy includes specific conditions for interviews and written tests, as well as strict provisions to ensure the anonymity of candidates; acknowledges the Agency's assertion that that policy ensures a step forward in its commitment to transparency and equal treatment of its staff;

Internal controls

9. Acknowledges that the Agency's status review of the implementation of the Internal Control Standards ("ICS") showed no significant weaknesses to have become evident in 2014; acknowledges, furthermore, that, following the status review, the Agency considers itself to be compliant with the minimum requirements underlying all ICS; calls on the Agency to continue strengthening its internal controls and to ensure that the introduced controls work effectively and contribute to the achievement of its objectives;

[1] Commission Implementing Regulation (EU) No 1348/2014 of 17 December 2014 on data reporting implementing Article 8(2) and Article 8(6) of Regulation (EU) No 1227/2011 of the European Parliament and of the Council on wholesale energy market integrity and transparency (OJ L 363, 18.12.2014, p. 121).

Internal audit

10. Notes that the Commission's Internal Audit Service ("IAS") conducted an audit on the Agency according to its Strategic Audit Plan for the Agency for 2013 to 2015 on the topic "Development of Framework Guidelines and Opinion on Network Codes"; takes note of the fact that, in the course of the audit, the IAS identified areas for improvement and provided one recommendation rated as "very important" as well as five recommendations rated as "important";

11. Ascertains that, in response to the recommendations made by the IAS, the Agency prepared an action plan to resolve the identified shortcomings; notes that the IAS endorsed the action plan as adequately addressing the identified risks;

12. Notes that 10 out of 11 recommendations issued by the IAS in its 2013 audit are closed while one recommendation marked as "important" in the 2013 audit is marked as "partially implemented" and to be completed during the year 2015;

Performance

13. Takes note of the fact that the Agency reviewed its system of Key Performance Indicators ("KPIs"), by which it introduced a distinction between performance indicators and KPIs intended to give management a clearer indication of whether the Agency's overall objectives were being met; notes that the new system was to be applied in 2015, within the new structure of the Agency's Work Programme;

14. Welcomes the fact that in order to record and keep track of the budgetary transactions, the Agency uses ABAC, the same financial system used by the Commission, with the SAP system integrated as back-end for the accounting part;

Prevention and management of conflicts of interests and transparency

15. States that the annual reports of the Agency could play an important role in compliance regarding transparency, accountability and integrity; calls on the Agency to include a standard chapter on those components in its annual report;

Other comments

16. Points out that, according to the Seat Agreement between the Agency and the host Member State, a European School is to be established in the host Member State; regrets that more than four years after the entry into force of that agreement, no European School has been set up; acknowledges the Agency's assertion that that the government of the host Member State is assessing the necessary legal amendments and arrangements in order to find the optimal solution; encourages the Agency and the host Member State to resolve that issue and calls on the Agency to inform the discharge authority of state of play of the negotiations;

17. Underlines the need to enhance integrity and improve the ethical framework through better implementation of codes of conduct and ethical principles, so as to reinforce a common and effective culture of integrity;

18. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016 [1] on the performance, financial management and control of the agencies.

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[1] Texts adopted, P8_TA(2016)0159 (see page 447 of this Official Journal).

DECISION (EU) 2016/1488 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0089/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators ([4]), and in particular Article 24 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control (A8-0087/2016),

1. Notes that the final annual accounts of the Agency for the Cooperation of Energy Regulators are as annexed to the Court of Auditors' report;

2. Approves the closure of the accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2014;

([1]) OJ C 409, 9.12.2015, p. 18.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 211, 14.8.2009, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision to the Director of the Agency for the Cooperation of Energy Regulators, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1489 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the Office of the Body of European Regulators for Electronic Communications for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Office of the Body of European Regulators for Electronic Communications for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the Office of the Body of European Regulators for Electronic Communications for the financial year 2014, together with the Office's reply ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Management Committee of the Office of the Body of European Regulators for Electronic Communications in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0090/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 1211/2009 of the European Parliament and of the Council of 25 November 2009 establishing the Body of European Regulators for Electronic Communications (BEREC) and the Office ([4]), and in particular Article 13 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control (A8-0093/2016),

1. Grants the Management Committee of the Office of the Body of European Regulators for Electronic Communications discharge in respect of the implementation of the Body's budget for the financial year 2014;

2. Sets out its observations in the resolution below;

([1]) OJ C 409, 9.12.2015, p. 27.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 337, 18.12.2009, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Management Committee of the Office of the Body of European Regulators for Electronic Communications, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1490 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Office of the Body of European Regulators for Electronic Communications for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the Office of the Body of European Regulators for Electronic Communications for the financial year 2014,

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

— having regard to the report of the Committee on Budgetary Control (A8-0093/2016),

A. whereas, according to its financial statements, the final budget of the Office of the Body of European Regulators for Electronic Communications ('the Office') for the financial year 2014 was EUR 4 162 874, representing an increase of 17 % compared to 2013; whereas that increase resulted mainly from the inclusion of the internal assigned revenue from previous years;

B. whereas, according to its financial statements, the overall contribution of the Union to the budget of the Office for 2014 amounted to EUR 3 617 948, representing an increase of 1,74 % compared to 2013;

C. whereas the Court of Auditors (the 'Court'), in its report on the Office's annual accounts for the financial year 2014 (the 'Court's report'), stated that it had obtained reasonable assurances that the Office's annual accounts were reliable and that the underlying transactions were legal and regular;

Follow-up of 2013 discharge

1. Acknowledges the fact that the Office:

— introduced a detailed monthly monitoring procedure which resulted in improved budgetary implementation rates in order to ensure proper implementation of its budget as well as of its annual work programme,

— amended its Information Security Policy in order to address the identified shortcomings further to the follow-up audit of the implementation of the Internal Control Standards ('ICS') made by the Commission's Internal Audit Service ('IAS'); notes with satisfaction the preparation of a Service Level Agreement ('SLA') between the Office and the European Union Agency for Network and Information Security ('ENISA'), which should mitigate the risks related to the Office's information security,

— has taken multiple actions in order to improve the process of reimbursing the experts and mitigate the identified shortcomings related to late payments; welcomes the introduction of Key Performance Indicators in all steps of the process and the additional training of the actors in the financial circuit and in particular; notes with satisfaction the outsourcing of a part of the process to the Commission's Office for the Administration and Payment of Individual Entitlements ('PMO'), which accelerated the overall reimbursement procedure;

Budget and financial management

2. Notes with satisfaction that budget monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 97,91 %, representing an increase of 8,36 % compared to the year 2012; notes furthermore that the payment appropriations execution rate was 75,66 %, representing a decrease of 0,92 % compared to 2013;

Commitments and carryovers

3. Notes with satisfaction that, according to the Court's report, the overall level of committed appropriations improved from 87 % in the year 2013 to 98 % in 2014; notes, however, that the level of committed appropriations carried over increased to EUR 900 000 (23 %), compared to EUR 500 000 (13 %) in 2013, mainly due to operational activities of the Office, such as ongoing studies on electronic communications;

Transfers

4. Ascertains from the Office that it made a number of budget transfers during the year 2014, changing the structure of the initial budget considerably, in order to finance the additional needs for operational expenditure; notes in particular that those transfers were mainly related to the 'Net Neutrality Study' as well as 'BEREC net' projects; notes that the finalisation of those projects during the year 2014 was uncertain at the time of the preparation of the budget;

Procurement and recruitment procedures

5. Welcomes the fact that in 2014, for the first time since its establishment, the Office organised a public procurement procedure for the 'Net Neutrality Study' on the value of network neutrality to consumers in the Union; notes that the final deliverables of that study are to be used as input to the Office's work programme;

6. Notes with satisfaction that the situation of full staffing was achieved at the end of 2014; notes furthermore that in 2014 the Office organised 11 recruitment procedures and finalised two recruitment procedures launched in the previous year; acknowledges the fact that the secondment opportunities, which had been difficult to fill, were fully covered by the end of 2014;

Prevention and management of conflicts of interests and transparency

7. Notes that the Office has been tasked with managing all the documents created in the course of BEREC activities together with maintaining the public register of documents, due to BEREC's lack of legal personality; notes furthermore that in order to ensure better transparency, the Office established a sub-section in the public register dedicated to its policy on conflicts of interests;

8. Calls on those Union institutions and agencies which have introduced codes of conduct, including Parliament, to step up their implementation measures, such as checks of declarations of financial interests;

9. States that the annual reports of the Office could play an important role in compliance regarding transparency, accountability and integrity; calls on the Office to include a standard chapter on those components in its annual report;

10. Notes the creation of a collaboration tool which serves as an internal platform for exchanging and sharing information, best practices and expertise, in order to manage the work of the preparatory bodies more efficiently;

11. Notes with satisfaction that the Office is dedicated to improving its website and making it more user-friendly; notes, moreover, that, according to its Communication Plan, the Office established an official account on Twitter and a YouTube Channel;

Internal controls

12. Acknowledges the fact that all relevant ICSs have been adopted by its Management Committee; notes, however, that the implementation of the ICS is still not completed; calls on the Office to report to the discharge authority on the progress made in that regard;

13. Notes that the Office developed a detailed guide on risk management in order to establish and implement a systematic risk management process; welcomes the fact that that guide was developed with the support of ENISA;

14. Notes with satisfaction that the Office carried out its first risk self-assessment exercise within the framework of the SLA between the Office and ENISA for sharing the Internal Control Coordinator Assistant function; notes that the management of the Office examined the outcome of the exercise and identified the risks to be included in the risk register;

Internal audit

15. Notes that in 2014 the audit of the IAS focused on the follow-up of the 2013 limited review with the aim of assessing the state of compliance with the ICSs; notes that the IAS closed two of the 18 recommendations based on desk research; notes, moreover, that the IAS examined the remaining 16 open recommendations during the follow-up and concluded that 14 recommendations were fully implemented;

Other comments

16. Takes note of the fact that the 2014 budget provisions for contributions from the national regulatory authorities of the European Free Trade Association ('EFTA') having observer status at BEREC did not materialise in the absence of agreements with the EFTA countries; acknowledges the fact that the 2015 budget of the Office was corrected accordingly; invites the Office to remain prudent when forecasting the related contributions from the national regulatory authorities of the EFTA countries;

17. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted, P8_TA(2016)0159 (see page 447 of this Official Journal).

DECISION (EU) 2016/1491 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the Office of the Body of European Regulators for Electronic Communications for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Office of the Body of European Regulators for Electronic Communications for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the Office of the Body of European Regulators for Electronic Communications for the financial year 2014, together with the Office's reply ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Management Committee of the Office of the Body of European Regulators for Electronic Communications in respect of the implementation of the budget for the financial year 2014 (05584/2016 — C8-0090/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 1211/2009 of the European Parliament and of the Council of 25 November 2009 establishing the Body of European Regulators for Electronic Communications (BEREC) and the Office ([4]), and in particular Article 13 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control (A8-0093/2016),

1. Notes that the final annual accounts of the Office of the Body of European Regulators for Electronic Communications are as annexed to the Court of Auditors' report;

2. Approves the closure of the accounts of the Office of the Body of European Regulators for Electronic Communications for the financial year 2014;

([1]) OJ C 409, 9.12.2015, p. 27.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 337, 18.12.2009, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision to the Management Committee of the Office of the Body of European Regulators for Electronic Communications, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1492 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

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 2014

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 2014,

— having regard to the Court of Auditors' report on the annual accounts of the Translation Centre for the Bodies of the European Union for the financial year 2014, together with the Centre's reply ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0068/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 2965/94 of 28 November 1994 setting up a Translation Centre for bodies of the European Union ([4]), and in particular Article 14 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control (A8-0084/2016),

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 2014;

2. Sets out its observations in the resolution below;

([1]) OJ C 409, 9.12.2015, p. 33.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 314, 7.12.1994, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision, and the resolution 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1493 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Translation Centre for the Bodies of the European Union for the financial year 2014

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 2014,

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

— having regard to the report of the Committee on Budgetary Control (A8-0084/2016),

A. whereas, according to its financial statements, the final budget of the Translation Centre for the Bodies of the European Union ('the Centre') for the financial year 2014 was EUR 56 268 041, representing an increase of 7,81 % compared with 2013;

B. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the Translation Centre for the Bodies of the European Union for the financial year 2014 ('the Court's report'), has stated that it has obtained reasonable assurances that the Centre's annual accounts are reliable and that the underlying transactions are legal and regular;

Follow-up of 2013 discharge

1. Acknowledges from the Centre that:

— a headquarters agreement has been signed between the Centre and the government of the host Member State;

— it will simplify the access to documentation related to its Management Board as part of the plan to redesign its website for 2017;

— it has executed two refunds to clients since 2013 for a total of EUR 4 900 000 as part of the measures put in place in order to reduce budget surplus;

Budget and financial management

2. Notes that the budget monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 79,34 %, representing a decrease of 4,13 % compared to the year 2013; ascertains that the payment appropriations execution rate was at 71,97 %, representing a decrease of 5,71 % compared to the year 2013;

3. Notes from the Court's report that cash and short term deposits held by the Centre further increased from EUR 40 000 000 at the end of 2013 to EUR 44 000 000 at the end of 2014; observes that budgetary surplus and reserves increased from EUR 37 500 000 to EUR 40 400 000, which indicates scope to reduce prices; notes with concern that budget surplus is a recurring phenomenon for the Centre; acknowledges, however, the positive actions taken by the Centre to reverse this trend;

4. Acknowledges from the Centre that its average price per page was reduced by 2 % from 2013 to the second half of 2014; notes, however, that the fee per page for 'Revision' increased by 23 % during the same period; calls on the Centre to inform the discharge authority of the criteria which led to the establishment of prices during the financial year 2014; asks that the Centre provide an update on current fees, deposits and surpluses;

Internal audit

5. Notes from the Centre that at the start of 2014, five recommendations, which were issued by the Commission's Internal Audit Service (IAS), remained open; ascertains from the Centre that it implemented corrective actions and closed two recommendations; notes, furthermore, that the remaining two recommendations rated as 'Very Important' and one rated as 'Important' were set to be implemented; calls on the Centre to implement these remaining recommendations as soon as possible and to keep the discharge authority informed;

Internal controls

6. Notes that the Centre is compliant with 80 % of the Internal Control Standards (ICS) as it made considerable efforts to implement the remaining actions in the ICS Action Plan; notes, furthermore, that the Centre's move to the Drosbach building required considerable redrafting of the Centre's Business Continuity Plan; notes that the departure of several key members of the Centre's management had a detrimental impact on the timely implementation of its Business Continuity Management which resulted in delayed review and update of its Business Impact Analysis;

Prevention and management of conflicts of interest and transparency

7. Acknowledges from the Centre that it is in the process of establishing and implementing an anti-fraud strategy based on the European Anti-Fraud Office's (OLAF) 'Methodology and guidance for anti-fraud strategies for EU decentralised agencies'; invites the Centre to share with the discharge authority the advancements achieved in this regard;

8. States that the annual reports of the Centre could play an important role in compliance regarding transparency, accountability and integrity; calls on the Centre to include a standard chapter on these components in its annual report;

Performance

9. Notes with satisfaction the synergies created by the Centre through sharing services with other agencies; commends, in particular, the cooperation agreement established between the Centre and the European Railway Agency (ERA), by which the Centre hosts ERA's disaster recovery system, allowing the generation of savings as well as the provision of a higher security level to both bodies;

10. Welcomes the Centre's implementation of a common pre-processing approach for Community trademarks with the Office for Harmonisation in the Internal Market (OHIM) with the aim of sharing translation memories and harmonising respective workflows so as to ensure transparency and efficiency of the process; notes that a final decision could not be reached during the financial year 2014; acknowledges that both agencies agreed to proceed with the project in 2015; supports such agreement and invites the Centre to inform the discharge authority of the developments of this initiative;

Other comments

11. Notes with satisfaction the Centre's adaptability project, started in 2014, which focuses on enhancing the adaptability of its staff and reducing detected skills gaps; observes that the Centre identified a list of trainers and started the implementation of the identified training actions; observes that the analysis of skills possessed by at least two people in each section performed at the end of 2015 shows that the percentage has considerably increased and is equal to 76,50 % compared to 65,46 % in 2014;

12. Notes with satisfaction the interest of the Centre in improving its translation quality assurance and its client feedback system, as well as the workshop that the Centre organised for freelance translators in order to familiarise them with the Centre's working methods;

13. Acknowledges from the Centre that it implemented a new budget planning and monitoring tool which was used for the preparation of the 2015 budget, a new translation workflow management system 'e-CdT' and a new computer-assisted translation tool;

14. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted, P8_TA(2016)0159 (see page 447 of this Official Journal).

DECISION (EU) 2016/1494 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the Translation Centre for the Bodies of the European Union for the financial year 2014

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 2014,

— having regard to the Court of Auditors' report on the annual accounts of the Translation Centre for the Bodies of the European Union for the financial year 2014, together with the Centre's reply ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2014 (05584/2016 — C8-0068/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 2965/94 of 28 November 1994 setting up a Translation Centre for Bodies of the European Union ([4]), and in particular Article 14 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control (A8-0084/2016),

1. Notes that the final annual accounts of the Translation Centre for the Bodies of the European Union are as annexed to the Court of Auditors' report;

2. Approves the closure of the accounts of the Translation Centre for the Bodies of the European Union for the financial year 2014;

([1]) OJ C 409, 9.12.2015, p. 33.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 314, 7.12.1994, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision to the Director of the Translation Centre for the Bodies of the European Union, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1495 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the European Centre for the Development of Vocational Training for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Centre for the Development of Vocational Training for the financial year 2014, together with the Centre's reply ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2014 (05584/2016 — C8-0062/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EEC) No 337/75 of the Council of 10 February 1975 establishing a European Centre for the Development of Vocational Training ([4]), and in particular Article 12a thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0082/2016),

1. Grants the Director of the European Centre for the Development of Vocational Training discharge in respect of the implementation of the Centre's budget for the financial year 2014;

2. Sets out its observations in the resolution below;

([1]) OJ C 409, 9.12.2015, p. 39.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 39, 13.2.1975, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the European Centre for the Development of Vocational Training, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1496 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Centre for the Development of Vocational Training for the financial year 2014

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 2014,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0082/2016),

A. whereas, according to its financial statements, the final budget of the European Centre for the Development of Vocational Training (the 'Centre') for the financial year 2014 was EUR 17 275 766, representing a decrease of 3,62 % compared to 2013;

B. whereas the Court of Auditors (the 'Court'), in its report on the Centre's annual accounts for the financial year 2014 (the 'Court's report'), states that it has obtained reasonable assurances that the Centre's annual accounts are reliable and that the underlying transactions are legal and regular;

Follow-up of the 2013 discharge

1. Welcomes the measures put in place by the Centre in reaction to the Court's comments in the previous year, as well as to Parliament's recommendations;

Budget and financial management

2. Notes with satisfaction that the budget monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 98,93 %, at same level as in 2013; notes, furthermore, that the payment appropriations execution rate was at 95,68 %, representing an increase of 3,29 % compared with 2013;

Procurement and recruitment procedures

3. Appreciates the continued efficiency of the Centre's support services in 2014; notes that 95 out of 98 posts in the establishment plan were filled and the average timeliness of payments remained stable;

Prevention and management of conflict of interests and transparency

4. Notes that in October 2014 the Centre's Governing Board adopted a policy on the prevention and management of conflicts of interests adapted to the Centre's situation and comprising of the relevant situations of potential conflict of interests conceivable at the Centre; welcomes the regular training sessions organised by the Centre in order to raise awareness among its staff on the correct implementation of that policy; observes that the first training sessions took place in June 2015;

5. Notes that the majority of members of the Centre's Governing Board has signed the declarations of absence of conflict of interest; notes, moreover, that those declarations were published on the Centre's website following the consent of the members in question; urges the members of the Governing Board which have not yet signed the declaration to do so as soon as possible;

6. Takes note of the fact that the Centre adopted in October 2014 an anti-fraud strategy based on the Common Approach on EU decentralised agencies developed by the Commission in order to support effective prevention and detection of fraud risks and to strengthen appropriate internal procedures for reporting and handling potential fraud cases and their outcomes;

7. States that the annual reports of the Centre could play an important role in compliance regarding transparency, accountability and integrity; calls on the Centre to include a standard chapter on those components in its annual report;

Internal audit

8. Acknowledges that the Commission's Internal Audit Service ('IAS') carried out an audit on one of the four topics included in the IAS Strategic Audit Plan 2013 to 2015; observes that the IAS issued in its final audit report one recommendation marked as 'very important' and four recommendations marked as 'important'; acknowledges that, further to the 'very important' recommendation having already been implemented at year-end, the rating of the recommendation was downgraded to 'important'; acknowledges, moreover, that the action plan drafted as a result of the audit is being implemented as planned;

Internal controls

9. Notes that the Centre regularly performs a risk assessment and prepares a risk management plan ('RMP') in order to identify the risks which could affect the achievement of the Centre's objectives; notes with concern that the RMP indicates that there is a risk that the Centre is unable to treat unforeseen external demands from stakeholders due to its available resources already being overstretched; acknowledges that the Centre is closely monitoring the changes in its work programme in order to adjust it in line with available resources or to integrate the activities resulting from the changes appropriately;

Performance

10. Notes that the periodic external evaluation of the Centre contained recommendations on how it could develop and strengthen its role; notes, furthermore, that in April 2014 the Centre drafted an action plan to follow up on those recommendations which was presented to its Governing Board; observes that 7 out of 23 recommendations and related actions were closed by the end of 2014; invites the Centre to inform the discharge authority of the advancements made regarding the implementation of the remaining recommendations;

11. Observes that the periodic external evaluation also examined possible synergies between the Centre, the European Training Foundation (the 'ETF'), the European Foundation for the Improvement of Living and Working Conditions ('EUROFOUND') and the European Agency for Safety and Health at Work ('EU-OSHA'); acknowledges that, according to the conclusions of the evaluation, the Centre did not duplicate activities of any other actors at Union, national or international level;

12. Notes the Centre's close cooperation with the ETF and EUROFOUND, which is formalised in cooperation agreements between these agencies as well as in previously agreed annual work programmes;

13. Notes the Centre's work on increasing the visibility of vocational education and training in the Union and of its own role through its website, social media, organisation of different events in the host Member State as well as through collaboration with the Commission in several publications and press work;

Other comments

14. Regrets that the repair works on the Centre's building in Greece were not finalised by the end of 2014; acknowledges, however, that the repairs are under the responsibility of the Government of the host Member State and that the relevant constructions works had to be suspended due to the economic situation in the host Member State; notes that the remaining works were to be finalised by the end of 2015 and calls on the Centre to further report to the discharge authority on this issue;

15. Appreciates that the Centre focused its activity on contributing to and supporting policies addressing youth unemployment; commends, in particular, the Centre's skills forecasts and analyses as well as the work focusing on developing apprenticeships; takes note with satisfaction of the fact that the information from the detailed country fiches on vocational education and training policies, prepared by the Centre for all Member States, was reflected in the 2014 country-specific recommendations of the European Semester;

16. Believes that the Centre should assist Member States which face the challenge of an increased number of refugees in making use of vocational training opportunities for integrating them in labour markets;

17. Welcomes the fact that visits to the Europass website managed by Centre and available in 27 languages reached 21,7 million users in 2014, representing an increase of 8 % on the 2013 figures;

18. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted, P8_TA(2016)0159 (see page 447 of this Official Journal).

DECISION (EU) 2016/1497 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the European Centre for the Development of Vocational Training for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Centre for the Development of Vocational Training for the financial year 2014, together with the Centre's reply ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0062/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EEC) No 337/75 of the Council of 10 February 1975 establishing a European Centre for the Development of Vocational Training ([4]), and in particular Article 12a thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0082/2016),

1. Notes that the final annual accounts of the European Centre for the Development of Vocational Training are as annexed to the Court of Auditors' report;

2. Approves the closure of the accounts of the European Centre for the Development of Vocational Training for the financial year 2014;

([1]) OJ C 409, 9.12.2015, p. 39.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 39, 13.2.1975, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision to the Director of the European Centre for the Development of Vocational Training, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1498 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the European Police College for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Police College for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Police College for the financial year 2014, together with the College'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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the College in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0078/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Decision 2005/681/JHA of 20 September 2005 establishing the European Police College (CEPOL) and repealing Decision 2000/820/JHA ([4]), and in particular Article 16 thereof,

— having regard to Regulation (EU) No 543/2014 of the European Parliament and of the Council of 15 May 2014 amending Council Decision 2005/681/JHA establishing the European Police College (CEPOL) ([5]),

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([6]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([7]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0088/2016),

1. Grants the Director of the European Police College discharge in respect of the implementation of the College's budget for the financial year 2014;

2. Sets out its observations in the resolution below;

([1]) OJ C 409, 9.12.2015, p. 46.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 256, 1.10.2005, p. 63.
([5]) OJ L 163, 29.5.2014, p. 5.
([6]) OJ L 357, 31.12.2002, p. 72.
([7]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the European Police College, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1499 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Police College for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Police College for the financial year 2014,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0088/2016),

A. whereas, according to its financial statements, the final budget of the European Police College ('the College') for the financial year 2014 was EUR 8 575 859, representing an increase of 1,48 % compared to 2013; whereas the entire budget of the College derives from the Union budget,

B. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the European Police College for the financial year 2014 ('the Court's report'), has stated that it has obtained reasonable assurances that the College's annual accounts are reliable and that the underlying transactions are legal and regular,

Follow-up of 2013 discharge

1. Notes from the Court's report that regarding two comments made in the Court's 2011 report and marked as 'Outstanding' in the Court's 2012 report and as 'Ongoing' in the Court's 2013 report, corrective actions have been taken and the comments are now marked in the Court's report as 'Completed'; notes furthermore that regarding three comments made in the Court's 2012 report and marked as 'Outstanding' or 'Ongoing' in the Court's 2013 report, corrective actions have been taken and two comments are now marked in the Court's report as 'Completed' while one is marked as 'Ongoing'; notes that for the three notes made in the Court's 2013 report, two are marked in the Court's report as 'Ongoing' while one as 'Not applicable';

2. Acknowledges from the College that:

— in accordance with the College's policy on prevention and management of conflicts of interest and with the privacy statement communicated to the data subjects, the College published on its website the declarations of interest of its director, deputy director, head of corporate services and of members of its governing board; acknowledges that the declarations of interest signed by the College's staff members, seconded national experts and other individuals directly collaborating with the College are not made public in order to limit the unnecessary exposure of personal data;

— a series of measures have been put in place after the relocation of the College from Bramshill to its newly refurbished headquarters in Budapest in order to ensure the cost-effectiveness and eco-friendliness of the College's work environment;

Budget and financial management

3. Notes with satisfaction that the budget-monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 97,40 %, representing an increase of 2,51 % from 94,89 % in 2013; ascertains that the payment appropriations execution rate was 82,40 %, representing a decrease of 6,74 % from 89,14 % in 2013;

Commitments and carryovers

4. Notes from the College's final accounts that the level of committed appropriations carried over was high at EUR 1 287 094, representing 15 % of the overall 2014 budget and an increase of 4 % compared to 2013; observes from the Court's report that the level of carry-overs was high for title II (administrative expenditure) at EUR 383 940 (59 %), showing an increase of 29 % compared to EUR 145 414 (30 %) in 2013; acknowledges, however, that the level of carry-overs is higher than in the previous year mainly due to the relocation of the headquarters that took place in October 2014 and invoices regarding training courses due in January-February 2015 not received before the closure of the financial year;

5. Notes with concern the cancellation rate for committed appropriations carried over from 2013 at EUR 129 828 (15 %); points out that the high cancellation rate resulted mainly from the cancellation of the Matrix project as well as from lower-than-estimated costs to be reimbursed under the 2013 grant agreements; calls on the College to prepare a proper user analysis for similar projects and to obtain more accurate information from its beneficiaries when estimating grant costs; points out that the high level of cancellations relating to lower-than-estimated costs to be reimbursed under the previous years' grant agreements is a recurring phenomenon in the College's budget management, and should therefore be examined by the College with extra attention; notes, moreover, that 14 % of the appropriations carried over for Title III, consisting mainly of courses and communication activities, were decommitted;

6. Points out that the College improved its budget-monitoring system by implementing monthly budget reports and periodic meetings between all actors in the financial circuit in order to analyse and minimise potential carry-overs; notes that, as a result, the last five years have showed a continuous decrease in percentage points of the level of carry-overs and cancellations; calls on the College to reduce further the level of committed appropriations carried over to the following year and to keep it as low as possible;

Procurement and recruitment procedures

7. Ascertains from the College that it adopted guidelines on scoring applicants as well as a shortlisting matrix, both of which are used by the Selection Committee in recruitment procedures and link the scoring thresholds to the justification behind them; notes that these guidelines were applied for the recruitment rounds starting in April 2014; calls on the College to inform the discharge authority of the final assessment of the guidelines as soon as they are evaluated by the Court and the Commission's Internal Audit Service (IAS); calls on the College to incorporate any improvements needed into its guidelines without delay;

8. Asks the College to apply strictly the measures pertaining to discretion and exclusion in public procurement, with proper background checks being carried out in every instance, and to apply the exclusion criteria so as to debar companies in the event of any conflict of interest, this being essential to protect the financial interests of the Union;

Prevention and management of conflicts of interests and transparency

9. Notes that the partners and stakeholders with whom the College cooperates towards the achievement of its objectives are represented by Union bodies in the field of law enforcement and other related areas, as well as training bodies in Europe, with a significant role played by national police training colleges; acknowledges from the College that, considering the nature of its activity and specific context in which it operates, it does not work with lobbyists in legislative or other related activities;

10. States that the annual reports of the College could play an important role in compliance regarding transparency, accountability and integrity; calls on the College to include a standard chapter on these components in its annual report;

11. Calls on those Union institutions and agencies which have introduced codes of conduct, including Parliament, to step up their implementation measures, such as checks of declarations of financial interests;

12. Asks for the adoption of a clear whistle-blowing strategy and rules against 'revolving doors'; reminds the College that it must adopt binding internal rules on whistle-blowers under Article 22c of the Staff Regulations, which came into force on 1 January 2014;

Internal audit

13. Acknowledges from the College's annual report that all the audit recommendations issued by the IAS have been addressed; notes that, after receiving information on improvements from the College, the IAS confirmed as closed two of its recommendations, while feedback on the remaining three recommendations is to be communicated after the next desk review or follow-up audit; calls on the College to inform the discharge authority of the results of the review as soon as they are available;

Performance

14. Notes that the cost of relocation of the College from the United Kingdom to Hungary has been estimated at EUR 1 006 515, of which 43 % has been financed by the College via savings derived from the lower correction coefficient applied to staff entitlements in Hungary; ascertains that the remaining amount has been financed equally by contributions from the Commission and the United Kingdom;

15. Notes with satisfaction that in 2014 the governing board of the College outsourced its accounting services to the Commission to reduce its administrative expenses; notes that the appointment of the Commission accounting officer as the accounting officer of the College became effective in April 2014;

Other comments

16. Calls on all the College to enhance its procedures and practices aimed at safeguarding the financial interests of the Union and to actively contribute to a results-oriented discharge process;

17. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted, P8_TA(2016)0159 (see page 447 of this Official Journal).

DECISION (EU) 2016/1500 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the European Police College for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Police College for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Police College for the financial year 2014, together with the College'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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the College in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0078/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Decision 2005/681/JHA of 20 September 2005 establishing the European Police College (CEPOL) and repealing Decision 2000/820/JHA ([4]), and in particular Article 16 thereof,

— having regard to Regulation (EU) No 543/2014 of the European Parliament and of the Council of 15 May 2014 amending Council Decision 2005/681/JHA establishing the European Police College (CEPOL) ([5]),

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([6]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([7]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0088/2016),

1. Notes that the final annual accounts of the European Police College are as annexed to the Court of Auditors' report;

2. Approves the closure of the accounts of the European Police College for the financial year 2014;

([1]) OJ C 409, 9.12.2015, p. 46.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 256, 1.10.2005, p. 63.
([5]) OJ L 163, 29.5.2014, p. 5.
([6]) OJ L 357, 31.12.2002, p. 72.
([7]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision to the Director of the European Police College, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1501 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the European Aviation Safety Agency for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Aviation Safety Agency for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0073/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 216/2008 of the European Parliament and of the Council of 20 February 2008 on common rules in the field of civil aviation and establishing a European Aviation Safety Agency, and repealing Council Directive 91/670/EEC, Regulation (EC) No 1592/2002 and Directive 2004/36/EC ([4]), and in particular Article 60 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0095/2016),

1. Grants the Executive Director of the European Aviation Safety Agency discharge in respect of the implementation of the Agency's budget for the financial year 2014;

2. Sets out its observations in the resolution below;

([1]) OJ C 409, 9.12.2015, p. 81.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 79, 19.3.2008, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Aviation Safety Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1502 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Aviation Safety Agency for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Aviation Safety Agency for the financial year 2014,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0095/2016),

A. whereas, according to its financial statements, the final budget of the European Aviation Safety Agency ('the Agency') for the financial year 2014 was EUR 181 179 098, representing an increase of 8,47 % compared to 2013; whereas 21,1 % of the budget of the Agency derives from the Union budget;

B. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the European Aviation Safety Agency for the financial year 2014 ('the Court's report'), has stated that it has obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Follow-up of 2013 discharge

1. Acknowledges on the basis of information from the Agency that:

— it has taken corrective action to formalise and document the criteria used to outsource part of its certification services to national aviation authorities and qualified entities; notes that the Agency updated the supporting document templates in order to improve the transparency of the outsourcing process,

— it reviewed and verified a high number of declarations of interest in order to ensure that it is compliant with its policy on prevention and management of conflicts of interest; notes, furthermore, that no revolving door cases were registered; regrets, however, that explanations concerning conflicts of interest on the part of various board members and administrative staff are still to be provided or verified; highlights the fact that, in the interests of increased transparency, this must happen as soon as possible;

Budget and financial management

2. Notes that the budget monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 97,1 %, representing a decrease of 0,9 % compared to 2013; notes, furthermore, that the payments appropriations execution rate was at 91,1 %, representing a decrease of 6,17 % compared to 2013;

3. Notes that only one-third of the budget of the Agency comes from the public sector and the other two-third from the industry; expresses its concern as these financial ties with the industry might affect the independence of the Agency; calls upon the Agency to build in safeguards to ensure its independence and the avoidance of conflicts of interests;

Commitments and carry-overs

4. Notes with satisfaction that the Agency further reduced the overall level of committed appropriations carried over from EUR 10 100 000 (11 %) in 2012 and EUR 7 200 000 (7,7 %) in 2013 to EUR 5 900 000 (6,2 %) in 2014; notes that the carryovers were at EUR 3 600 000 (22 %) for Title II (administrative expenditure) and at EUR 2 000 000 (38,1 %) for Title III (operational expenditure); acknowledges from the Court's report that these carry-overs were related to the multi-annual nature of the Agency's operations; notes furthermore that the carry-overs included in the Court's sample were duly justified;

5. Informs the Agency that it should keep the amount of the committed appropriations carried over to the following year to the minimum in the interests of transparency and accountability;

Procurement and recruitment procedures

6. Notes with concern from the Court's report that the Agency's procurement planning should be improved, particularly in respect of framework contracts; points out that in 2014 three procedures were launched too late to replace existing framework contracts by the time they expired; notes, furthermore, that two existing framework contracts were extended until the new ones were in place and in another case a negotiated procurement procedure was launched to bridge the gap in order to ensure business continuity; notes with concern that the Agency was not compliant with the Agency's Financial Regulation [1] due to the change of the initial contract duration and the use of a negotiated procedure, which affects fair competition; understands from the Agency that it has introduced a revised procurement plan to address these issues; calls on the Agency to report back to the discharge authority on how this is progressing;

7. Notes that the Agency reviewed its 2014 establishment plan approved by the budgetary authorities at the beginning of 2014 and concluded that the AST/AD repartition and the repartition of the grades needed to be adapted in order to better reflect the Agency's needs; notes that the Agency's Management Board, pursuant to Article 38 of the Agency's Financial Regulation, adopted the modified establishment plan which affected the AD/AST balance and the grading of 64 posts but not the total number of the posts or the volume of staff appropriations foreseen in the 2014 budget;

8. Notes the results of the first benchmarking exercise on the Agency's posts, which showed that 14 % of the jobs were dedicated to administrative support and coordination, 78,7 % to operational tasks and 7,3 % to control and financial tasks; considers that a breakdown of staff by category and sector as well as by source of funding for their activities (fees and charges versus Union subsidies) should also be included in next Annual Report in order to offer a more detailed picture of the required resources that have an impact on the EU budget;

9. Recalls its position, stated in the framework of the budgetary procedure, regarding the staff whose activities are financed by fees paid by the industry and therefore not by the EU budget to the effect that such staff of the Agency should not be affected by the cut of 2 % applied every year by the Commission;

Prevention and management of conflicts of interest and transparency

10. Notes that the Agency's anti-fraud strategy establishes the responsibilities, objectives and actions of the Agency in terms of prevention, detection, investigation and correction of fraud; takes note that an anti-fraud officer was appointed in 2014, and that an action plan has been put in place in the context of the anti-fraud strategy, with measures to be implemented for the years 2015 and 2016; notes that no instances of fraud were identified under the anti-fraud strategy during 2014;

[1] https://easa.europa.eu/system/files/dfu/EASA%20MB%20Decision%2014-2013%20amending%20the%20FR_Final_signed_Annex.pdf

11. Notes that, in 2014, the Agency adopted a Confidential Safety Reporting Procedure which addresses whistle-blower information related to alleged malpractices and irregularities in the field of aviation safety reported by external individuals; observes that there were 66 cases related to this procedure in 2014; takes note that the Agency has a whistle-blower procedure in place and that one case was registered in 2014 with no appeals received;

12. Notes that the CVs and declarations of interest of all of the Agency's Directors and Heads of Department are published on its website; notes furthermore that the CVs and declarations of interest of the members of the Agency's Board of Appeal as well as of the members of its Management Board have also been published on the Agency's website;

13. Notes that the Agency already established and implemented a comprehensive policy on the prevention and mitigation of conflicts of interest as well as on 'Gifts and Hospitality' in its 'Code of Conduct for the staff of EASA' (CC); notes that this policy includes inter alia the establishment of an Ethical Committee to assess the completed declarations of interest and to deal with any subject related to the CC, as well as the establishment of mandatory training on the CC for all of the Agency's staff members; acknowledges that a code of conduct which includes a policy on prevention and mitigation of conflicts of interest has also been adopted for the members of the Agency's Board of Appeal and the members of its Management Board; notes that the Agency is set to review and update its policies on management of conflicts of interest and calls on the Agency to report to the discharge authority on the status of the policy update;

14. Encourages the Agency further to raise awareness of the conflict-of-interest policy among its staff, alongside ongoing awareness-raising activities and the inclusion of integrity and transparency as an obligatory item to be discussed during recruitment procedures and performance reviews;

15. Calls for an overall improvement in the prevention of, and the fight against, corruption through a holistic approach, commencing with better public access to documents and more stringent rules on conflicts of interest, the introduction or strengthening of transparency registers and the provision of sufficient resources for law enforcement measures, and also through improved cooperation among Member States and with relevant third countries;

Internal audit

16. Takes note that the Commission's Internal Audit Service (IAS) performed a review in 2014 and issued seven recommendations; observes that no findings classified as 'Critical' were raised by the IAS during their audits and that four findings classified as 'very important' were raised during three audits performed between 2009 and 2013; notes that the Agency took corrective actions related to the recommendations resulting from the IAS' audits and marked them as 'ready for review' in the preparation of the IAS follow-up audit; notes that in 2014 the IAS did not perform a formal assessment on the progress made by the Agency in the implementation of those recommendations; notes on the basis of information from the Agency that, in February 2016, the IAS reported that all four recommendations based on the findings classified as 'very important' were marked as 'implemented';

Internal controls

17. Notes that, in 2014, the Agency's Internal Audit Capability performed eight assurance engagements, issued 56 recommendations and detected three inherent risks with a likelihood of occurrence marked as 'high' and a potential impact marked as 'significant'; notes, furthermore, that out of the six actions prepared by the Agency to mitigate the risk level, two were closed and the remaining four were scheduled to be implemented by September 2016; calls on the Agency to inform the discharge authority of the status of implementation of the remaining actions;

Performance

18. Notes that, in 2014, the Agency has initiated fundamental changes in the way it operates in order to allow for a more proportionate and performance-based approach to safety and that it has reviewed its organisational structure to prepare itself for the many challenges it will face in the immediate coming years;

Other comments

19. Welcomes the initiative of the Agency to share and provide services for other agencies in order to create synergies; notes in particular that the Agency licenses free of charge the development of human resources tools and that it hosts the permanent secretariat of the Union Agencies' Network; notes that the Agency uses Commission's framework contracts, IT and related services and that it relies on a certain number of other services from the Commission; encourages the Agency to use joint procurements with other Union agencies wherever possible in order to generate cost savings;

20. Acknowledges the measures taken by the Agency to make efficiency gains and achieve savings; notes in particular the Agency's reorganisation project which was managed by its internal staff for a period of seven months, whereas an equivalent project run by an external company would have generated much higher expenses;

21. Notes with concern that, since 2004, when the Agency became operational, it has been working merely on the basis of correspondence and exchanges with the host Member State; notes, furthermore, that a comprehensive headquarters agreement has not yet been signed with the host Member State; notes, however, that such an agreement would promote transparency and security in respect of the operational conditions of the Agency and its staff; acknowledges that the government of the host Member State recently initiated informal discussions with the Agency on this matter; calls on the Agency and the host Member State to address this issue as a matter of the utmost urgency and to inform the discharge authority of the progress of the negotiations;

22. Calls on the Agency for information as to whether its relocation will achieve the aim of cost efficiency;

23. Calls on the Commission to take the opportunity, which arose this year, to amend Regulation (EC) No 216/2008 establishing the Agency with a view to securing a headquarters agreement, allowing the Agency to operate unimpeded; calls on the Agency, therefore, to notify it of the final decision on the Agency's headquarters;

24. States that the objective of the Agency is aviation safety, which is to be considered to be a public good; urges the Agency to keep this objective in the Agency's strategy, performance-based budgeting and management decisions as the leading principle towards its stakeholders and which should never be sacrificed for reasons of competitiveness, efficiency or deregulation;

25. Highlights the Agency's vital role in ensuring the highest possible level of aviation safety throughout Europe; recognises that, due to the disappearance of MH370, the dramatic accident of MH17, the crash of Air Asia QZ8501 and the radar interferences over Central Europe, 2014 was a challenging year for the Agency and for aviation safety in general, requiring it to deal with implementing and supervising new provisions on flight time limitations; stresses that, in the context of a fast-developing civil aviation sector, the Agency should be given the necessary financial, material and human resources to perform its regulatory and executive tasks successfully, in the fields of safety and environmental protection, without compromising its independence and impartiality;

26. Highlights the Agency's involvement in supporting the development of the relevant instruments required for the practical implementation of the bilateral aviation safety agreements between the Member States and third countries;

27. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016 [1] on the performance, financial management and control of the agencies.

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[1] Texts adopted, P8_TA(2016)0159 (see page 447 of this Official Journal).

DECISION (EU) 2016/1503 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the European Aviation Safety Agency for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Aviation Safety Agency for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0073/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 216/2008 of the European Parliament and of the Council of 20 February 2008 on common rules in the field of civil aviation and establishing a European Aviation Safety Agency, and repealing Council Directive 91/670/EEC, Regulation (EC) No 1592/2002 and Directive 2004/36/EC ([4]), and in particular Article 60 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0095/2016),

1. Notes that the final annual accounts of the European Aviation Safety Agency are as annexed to the Court of Auditors' report;

2. Approves the closure of the accounts of the European Aviation Safety Agency for the financial year 2014;

([1]) OJ C 409, 9.12.2015, p. 81.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 79, 19.3.2008, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision to the Executive Director of the European Aviation Safety Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1504 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the European Asylum Support Office for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Asylum Support Office for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Asylum Support Office for the financial year 2014, together with the Office's reply ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Office in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0092/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 439/2010 of the European Parliament and of the Council of 19 May 2010 establishing a European Asylum Support Office ([4]), in particular Article 36 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0133/2016),

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 2014;

2. Sets out its observations in the resolution below;

([1]) OJ C 409, 9.12.2015, p. 102.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 132, 29.5.2010, p. 11.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision, and the resolution 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1505 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Asylum Support Office for the financial year 2014

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 2014,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0133/2016),

A. whereas, according to its financial statements, the final budget of the European Asylum Support Office ('the Office') for the financial year 2014 was EUR 15 663 975; whereas 94 % of the budget of the Office derives from the Union budget;

B. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the Office for the financial year 2014 ('the Court's report'), states that it has obtained reasonable assurances that the Office's annual accounts are reliable and that the underlying transactions are legal and regular;

Follow-up of 2013 discharge

1. Notes from the Court's report that two comments made in the Court's 2012 and 2013 reports respectively are marked as 'Outstanding'; notes furthermore that three comments made in the Court's 2012 and 2013 reports are marked as 'Ongoing', while three comments made in the Court's 2013 report are marked as 'Not Applicable';

2. Acknowledges from the Office that:

— it has included the information on accruals for staff expenses in the appropriate forms together with the necessary justifications for the financial year 2014,

— measures have been put in place to tackle the recurrent issues of misestimating budgetary needs and late payments as well as the matters of transparency and conflicts of interest,

— a conflict of interest policy was endorsed by the Management Board by the end of 2013 and all members of the Management Board as well as the Executive Director have signed the Office's conflict of interest form and confirmed the absence of conflicts of interest;

Comments on the legality and regularity of transactions

3. Notes with concern that the Office carried over budget commitments of EUR 1 300 000 which were not covered by legal commitments; reminds the Office that this is in contradiction with the Financial Regulation; acknowledges the decision of the Office to correct these irregular carry-overs in the budget management system in 2015, due to the financial period having already been closed for the financial year of 2014;

Budget and financial management

4. Notes that budget monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 84,69 %, representing a decrease of 2,65 % compared to 2013; notes furthermore that the payment appropriations execution rate was 71,33 %, representing a decrease of 15,85 % compared to 2013;

5. Draws attention to the fact that 1 062 payments, representing 28,6 %, were made after the time limit set in the Financial Regulation, representing an increase of 10,6 % compared to 2013; notes with concern that the average delay for late payments increased by three days to 24 days from 2013 to 2014; notes from the Office that a series of measures were introduced to reduce late payments as well as that the rate of late payments in 2015 was reduced in 2015; requests the Office to report to the discharge authority on measures taken in order to tackle this issue;

6. Notes from the Office that it will review its annual budget at least twice a year starting in the second quarter of 2015 with the aim of improving budget planning and the implementation process, as well as reducing the disproportionate amount of carry-overs; notes furthermore that the Office introduced a new format for monthly budget status reports as well as internal workshops on budget implementation and financial management; calls on the Office to report to the discharge authority on the effectiveness of the measures taken;

Commitments and carry-overs

7. Takes note that 21,2 % (EUR 146 417) of the non-differentiated committed appropriations carried over from 2013 were cancelled in 2014, representing an increase of 4,7 % compared to 2013; observes that those cancellations are mainly related to interim services, staff training courses, administrative support and translation costs; reminds the Office that these cancellations are at odds with the budgetary principle of annuality and that a high amount of cancellations of carry-overs from the previous year indicates weaknesses in budgetary planning; acknowledges from the Office that measures have been put in place to improve its budget planning and implementation process and reduce any disproportionate carry-overs at the end of financial year;

8. Takes note that the level of committed appropriations for Title II (administrative expenditure) carried over to 2015 was high at 27,9 %; notes that these carry-overs are mainly related to advisory and IT consultancy services delivered in 2014 although not invoiced or delivered during 2015;

Procurement and recruitment procedures

9. Takes note of the updated recruitment policy which reflects the changes to the Staff Regulations; acknowledges from the Office that it revised the recruitment and selection guidelines in 2015 by introducing further steps and controls to ensure transparency and equal treatment; notes with concern that the comment on transparency of recruitment procedures, raised in the Court's 2012 report, is marked as 'Outstanding' in the Court's report; calls on the Office to provide a report to the discharge authority on the effectiveness of measures taken; looks forward to the next audit of the Court and its evaluation of the corrective actions taken;

10. Ascertains from the Court's report that the Office has a high staff turnover, with 14 staff members leaving in 2014 including four in key positions; agrees with the Court that this high turnover causes a considerable risk to the achievement of the objectives set in the annual and multi-annual programme of the Office; acknowledges from the Office that it has recruited replacements for the staff members that left in 2014, as well as that all posts are now occupied or recruitment procedures are being carried out; asks that the Office look into reasons for the high level of staff turnover and report back to the discharge authority on actions taken to address this;

Prevention and management of conflicts of interest and transparency

11. Notes with concern that the Office failed to make publically available both its policy on prevention and management of conflicts of interest as well as the conflict of interest forms signed by the members of the Management Board and the Executive Director; urges the Office to complete this action as soon as possible;

12. Calls for an overall improvement in the prevention of, and the fight against, corruption through a holistic approach, commencing with better public access to documents and more stringent rules on conflicts of interest, the introduction or strengthening of transparency registers and the provision of sufficient resources for law enforcement measures, and also through improved cooperation among Member States and with relevant third countries;

13. Asks the Office to adopt clear rules on whistle-blowers and against 'revolving doors';

Internal controls

14. Takes note that out of six outstanding and not fully implemented Internal Control Standards (ICS), two were implemented; ascertains that the implementation of the four remaining ICS is ongoing with assistance from external consultancy; calls on the Office to report to the discharge authority on the full implementation of the outstanding ICS;

Internal audit

15. Takes note that, further to the limited review of the implementation of ICS made by the Commission's Internal Audit Service (IAS), eleven recommendations were noted as adequately implemented and were to be closed by the IAS; notes, furthermore, that seven recommendations from previous years remain open, four rated as 'very important' and three rated as 'important'; asks the Office to report to the discharge authority on the implementation of the remaining recommendations;

Other comments

16. Acknowledges the difficulties in managing the current refugee crisis; acknowledges, in addition, that the tasks of the Office are likely to increase further and its budget and staffing levels will need to increase correspondingly; requests the Office, therefore, to increase its efforts and to improve its budgetary management and to present an action plan to perform optimally in the coming years;

17. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted, P8_TA(2016)0159 (see page 447 of this Official Journal).

DECISION (EU) 2016/1506 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the European Asylum Support Office for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Asylum Support Office for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Asylum Support Office for the financial year 2014, together with the Office's reply ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Office in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0092/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 439/2010 of the European Parliament and of the Council of 19 May 2010 establishing a European Asylum Support Office ([4]), in particular Article 36 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0133/2016),

1. Notes that the final annual accounts of the European Asylum Support Office are as annexed to the Court of Auditors' report;

2. Approves the closure of the accounts of the European Asylum Support Office for the financial year 2014;

([1]) OJ C 409, 9.12.2015, p. 102.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 132, 29.5.2010, p. 11.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision to the Executive Director of the European Asylum Support Office, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1507 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the European Banking Authority for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Banking Authority for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Banking Authority for the financial year 2014, together with the Authority's reply ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0086/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC ([4]), and in particular Article 64 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A8-0090/2016),

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 2014;

2. Sets out its observations in the resolution below;

([1]) OJ C 409, 9.12.2015, p. 111.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 331, 15.12.2010, p. 12.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision, and the resolution 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1508 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Banking Authority for the financial year 2014

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 2014,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A8-0090/2016),

A. whereas, according to its financial statements, the final budget of the European Banking Authority (the 'Authority') for financial year 2014 was EUR 33 599 863 representing an increase of 29,39 % compared to 2013, due to the Authority's recently established nature; whereas the Authority is financed by the contribution of the Union (40 %), and contributions from Member States (60 %);

B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the European Banking Authority for the financial year 2014 (the 'Court's report') states that it has obtained reasonable assurances that the Authority's annual accounts for the financial year 2014 are reliable and that the underlying transactions are legal and regular;

Follow-up of 2013 discharge

1. Notes from the Court's report that regarding one comment made in the Court's 2012 report and marked as 'Ongoing' in the Court's 2013 report, corrective actions were taken and for the most part finalised and the comment is now marked as 'Ongoing'; notes furthermore that two comments made in the Court's 2013 report are now marked as 'Not Applicable';

Budget and financial management

2. Notes with satisfaction that the budget monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 99,81 %, representing an increase of 2,28 % compared with 2013, and that the payment appropriations execution rate was 83,94 %, representing an increase of 8,60 %; acknowledges from the Authority that the increase in budgetary execution rates resulted from improvements in budget planning and monitoring;

Commitments and carryovers

3. Notes that the Authority further reduced the overall rate of committed appropriations carried over from 16,50 % in 2013 to 15,90 % in 2014; recognises that the committed appropriations carried over for Title II were EUR 3 431 070 and related mainly to the Authority's move to its new premises in December 2014;

4. Notes with satisfaction that the Authority brought its IT contracts more into line with the financial year in order to reduce the level of carry-overs related to the planned procurement of IT infrastructure and IT services; points out that the carry-over percentage related to IT contracts decreased by 9 % compared with 2013;

5. Highlights the execution rate of committed appropriations carried over from 2013 which stood at 92 %; points out that the Authority's target of 95 % was not reached due only to a price reduction in its IT infrastructure services;

Transfers

6. Notes from the Authority's annual accounts that its Management Board approved the five budgetary transfers implemented during the year 2014 which exceeded the limit referred to in the Article 27 of Delegated Regulation (EU) No 1271/2013;

Procurement and recruitment procedures

7. Notes from the Authority's annual accounts that the number of occupied posts is 146; welcomes the Authority's focus on allocating its resources to its core business areas; points out that for each four posts linked to the direct implementation of the Authority's mandate there is only one administrative post;

8. Asks the Authority to apply strictly the measures pertaining to discretion and exclusion in public procurement, with proper background checks being carried out in every instance, and to apply the exclusion criteria so as to debar companies in the event of any conflict of interest, this being essential to protect the financial interests of the Union;

Prevention and management of conflicts of interests and transparency

9. Acknowledges that the declarations of intent as well as the declarations of interest of the members and observers of the Authority's Board of Supervisors, the Management Board and the Authority's management have been published on its website; notes that the declarations of interest for staff are collected annually and are evaluated by the ethics officer;

10. Encourages the Authority further to raise awareness of the conflict-of-interest policy among its staff, alongside ongoing awareness-raising activities and the inclusion of integrity and transparency as an obligatory item to be discussed during recruitment procedures and performance reviews;

11. Calls for an overall improvement in the prevention of and the fight against corruption through a holistic approach, commencing with better public access to documents and more stringent rules on conflicts of interest, the introduction or strengthening of transparency registers and the provision of sufficient resources for law enforcement measures, and also through improved cooperation among Member States and with relevant third countries;

12. Notes that the Authority's anti-fraud strategy was adopted in April 2015 and will be implemented between 2015 and 2017;

13. Notes that the processes related to the policy on independence and decision-making processes were implemented by the Authority in order to ensure that the necessary declarations are provided by new members and observers; notes furthermore that the resigned members and observers are reminded about their continuing obligations;

14. Requests that the Authority implement Article 16 of the Staff Regulations by publishing information about senior officials who have left the service and a list of conflicts of interest on an annual basis;

Internal audit

15. Notes that in 2014, the Commission's Internal Audit Service performed a limited review on the Authority's IT project management; notes furthermore that out of four identified findings, none were considered as critical; acknowledges that the agreed action plan addressing those findings has already been fully implemented by the Authority; acknowledges that during the year 2014, no critical recommendations were issued or closed and on 1 January 2015 there was no open critical recommendation;

Performance

16. Notes that the Authority closely cooperates with the European Insurance and Occupational Pensions Authority and the European Securities and Markets Authority across all support functions in order to reduce administrative costs were possible, to leverage synergies and to share best practices; looks forward to further efforts from the Authority to enhance cooperation with other decentralised agencies;

17. Notes that the Authority uses the accounting systems provided by the Commission, which were validated by the accounting officer on the basis of work carried out by an independent accounting firm covering the systems, the financial circuits and a review of the accounting schemes; notes moreover that during the year 2014 and with a view to increasing efficiency to those systems, the changes to the implementation of mass payments for missions were implemented and the electronic receipt of invoices was introduced and successfully tested;

Other comments

18. Recalls that the Parliament was a key driver in the efforts to set up a new and comprehensive European System of Financial Supervision (ESFS) in the aftermath of the financial crisis and in creating, as part of ESFS, the Authority in 2011;

19. Underlines that the Authority's role in promoting a common supervisory regime across the internal market 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;

20. Stresses that the Authority's work is of a purely technical nature and that key political decisions are the prerogative of the Union legislator;

21. Points out that the Authority, when carrying out its activities, needs to pay particular attention to upholding the safety and soundness of the financial sector, ensuring compatibility with Union law, respecting the principle of proportionality and complying with the fundamental principles of the internal market for financial services; underlines that the Authority, on that basis, must strive to achieve outcomes that are unambiguous, consistent, coherent and free of superfluous complexity;

22. Points out that it is of particular importance that provisions drafted by the Authority are designed in a way that allows them to be equally applied by smaller entities;

23. Emphasises that, on all issues linked to the Authority's resources, it has to be ensured that the mandate can consistently be fulfilled and that the practical limits of independent, reliable and effective supervision are not set by budgetary constraints;

24. Notes the conclusion of the Court, in its special report 2014/05, that, overall, the Authority's resources during its start-up phase were insufficient to allow it to fulfil its mandate; acknowledges that the setting-up phase of ESFS has still not been completed and therefore notes that the tasks already entrusted to the Authority, as well as additional tasks envisaged in ongoing legislative work, require an adequate level of staff, in terms of both numbers and qualifications, and funding to allow for satisfactory supervision; underlines that, in order to uphold the quality of the supervisory work, it is very often the case that an expansion of tasks has to be matched by an expansion of resources; emphasises, however, that any potential increase in the Authority's means must be explained thoroughly and accompanied by rationalisation measures wherever possible;

25. Stresses that, while making sure that all assignments are carried out in full, the Authority must carefully stick to the tasks assigned to it by the Union legislator and must not seek to de facto broaden its mandate beyond those assignments; stresses that, when carrying out its work and in particular when drafting technical standards and technical advice, the Authority needs to regularly and comprehensively inform the Parliament on a timely basis about its activities; regrets that this has not always been done in the past;

26. Stresses that when drafting implementing legislation, guidelines, questions and answers or similar measures, the Authority must always respect the mandate attributed by the Union legislator and must not seek to set standards in areas where legislative processes are still pending;

27. Regrets to acknowledge that the Authority has not managed to keep the Union legislator informed in a sufficient and comprehensive manner about all details of its ongoing work;

28. Regrets to acknowledge that, on some occasions, documents have only been transmitted to the Union legislator after they have been leaked to the wider public and deems this to be unacceptable;

29. Concludes that the Authority's mixed financing arrangement, which relies heavily on contributions from national competent authorities, is inadequate, inflexible, burdensome and a potential threat to its independence; therefore calls on the Commission, in the White Paper planned for Q2 2016 and in a legislative proposal to be presented by 2017, to launch a different financing arrangement based on a separate budget line in the budget of the Union and on the complete replacement of the contributions from national authorities by fees paid by market participants;

30. Calls on the Authority to supplement communication with the Parliament on draft advice or technical standards relating to the calibration of prudential formulae with a full description of the data and methodology used in such calibrations;

31. Welcomes the increased transparency about the Authority's meetings with stakeholders;

32. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2016)0159 (see page 447 of this Official Journal).

DECISION (EU) 2016/1509 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the European Banking Authority for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Banking Authority for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Banking Authority for the financial year 2014, together with the Authority's reply ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0086/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC ([4]), and in particular Article 64 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A8-0090/2016),

1. Notes that the final annual accounts of the European Banking Authority are as annexed to the Court of Auditors' report;

2. Approves the closure of the accounts of the European Banking Authority for the financial year 2014;

([1]) OJ C 409, 9.12.2015, p. 111.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 331, 15.12.2010, p. 12.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision to the Executive Director of the European Banking Authority, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1510 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the European Centre for Disease Prevention and Control for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Centre for Disease Prevention and Control for the financial year 2014, together with the Centre's reply ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0075/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 851/2004 of the European Parliament and of the Council of 21 April 2004 establishing a European centre for disease prevention and control ([4]), and in particular Article 23 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0103/2016),

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 2014;

2. Sets out its observations in the resolution below;

([1]) OJ C 409, 9.12.2015, p. 122.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 142, 30.4.2004, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision, and the resolution 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1511 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Centre for Disease Prevention and Control for the financial year 2014

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 2014,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0103/2016),

A. whereas, according to its financial statements, the final budget of the European Centre for Disease Prevention and Control ('the Centre') for the financial year 2014 was EUR 60 486 000, representing an increase of 3,72 % compared to 2013; whereas 97 % of the Centre's budget derives from the Union budget;

B. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the European Centre for Disease Prevention and Control for the financial year 2014 ('the Court's report'), has stated that it has obtained reasonable assurances that the Centre's annual accounts for the financial year 2014 are reliable and that the underlying transactions are legal and regular;

Follow-up of 2013 discharge

1. Acknowledges from the Centre that:

— its *ex post* verification strategy is in place and the *ex post* audits covering the period 2012-2013 were performed in 2014 using the interinstitutional framework contract for audits,

— two audits were selected for its grant verification plan and completed in 2014; notes that for one audit a recovery of 2,9 % of the paid expenses was raised and for the other audit no recovery was necessary;

Budget and financial management

2. Notes that the budget monitoring efforts during the financial year 2014 resulted in a high budget implementation rate of 98,77 %, representing an increase of 5,81 % compared to the previous year; has learnt that the payment appropriations execution rate was 80,37 %, representing an increase of 6,23 % compared to the previous year;

3. Acknowledges that, because the raised weighting factor for Sweden between 2010 and 2013 had a total budgetary impact of EUR 5 million on the Centre's 2014 budget, the Centre requested an additional EUR 2 million from the Union budget in order to be able to cover the increased costs, and that, as a result, an additional EUR 2 million, which came from the Centre's positive 2013 outturn, were exceptionally provided to the Centre in 2014;

Commitments and carry-overs

4. Notes that the level of committed appropriations carried over was 25 % (EUR 1 600 000) for Title II (administrative expenditure) and 49 % (EUR 8 100 000) for Title III (operational expenditure); acknowledges that the carry-overs for Title II mainly related to planned procurement of IT hardware and software in the second half of 2014 for which payment was not due until 2015; acknowledges moreover that the carry-overs for Title III concerned the Centre's multiannual projects, ICT to support operational activities and expert consultation;

5. Acknowledges the improvements in budgetary planning and execution of operational meetings, in particular the use of actual average flight prices instead of ceilings to budget for events and the implementation of prompt post meeting de-commitments; notes that the Centre is to closely monitor the operational meeting expenses in order to avoid unnecessary carry-overs and cancellations by implementing quarterly reviews of the Centre's meeting plan and introducing an approval process to manage changes and additions to meeting plans;

6. Calls on the Centre to continue as far as possible to reduce the level of committed appropriations carried over in the future by means of all available measures, for example by adopting best practice used in other agencies;

Procurement and recruitment procedures

7. Takes note that in 2014, the Centre recruited 16 staff members while 10 left; notes that at year-end the Centre had a total of 182 temporary agents, 92 contract agents and three seconded national experts; acknowledges from the Centre that all Member States, with the exception of Luxembourg and Croatia, are represented among the Centre's staff;

8. Notes that with regard to its procurement procedures, the Centre has put specific focus on ensuring consistency in all tender documents; emphasises that the Centre's revised Committee on Procurement, Contracts and Grants is providing an additional quality control mechanism; calls on the Centre in particular to carry out careful checks on conflicts of interest in relation to tenders, procurement, recruitment and contracts in order to strengthen transparency;

9. Asks the Centre to apply strictly the measures pertaining to discretion and exclusion in public procurement, with proper background checks being carried out in every instance, and to apply the exclusion criteria so as to debar companies in the event of any conflict of interest, this being essential to protect the financial interests of the Union;

10. Takes note that the total number of statutory staff decreased from 287 to 277 in 2014, due to the requested post reduction of 10 % in the Establishment Plan until 2018;

11. Notes that the Centre is dedicating 75,5 % of its human resources to operational activities; encourages the Centre to progress further on this path;

Prevention and management of conflicts of interest and transparency

12. Welcomes the development, in 2014, of an anti-fraud strategy following the guidelines issued by the European Anti-Fraud Office (OLAF);

Internal controls

13. Notes that the Centre reviewed the implementation of its Internal Control Standards (ICS) in 2014; notes with satisfaction that three ICS are almost completely implemented while the rest were fully implemented;

Internal audit

14. Notes that in 2014, the Commission's Internal Audit Service (IAS) performed an audit on 'Public Health Training' and submitted its report which included one observation marked as 'Very important' and six recommendations marked as 'Important'; notes that the action plan prepared by the Centre was accepted by the IAS and is currently being implemented;

Other comments

15. Welcomes the development and launch of the Surveillance Atlas of Infectious Diseases ('Atlas') on the Centre's web portal; notes that by the end of 2014, the Centre was publishing Union level data together with some international data for four diseases via the Atlas and encourages the Centre to continue with this project; regrets at the same time that the Centre's communication activities were largely restricted to publications on the Centre's web portal and that the Centre had not been identified by EU media as a key information provider; calls on the Centre to take steps to improve media presence;

16. Acknowledges that all reports edited and published by the Centre were made available as downloadable documents on the Centre's web portal, as well as the fact that it is increasingly publishing data, graphs, maps and infographics as downloadable assets; notes that in 2014, a new section 'Data and Tools' was added to the Centre's web portal in order to provide a centralised entry point to interactive data, maps and other similar resources; regrets that information is not made available on the web portal in all Union languages;

17. Calls on the Centre to enhance its procedures and practices aimed at safeguarding the financial interests of the Union and to actively contribute to a results-oriented discharge process;

18. Recalls that, as an EU Agency, the Centre has a budget denominated in euro, but has a lot of expenses in another currency (Swedish crown (SEK)) as it is based in a non-Eurozone country; notes that in early 2014, the Centre had to implement a revised EUR to SEK exchange rate and adjust upwards the cost in EUR of expenses in SEK going back to 2011, leading to several revisions of its work programme; welcomes that, despite this, by the end of the year 2014, the Centre had delivered nearly 85 % of the deliverables planned in its work programme for 2014, as well as delivering 117 emergency outputs on the major disease control emergency of 2014, namely, the unprecedented Ebola epidemic that emerged in West Africa and subsequently evolved into a global concern;

19. Acknowledges that general management in the second half of 2014 was dominated by business continuity issues, such as the need to make balanced choices and re-align planning to address high-priority threats, while at the same time ensuring continuity of key services and projects; welcomes that, by and large, the quality of the Centre's outputs remained at a high level despite those issues;

20. Takes note that, during the course of the Ebola emergency, well over 100 staff of the Centre worked on supporting the Union-level response to Ebola, and welcomes the Centre's flexibility, service orientation and commitment to scientific excellence that were demonstrated on this occasion;

21. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2016)0159 (see page 447 of this Official Journal).

DECISION (EU) 2016/1512 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the European Centre for Disease Prevention and Control for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Centre for Disease Prevention and Control for the financial year 2014, together with the Centre's reply ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0075/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 851/2004 of the European Parliament and of the Council of 21 April 2004 establishing a European centre for disease prevention and control ([4]), and in particular Article 23 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0103/2016),

1. Notes that the final annual accounts of the European Centre for Disease Prevention and Control are as annexed to the Court of Auditors' report;

2. Approves the closure of the accounts of the European Centre for Disease Prevention and Control for the financial year 2014;

([1]) OJ C 409, 9.12.2015, p. 122.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 142, 30.4.2004, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision to the Director of the European Centre for Disease Prevention and Control, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1513 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the European Chemicals Agency for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Chemicals Agency for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Chemicals Agency for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0082/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC ([4]), and in particular Article 97 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0118/2016),

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 2014;

2. Sets out its observations in the resolution below;

([1]) OJ C 409, 9.12.2015, p. 131.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 396, 30.12.2006, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision, and the resolution 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1514 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Chemicals Agency for the financial year 2014

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 2014,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0118/2016),

A. whereas, according to its financial statements, the final budget of the European Chemicals Agency ('the Agency') for the financial year 2014 was EUR 114 112 193 representing an increase of 6,37 % compared to 2013;

B. whereas the Agency received Union subsidies of EUR 6 513 623 from the Commission, as well as other contributions and funding from the Commission amounting to EUR 1 244 421;

C. whereas the Court of Auditors ('the Court') in its report on the annual accounts of the Agency for the financial year 2014 ('the Court's report'), has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2014 are reliable and that the underlying transactions are legal and regular;

1. Recalls that, as of 2012, the Agency was given the task of managing and carrying out technical, scientific and administrative aspects of Regulation (EU) No 528/2012 of the European Parliament and of the Council of 22 May 2012 concerning the making available on the market and use of biocidal products [1] ('BPR Regulation'), as well as similar tasks related to the export and import of hazardous chemicals under Regulation (EU) No 649/2012 of the European Parliament and of the Council of 4 July 2012 concerning the export and import of hazardous chemicals [2] ('PIC Regulation');

Follow-up of 2013 discharge

2. Acknowledges from the Agency that it published the declarations of interest of all formal bodies as well as those of its management and the Board of Appeal on its website for public scrutiny; notes that both external and interim staff are covered by the Agency's procedures on prevention and management of conflicts of interest;

Budget and financial management

3. Notes that budget monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 97,08 % and that the payment appropriations execution rate was 87,46 %; notes that the payment appropriations execution rate increased by 3,28 % in comparison to the previous year;

4. Notes that the expenditure for procedures associated with the new implementation of the BPR Regulation was to be covered by application fees for the registration of biocidal products; acknowledges that the fees collected in 2014 covered only 17 % of this expenditure and the remaining part was financed by contributions to the Agency's budget from the Union and the European Free Trade Association (EFTA) countries; takes note of the Agency's comment about the Commission's incorrect assumption of the Agency's largely self-financing nature regarding the BPR related costs;

[1] OJ L 167, 27.6.2012, p. 1.
[2] OJ L 201, 27.7.2012, p. 60.

5. Notes the difficulties of the Agency, in the absence of a financial reserve, to obtain additional subsidies in those years where the financial revenue from biocide fees will be lower than estimated; takes note of the Agency's concern that if this situation continues and is not compensated by a higher subsidy, it will be extremely difficult for it to continue to deliver on all its non-fee related obligations;

6. Stresses that the Agency received a Union contribution for the PIC Regulation totalling EUR 1,3 million in 2014, a contribution that allowed it to finalise the preparatory activities and ensure the successful entry into application of the PIC Regulation on 1 March 2014;

7. Notes that the revenue from fees and charges under REACH and classification, labelling and packaging of substances and mixtures (CLP) activities in 2014 amounted to EUR 27,8 million (stemming from fee income on REACH registrations, SME verification work, and interest income from reserves) thus exceeding forecasts;

8. Recalls that, in accordance with 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 [1] ('REACH Regulation'), the Agency is financed through fees paid by industry for the registration of chemical substances, and by a possible Union balancing subsidy, in accordance with Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 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] ('the Financial Regulation'); notes, moreover, that in 2014, for the fourth consecutive year, the Agency was fully financed through fee income for its REACH and CLP operations;

9. Congratulates the Agency for further developing its reporting, and streamlining its financial processes;

Commitments and carryovers

10. Notes from the Court's report that the level of committed appropriations carried over to 2015 was 35 % for Titles III, IV, and V (operational expenses), representing a decrease of 11 % compared to the previous year; acknowledges that those carry-overs mainly resulted from the multi-annual nature of planned IT development projects, costs for translations ordered but not received by year-end and substance evaluations with a regulatory deadline in 2015;

Procurement and recruitment procedures

11. Establishes from the Agency that in 2014, in implementation of its budget, it signed 736 contracts, out of which 548 under framework contracts and 188 as a result of procurement; notes that 23 contracts included in the latter category were signed as a result of exceptional negotiated procedures and 11 of those 23 refer to legal services;

12. Notes with satisfaction that in 2014 the recruitment target of the Agency was achieved with 97 % of temporary posts and 94 % of contract agent positions filled at the end of that year; notes moreover that at the end of 2014 there were 479 temporary staff and 106 contract staff in place or being recruited; acknowledges that a new internal mobility policy was approved, at the beginning of 2014 in the career development area, to enhance the internal mobility possibilities and to make the process more dynamic;

13. Notes with satisfaction that following the implementation of the harassment prevention policy, four more confidential counsellors were appointed and trained during 2014;

14. Notes that the Agency is dedicating 78 % of its human resources to operational activities; encourages the Agency to continue on this path;

[1] OJ L 396, 30.12.2006, p. 1.
[2] OJ L 298, 26.10.2012, p. 1.

Prevention and management of conflicts of interests and transparency

15. Acknowledges that the Agency implemented the recommendations from the Special Report of the Court No 15/2012 on the management of conflicts of interests in selected EU agencies; notes furthermore that the Agency regularly reviews and updates its conflict of interest policies;

16. Notes from the Agency that it has four scientific committees set up by its founding regulation which issue formal opinions and recommendations; takes note that those committees consist of experts, almost all of whom are public officials, nominated or appointed by the Member States, while the stakeholders are only allowed to participate as observers; acknowledges that the prevention of conflicts of interest for those committee members is strictly managed by the Agency's procedure on the prevention and management of potential conflicts of interest, including annual declarations of interests and oral declarations at the start of each meeting;

17. Acknowledges from the Agency that it decided to subject the members of its informal working groups, expert groups and discussion forums to conflict of interest management which includes annual declarations of interests and oral declarations at the start of each meeting;

18. States that the annual reports of the Agency could play an important role in compliance regarding transparency, accountability and integrity; calls on the Agency to include a standard chapter on these components in its annual report;

Internal controls

19. Notes that following the entry into force and application of the Financial Regulation, the Agency's Management Board adopted new implementing rules which have been applicable since 1 January 2015; notes furthermore that those implementing rules stipulate the rules for implementation of *ex ante* and *ex post* evaluation of programmes, projects and activities; observes that the Agency's current internal control system places a strong emphasis on *ex ante* control, while *ex post* evaluation has been performed mainly for IT projects, in line with the applicable PRINCE2 methodology for project governance at the Agency; calls on the Agency to report to the discharge authority on the results of the implementation of those new rules;

20. Acknowledges from the Agency that its Management Board adopted an anti-fraud strategy in December 2014; notes that that strategy covers the years 2015-2016 and contains an action plan with specific actions to be implemented in that time period; takes note that the internal fraud risk assessment exercise which preceded the adoption of that strategy revealed the risk profile of the Agency as low; notes that the main aim of that strategy is to develop a widespread anti-fraud culture in the Agency, with a focus on raising awareness;

Internal audit

21. Notes from the Agency that in 2014, the Commission's Internal Audit Service (IAS) carried out an audit on 'Applications for authorisation' in order to assess and provide assurance on whether the management and internal control systems to govern the process of 'Applications for authorisation' are adequate and effective enough to ensure that the applications can be processed within the stipulated timelines; notes that the audit resulted in five recommendations marked as 'important' and that no 'critical' or 'very important' recommendations were issued;

22. Notes with satisfaction that the IAS closed all outstanding actions from the audit on 'Committees Management in the Agency' performed in 2013;

23. Takes note that the Agency's Internal Audit Capability (IAC) carried out assurance audits on the implementation of confidentiality claim verification, staff training and development as well as a consultative audit on BPR processes; notes that the action plans have been developed in response to IAS and IAC recommendations;

Other comments

24. Acknowledges that the ISO 9001:2008 certification audit found the procedures and working instructions for REACH and CLP processes in its integrated management system as well described; notes from the Agency that it continues to work on increasing the efficiency and effectiveness of its operations, and also notes that the Agency will apply for the same certification for its PIC and BPR activities; notes that the Agency will proceed with the integration of an environmental management system into its quality management system;

25. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted, P8_TA(2016)0159 (see page 447 of this Official Journal).

DECISION (EU) 2016/1515 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the European Chemicals Agency for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Chemicals Agency for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Chemicals Agency for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0082/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC ([4]), and in particular Article 97 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0118/2016),

1. Notes that the final annual accounts of the European Chemicals Agency are as annexed to the Court of Auditors' report;

2. Approves the closure of the accounts of the European Chemicals Agency for the financial year 2014;

([1]) OJ C 409, 9.12.2015, p. 131.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 396, 30.12.2006, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision to the Executive Director of the European Chemicals Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1516 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the European Environment Agency for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Environment Agency for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Environment Agency for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0066/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 401/2009 of the European Parliament and of the Council of 23 April 2009 on the European Environment Agency and the European Environment Information and Observation Network ([4]), and in particular Article 13 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0100/2016),

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 2014;

2. Sets out its observations in the resolution below;

([1]) OJ C 409, 9.12.2015, p. 143.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 126, 21.5.2009, p. 13.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision, and the resolution 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1517 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Environment Agency for the financial year 2014

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 2014,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0100/2016),

A. whereas, according to its financial statements, the final budget of the European Environmental Agency ('the Agency') for the financial year 2014 was EUR 52 573 071, representing an increase of 6,70 % compared to 2013; whereas 76,81 % of the Agency's budget derives from the Union budget; whereas the increase is mostly related to operating expenditure for strategic actions;

B. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the European Environmental Agency for the financial year 2014 ('the Court's report'), has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2014 are reliable and that the underlying transactions are legal and regular;

Comments on the legality and regularity of transactions

1. Notes from the Court's report that in 2014 the Agency launched a call to procure IT and geographic information systems (GIS) consultancy services for the implementation of the reference data access (RDA) component and for the purpose of supporting the Agency in other Copernicus-related activities; notes that, according to the Court's report, an important aspect of the tender referred to as 'known shortcomings' was not defined in technical specifications; acknowledges from the Agency that the 'known shortcomings' were however described in Section 6.3.2 of the tender specifications;

Budget and financial management

2. Notes that the budget monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 99,19 % and that the payment appropriations execution rate was 87,19 %;

Commitments and carry-overs

3. Acknowledges that the Court's annual audit has found no notable issues as regards the level of committed appropriations carried over in 2014; notes that, although the total level of carry-overs from 2014 to 2015 is higher than in the previous year, 69,36 % of that amount refers to the final payment of the 2014 contribution to the European Topic Centres (ETCs) which, according to the agreements, was to be paid after the fourth quarterly progress report was presented in 2015;

Transfers

4. Notes that a total of 24 transfers were made in 2014; notes that those transfers were below the limit of 10 % of the appropriations for the year as shown on the budgetary line from which the transfer is made and amounted to EUR 268 128 (0,64 % of total appropriations); notes that 40 % of the number of transfers was made on differentiated appropriations and hence not included in the 10 % calculation;

Procurement and recruitment procedures

5. Notes from the Agency that it reduced the number of its staff in line with the principles laid down in the Interinstitutional Agreement on budgetary discipline ([1]), and that this led to a reduction of three temporary posts for the year 2014; acknowledges from the Agency that adjusting its organisational structure to find the necessary redundancies without detrimental effect on its capacity to deliver the main parts of its multiannual work programme is becoming increasingly difficult, in particular with regard to the additional anticipated staff reduction above the limit set out in the Interinstitutional Agreement; takes note that the last external evaluation of the Agency states that its administrative costs are lower than those of similar agencies;

6. Asks the Agency to apply strictly the measures pertaining to discretion and exclusion in public procurement, with proper background checks being carried out in every instance, and to apply the exclusion criteria so as to debar companies in the event of any conflict of interest, this being essential to protect the financial interests of the Union;

Prevention and management of conflicts of interest and transparency

7. Notes that the Agency's anti-fraud strategy was adopted by its Management Board in November 2014, with the aim of ensuring proper handling of conflict of interest issues and of developing anti-fraud activities especially through prevention, detection, awareness-raising and closer cooperation with the European Anti-Fraud Office (OLAF); takes note that in line with OLAF's 'Methodology and guidance for anti-fraud strategies for EU decentralised Agencies', the Agency conducted a fraud risk assessment of its activities based on the estimated likelihood and possible impact of fraud;

8. Requests that the Agency implement Article 16 of the Staff Regulations by publishing information about senior officials who have left the service and a list of conflicts of interest on an annual basis;

9. Encourages the Agency further to raise awareness of the conflict-of-interest policy among its staff, alongside ongoing awareness-raising activities and the inclusion of integrity and transparency as an obligatory item to be discussed during recruitment procedures and performance reviews;

10. Calls on those Union institutions and agencies which have introduced codes of conduct, including Parliament, to step up their implementation measures, such as checks of declarations of financial interests;

11. Calls for an overall improvement in the prevention of, and the fight against, corruption through a holistic approach, commencing with better public access to documents and more stringent rules on conflicts of interest, the introduction or strengthening of transparency registers and the provision of sufficient resources for law enforcement measures, and also through improved cooperation among Member States and with relevant third countries;

12. Notes that the Agency has published on its website the declarations of interest of its Management in addition to the CVs already published; takes note that the Agency's Management Board has made CVs available for those board members who agree to provide them;

Internal controls

13. Notes from the Court's report that the Agency started to implement a new *ex ante* and *ex post* control policy for grants; takes note that at the time of the Court's audit, the verification procedures were yet to be documented; acknowledges from the Agency that, when it began implementing the new control policy in May 2014, it prioritised the guidelines for beneficiaries on the preparation of cost statements; acknowledges furthermore that those guidelines were elaborated and distributed to the resource officers performing the *ex ante* verifications on grants and are applicable from the financial year 2016;

([1]) Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management (OJ C 373, 20.12.2013, p. 1).

14. Notes from the Court's report the weaknesses identified in the Agency's *ex ante* and *ex post* verifications; points out that in one case, requested documents were not provided, and in another, ineligible expenditure was included, but the full amount claimed was nevertheless approved; acknowledges from the Agency that, following the observations of the Court, it initiated recovery from the beneficiary concerned in the second case; acknowledges that the Agency will rigorously document any instances of overriding of controls or deviations from established policies and procedures that may occur in the future;

15. Notes with concern from the Court's report that, although the *ex ante* and *ex post* verifications are incompatible tasks, the internal auditor was involved in both; acknowledges from the Agency that a formal *ex post* verification strategy will be developed ensuring compatibility with the tasks of the Agency's Internal Audit Capability; acknowledges that the Agency's internal auditor is to carry out exclusively *ex post* controls, including on-the-spot verifications, and verify the effectiveness of the Agency's *ex ante* verification process; expects the Agency to report back to the discharge authority on the progress made with the measures put into action regarding the *ex ante* and *ex post* control policy;

Internal audit

16. Takes note that the Commission's Internal Audit Service conducted an audit on data/information management including the IT component starting in 2014 and finalised in 2015; looks forward to the results of the audit which will be presented in the Agency's Annual Report for 2015;

17. Notes that, due to the change in the Agency's financial regulation, a new Internal Audit Charter was defined and approved by the Agency's Management Board; takes note that the Management Board is the new recipient of the Internal Audit Capability's (IAC) reports, and that the Management Board will also approve the annual work plan and follow up the recommendations of the IAC;

Other comments

18. Notes that the Agency contracted IT back-up services, including email services, with a cloud services provider using an interinstitutional contract provided by the Commission; takes note that the conditions of the contract do not adequately define the location of the Agency's data, which means that there is a risk that the privileges and immunities of the European Communities, to which the Agency is subject, are not guaranteed, and that the service provider does not fully respect the privacy guarantees granted by Article 7 of the Charter of Fundamental Rights of the European Union; acknowledges from the Agency that further to receiving clarifications and guarantees from the service provider, it considers the identified residual risks as acceptable and adequately addressed by the agreed contractual clauses; notes that the Agency will nevertheless undertake periodic reviews of the contract implementation with a view to reassessing the risks and adopting appropriate measures and remedial actions if deemed necessary;

19. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2016)0159 (see page 447 of this Official Journal).

DECISION (EU) 2016/1518 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the European Environment Agency for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Environment Agency for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Environment Agency for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0066/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 401/2009 of the European Parliament and of the Council of 23 April 2009 on the European Environment Agency and the European Environment Information and Observation Network ([4]), and in particular Article 13 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0100/2016),

1. Notes that the final annual accounts of the European Environment Agency are as annexed to the Court of Auditors' report;

2. Approves the closure of the accounts of the European Environment Agency for the financial year 2014;

([1]) OJ C 409, 9.12.2015, p. 143.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 126, 21.5.2009, p. 13.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision to the Executive Director of the European Environment Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1519 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the European Fisheries Control Agency for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Fisheries Control Agency for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Fisheries Control Agency for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 — C8-0081/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 768/2005 of 26 April 2005 establishing a Community Fisheries Control Agency and amending Regulation (EEC) No 2847/93 establishing a control system applicable to the common fisheries policy ([4]), and in particular Article 36 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Fisheries (A8-0104/2016),

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 2014;

2. Sets out its observations in the resolution below;

([1]) OJ C 409, 9.12.2015, p. 151.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 128, 21.5.2005, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision, and the resolution 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1520 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Fisheries Control Agency for the financial year 2014

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 2014,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Fisheries (A8-0104/2016),

A. whereas, according to its financial statements, the final budget of the European Fisheries Control Agency (the 'Agency') for the financial year 2014 was EUR 9 217 150; 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 annual accounts of the European Fisheries Control Agency for the financial year 2014 (the 'Court's report'), has stated that it has obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Follow-up of 2013 discharge

1. Notes from the Court's report that regarding two comments made in the Court's 2013 report, corrective actions were taken and both the comments are now marked in the Court's report as 'Not Applicable';

Budget and financial management

2. Notes that budget monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 99,09 %, attaining the Agency's target and representing an increase of 0,45 % compared to 2013; notes furthermore that the payment appropriations execution rate was at 88,43 %, attaining the Agency's target and representing an increase of 4,58 % compared to 2013;

3. Stresses the need to evaluate the possibility of increasing appropriations for the Agency's operations in future years;

Commitments and carry-overs

4. Notes with satisfaction the rates of committed appropriations carried over realised by the Agency; notes in particular that the rate of carry-overs for Title II (administrative expenditure) and Title III (operational expenditure) were at 25 % and 30 % respectively, representing a decrease of 13 % for each Title compared to the year 2013;

5. Welcomes the rate of cancelled commitments carried forward from the year 2013 which was at 4,3 %, representing a reduction of 46 % compared to the rate from the previous year;

Transfers

6. Takes into consideration that the amount of EUR 360 233 was transferred from Title I to Title II; acknowledges that the synergies in the organisation of meetings and the increase in remote coordination and reduction in missions of the Agency's staff allowed the surplus budget to be dedicated to other budget lines;

7. Calls on the Agency to keep the level of committed appropriations carried over to the following year as low as possible, and to disclose transfers of appropriations to other budget headings, in order, in so doing, to comply with its duty of accountability;

Prevention and management of conflicts of interest and transparency

8. Notes that the Agency adopted its policy on the prevention and management of conflicts of interest in October 2014; observes that the conflicts of interest policy requests that the Agency's Administrative Board members and its management staff provide a declaration of conflicts of interest; notes that the declarations of conflicts of interest signed by the Agency's Administrative Board members and its management staff were made publicly available; takes note that the publication of the CVs of the Agency's management staff was declared to be optional under the conflicts of interest policy and that all four members of the Agency's management provided their CVs for publication; encourages the Agency's Administrative Board members to submit without delay their declarations of conflicts of interest for further publication on the Agency's website in order to act on the Agency's duties of transparency and accountability;

9. Calls on those Union institutions and agencies which have introduced codes of conduct, including Parliament, to step up their implementation measures, such as checks of declarations of financial interests;

Internal controls

10. Notes with satisfaction that the Agency carried out a risk assessment with a view to increasing efficiency in processing financial transactions, which concluded that the verification and authorisation processes for certain low-value transactions could be merged; notes that a reduced validation workflow for those transactions was implemented in August 2014; notes furthermore that the Agency defined a quarterly *ex post* verification methodology, subjecting the financial transactions not being verified *ex ante* to a formal *ex post* verification procedure; welcomes the fact that the first *ex post* verification exercise completed in November 2014 resulted in a projected error rate of 0,25 %;

11. Welcomes the initiative of the Agency to monitor exceptions to and deviations from the established policies and procedures regardless of the amount concerned, ensuring that those exceptions and deviations are properly justified and documented;

12. Notes that at the end of 2014 the Agency had complied with 10 Internal Control Standards (ICS), and that it was partially compliant with five ICS and not compliant with one ICS; calls on the Agency to inform the discharge authority on the implementation status of those ICS;

Internal audit

13. Notes that the Commission's Internal Audit Service (IAS) audited the Agency in line with the IAS Strategic Audit Plan 2013-2015, and that it issued six recommendations with one rated as 'Very Important'; notes that the Agency drafted a comprehensive action plan to address those recommendations; calls on the Agency to report to the discharge authority on the implementation status regarding those recommendations;

Performance

14. Notes the efforts made by the Agency to ensure that control activities are suitably coordinated and structured in the Member States, in particular through different steps agreed with the Member States and the Commission within the framework of the Agency's Regional Steering Groups;

15. Takes note of two critical risks identified by the Agency in its 2014 annual risk assessment exercise; acknowledges from the Agency that for each risk it defined an action plan in order to ensure mitigation up to an acceptable level of residual risk; notes with satisfaction that during 2014 no prominent risks materialised;

16. Acknowledges that the Agency has to implement new tasks in the common fisheries policy (CFP) with a budget frozen at 2013 levels and a decrease in staff, and stresses the need for gender balance among the staff;

17. Points out that the policy objectives of the reformed CFP mean that control and coordination of those objectives play a crucial role and that it is therefore necessary to enhance the financial and human resources available to the Agency;

18. Welcomes the efforts made by the Agency, within the context of increasing challenges, to strengthen its business model through rationalisation, simplification and streamlining the organisation;

Other comments

19. Notes that the Agency is committed to having in place a section of its website presenting the Agency in all the official languages of the Union and that, in view of the location of its seat, Galician has been included as the local language; encourages the Agency to proceed, within the limits of available resources, in order to enhance its visibility and reputation;

20. Calls on the Agency to enhance its procedures and practices aimed at safeguarding the financial interests of the Union and to actively contribute to a results-oriented discharge process;

21. Notes the efforts made by the Agency in order to train Union inspectors, Member States and third countries officials, which has led to a considerable rise in the number of trained officials participating in inspections coordinated by the Agency within the framework of joint development plans; notes moreover that there was an increase in such inspections to around 12 700, with more than 700 suspected infringements detected during 2014;

22. Acknowledges the important contribution to implementation of the objectives of the reformed CFP made by the Agency; welcomes the Agency's close engagement with the Member States to organise the monitoring of the landing obligation by improving the control and surveillance of fisheries activities, brokering cooperation, promoting inter-operability and building common capacities;

23. Recalls the importance of strengthening the Agency's mandate so as to put in place joint operational activities with other Union agencies in the maritime sector in order to prevent disasters at sea and to coordinate the functions of European coastguards;

24. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2016)0159 (see page 447 of this Official Journal).

DECISION (EU) 2016/1521 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the European Fisheries Control Agency for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Fisheries Control Agency for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Fisheries Control Agency for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0081/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 768/2005 of 26 April 2005 establishing a Community Fisheries Control Agency and amending Regulation (EEC) No 2847/93 establishing a control system applicable to the common fisheries policy ([4]), and in particular Article 36 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Fisheries (A8-0104/2016),

1. Notes that the final annual accounts of the European Fisheries Control Agency are as annexed to the Court of Auditors' report;

([1]) OJ C 409, 9.12.2015, p. 151.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 128, 21.5.2005, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

2. Approves the closure of the accounts of the European Fisheries Control Agency for the financial year 2014;

3. Instructs its President to forward this decision to the Executive Director of the European Fisheries Control Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1522 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the European Food Safety Authority for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Food Safety Authority for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2014, together with the Authority's reply ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0074/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety ([4]), and in particular Article 44 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0086/2016),

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 2014;

([1]) OJ C 409, 9.12.2015, p. 160.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 31, 1.2.2002, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Food Safety Authority, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1523 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Food Safety Authority for the financial year 2014

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 2014,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0086/2016),

A. whereas, according to its financial statements, the final budget of the European Food Safety Authority ('the Authority') for the financial year 2014 was EUR 79 701 222, representing an increase of 2,11 % compared to 2013; whereas the entire budget of the Authority derives from the Union budget;

B. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the Authority for the financial year 2014 ('the Court's report'), has stated that it has obtained reasonable assurances that the Authority's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes that the budget monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 99,69 %, representing an increase of 0,86 % compared with 2013; notes, furthermore, that the payment appropriations execution rate was at 89,31 %, representing a decrease of 1,48 % compared with 2013;

Procurement and recruitment procedures

2. Notes that at the end of 2014, 449 posts were occupied out of the available 474, which included officials, temporary agents and contract agents as well as seconded national experts; notes that the yearly average post occupancy rate for the 2014 establishment plan (temporary agents and officials) is at 95,1 %, while that for contract agents is at 92,4 %;

3. Asks the Authority to apply strictly the measures pertaining to discretion and exclusion in public procurement, with proper background checks being carried out in every instance, and to apply the exclusion criteria so as to debar companies in the event of any conflict of interest, this being essential to protect the financial interests of the Union;

4. Reminds the Authority that the first objective of its independence policy should be its reputation and therefore to make sure that the Authority is free from real or perceived conflicts of interests, in particular with the economic sectors it is de facto regulating;

5. Notes that the Authority put in place a project to improve efficiency and compliance in transactional processing through a centralised strategy, the introduction of planning, monitoring and reporting processes and structure, as well as through centralised finance and procurement processes and structure; notes with satisfaction that this project will allow the Authority to deliver its mandate more efficiently, reducing the time needed to produce outputs and the number of people involved, resulting in a reduction of 14 full-time staff equivalents in 2015;

6. Welcomes the fact that, in 2014, the Authority put in place a talent management programme to optimise the use of its human resources (staff and experts);

7. Is especially aware of the public interest in the decision-making process within the Authority, which takes place within its legal role and responsibilities; highlights the fact that credible rules on integrity are essential and furthermore that communication and availability for the media are paramount; notes that the Authority is dedicating 74 % of its human resources to scientific activities, evaluation and data collection and communication; encourages the Authority to further progress on this path;

Prevention and management of conflicts of interest and transparency

8. Acknowledges that the Authority launched a project to modify the way it screens and processes the annual declarations of interest in order to ensure better coherence and overall compliance with its rules on declarations of interest; notes, furthermore, that this new system, scheduled to be completed in the course of 2016, foresees centralised screening of the annual declarations of interest and transfer of responsibility from the Authority's scientific departments to its legal and regulatory department;

9. Notes that in order to attain both working with the top academics in the industry and having the most effective conflicts of interest policy possible, the Authority uses a system to assess the experts' interests, which takes into account the role of the experts and the mandate of the scientific working group or panel of which the expert would be a member against a number of different criteria; notes, furthermore, that in 2016 the Authority will undertake an examination of the systems it has in place to detect conflicts of interest as part of the regular cycle of review of its independence policy; asks the Authority to inform the discharge authority about the outcomes of the review and the necessary adjustments to the procedures for selecting experts and checking their credentials;

10. Calls on those Union institutions and agencies which have introduced codes of conduct, including the Parliament, to step up their implementation measures, such as checks of declarations of financial interests;

11. Reiterates its call for the Authority to apply a two-year cooling-off period; does not accept the Authority's justification for its refusal to implement the discharge authority's repeated demands of establishing such a two-year cooling-off period on all material interests related to the companies it regulates;

12. Welcomes the fact that, in order to improve its independence and conflicts of interest policy concerning expert groups, the Authority performed in 2014 an *ex post* analysis of its rules on declarations of interests; notes that this analysis led to a review and the adoption of a new, simpler and more sophisticated version of these rules; calls on the Authority to perform analyses of its policies at a regular basis to ensure the constant development of its independency;

13. Reminds the Authority of the European Ombudsman's ruling stating that the Authority 'should revise its conflict of interest rules' to ensure that those experts who work for academia declare all relevant information to the Authority; is of the opinion that if this would affect around one third of the experts as stated by the Authority, then the Authority should dedicate special attention to the issue and work on specific measures together with the concerned academic institutions to safeguard the integrity of both institutions;

14. Takes note that a pilot project was developed in 2015 aimed at exploring the best way to implement the recommendation of the discharge authority to centralise the validation process of the declarations of interest; observes that this pilot project was successfully concluded in the same year and that full centralisation was expected to be implemented by the end of first semester of 2016; calls on the Authority to inform the discharge authority on the successful implementation of this centralisation;

15. Observes that during 2014 the Authority received a number of contributions on independence-related issues from stakeholders and non-governmental organisations; notes, furthermore, that these contributed to the review of implementing rules for the independence policy;

16. Calls for an overall improvement in the prevention of, and the fight against, corruption through a holistic approach, commencing with better public access to documents and more stringent rules on conflicts of interest, the introduction or strengthening of transparency registers and the provision of sufficient resources for law enforcement measures, and also through improved cooperation among Member States and with relevant third countries;

17. Encourages the Authority further to raise awareness of the conflict-of-interest policy among its staff, alongside ongoing awareness-raising activities and the inclusion of integrity and transparency as an obligatory item to be discussed during recruitment procedures and performance reviews;

18. Points out that several Union rules, including amongst others the Charter of Fundamental Rights of the European Union, give individuals the right to access public documents; reminds the Authority that scientific rigour is ensured best by transparency and accountability of the results; highlights that the Authority should make therefore all data used to reach any scientific conclusions public in a machine-readable format so as to enable scientific scrutiny and constant progress;

19. Acknowledges the Authority's efforts to improve the transparency of its work as well as the data it uses for that work; acknowledges the existing legal limitations it faces for increasing data transparency; stresses that the aim of the disclosure is to make reproducibility of the Authority's work possible and therefore the steps taken towards process transparency in risk-assessment are a welcome first step, but that data transparency should also be ensured; welcomes, in this respect, the launch, in January 2013, of the transparency initiative; welcomes, in this context, the improved presentation and accessibility of information and documents on the Authority's homepage and other action taken, such as risk assessment opinions and the impact they have on Union citizens, towards an 'open EFSA'; encourages the Authority to further progress on this path;

20. Takes note that the Authority's staff are legally bound to comply with the Staff Regulations regarding future employment; notes, in addition, that the assessment of staff's future employment occurs on a systematic basis, and that if the employment is considered to be a potential conflict of interest no appointment should be made until that potential conflict has been resolved on the basis of clear, transparent and verifiable criteria; points out that in 2013, of the 29 statutory staff members that left the employment at the Authority, three went to the chemical/pharmaceutical sector with a range of restrictions put in place for these individuals; acknowledges that the Authority considers that a clear legal and governance framework on revolving doors is already in place;

21. Acknowledges that the Authority carried out an internal exercise to assess the impact of removing the possibility for experts to anonymise certain interests in their declarations of interest; notes from the Authority that the practice of anonymising interests has been used on very few occasions in the past; notes furthermore that for the latest renewal of panel members in 2015, no scientific experts chose to anonymise their interests; notes with satisfaction that the Authority no longer accepts anonymised interests and has withdrawn this option for experts when completing their declaration of interests; asks the Authority to check the declarations submitted by experts who were appointed before 2015 and who took advantage of the option of anonymising their interests;

22. Requests that the Authority implement Article 16 of the Staff Regulations by publishing information about senior officials who have left the service and a list of conflicts of interest on an annual basis;

23. Is looking forward to results of the Authority's systemic review of its policy on independence and scientific decision-making process in 2016; welcomes the Authority's commitment to consider the publication of remunerations for experts' declared activities;

24. Calls on the Authority to make more extensive use of a new status for hearing experts following the example of the invited experts from World Health Organisation's International Agency for Research Against Cancer; calls on the Authority to report to the discharge authority on making use of hearing experts;

25. Stresses that experts in regulatory agencies must be paid for their work so as to enable their independence from the sector they regulate; calls on the Commission to provide the financial means for the Authority to pay external experts and develop in-house research to ensure independence;

26. Asks the responsible body of the Authority to implement the anti-fraud strategy as soon as possible;

Internal audit

27. Notes that six recommendations issued by the Commission's Internal Audit Service (IAS) and marked as 'Very important' were open at the beginning of 2014; acknowledges that four of the very important recommendations were reported as implemented by the Authority and are currently awaiting a follow-up by the IAS; observes that the remaining two were closed by IAS following the introduction of the new Staff Regulations in the financial year 2014; looks forward to the next IAS' review on the status of implemented recommendations;

28. Acknowledges that the Authority carried out a simulation to assess the impact of applying a two-year cooling-off period for certain interests of experts working in the Authority's panels; notes with satisfaction that the Authority is to introduce two-year cooling-off periods in relation to the abovementioned interests in time for the next panel renewal; takes note that with regard to cooling-off periods for research funding, the Authority already has a system in place that limits private sourcing of research funding to a maximum of 25 % of the total research budget under control of an Authority's expert;

Internal controls

29. Acknowledges that the review of the Authority's Internal Control Standards carried out in 2014 concluded that its internal control system is compliant with those standards; notes, however, that there are areas where improvements could be achieved to enhance the quality of the internal control system, in particular regarding the staff evaluation and development, operational structure and evaluation of activities; calls on the Authority to provide the discharge authority with a report on the actions planned to tackle this issue and the progress made in this regard;

30. Ascertains that the Authority's Internal Audit Capability (IAC) considers that the internal control system in place provides reasonable assurance regarding the achievement of the business objectives set up for the processes audited, except for the monitoring of user access rights granted in the ABAC accounting system and the formal nomination of financial actors; calls on the Authority to inform the discharge authority on the advancements made in this regard;

31. Notes that the IAC followed up on all outstanding corrective actions in the areas of data management, business continuity and IT security; notes in particular that actions concerning data management and IT security have been fully implemented; takes note that, regarding business continuity, the majority of actions have been implemented and the remaining actions are planned to be implemented by the end of 2016;

Other comments

32. Notes from the Court's report that, following the amendment of the Staff Regulations in 2004 by Council Regulation (EC, Euratom) No 723/2004 ([1]), these included provisions that future remuneration of officials recruited before 1 May 2004 should not be less than under the previous Staff Regulations; observes that the Court 's audit revealed this was not complied with and, in the case of eight out of the 71 officials employed at the time, this led to an underpayment of EUR 87 000 for the period of years 2005-2014; notes that the Authority will undertake the necessary actions to remedy this issue in due course;

33. Notes with satisfaction that the Authority has developed a number of measures to support openness and transparency goals as well as dialogue with stakeholders, including representatives of civil society; takes note that the Authority launched new initiatives to further engage society in the Authority's risk assessment process such as plenary meetings in Brussels with a dedicated session to interact with observers and stakeholders, public consultations of scoping papers of guidance documents, public consultations on draft opinions followed by dedicated stakeholder meetings and presence on social media;

34. Acknowledges that a large part of the difficulties the Authority is facing in securing its independence comes from the fact that the Commission consistently refuses to allocate it sufficient means of operation to work at defending food safety for Union citizens independently of the regulated industry's influence;

35. Welcomes the Authority's efforts to implement corrective actions following the previous comments by the Court, particularly the improvements made to its annual work programme to include more details on planned procurements and grants;

36. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016 ([2]) on the performance, financial management and control of the agencies.

([1]) Council Regulation (EC, Euratom) No 723/2004 of 22 March 2004 amending the Staff Regulations of officials of the European Communities and the Conditions of Employment of other servants of the European Communities (OJ L 124, 27.4.2004, p. 1).
([2]) Texts adopted, P8_TA(2016)0159 (see page 447 of this Official Journal).

DECISION (EU) 2016/1524 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the European Food Safety Authority for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Food Safety Authority for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2014, together with the Authority's reply ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0074/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety ([4]), and in particular Article 44 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0086/2016),

1. Notes that the final annual accounts of the European Food Safety Authority are as annexed to the Court of Auditors' report;

2. Approves the closure of the accounts of the European Food Safety Authority for the financial year 2014;

([1]) OJ C 409, 9.12.2015, p. 160.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 31, 1.2.2002, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision to the Executive Director of the European Food Safety Authority, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1525 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the European Institute for Gender Equality for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Institute for Gender Equality for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Institute for Gender Equality for the financial year 2014, together with the Institute's reply ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Institute in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0085/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 1922/2006 of the European Parliament and of the Council of 20 December 2006 on establishing a European Institute for Gender Equality ([4]), and in particular Article 15 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Women's Rights and Gender Equality (A8-0085/2016),

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 2014;

2. Sets out its observations in the resolution below;

([1]) OJ C 409, 9.12.2015, p. 168.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 403, 30.12.2006, p. 9.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision, and the resolution 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1526 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Institute for Gender Equality for the financial year 2014

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 2014,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Women's Rights and Gender Equality (A8-0085/2016),

A. whereas, according to its financial statements, the final budget of the European Institute for Gender Equality ("the Institute") for the financial year 2014 was EUR 7 340 081, representing a decrease of 3,08 % compared to 2013;

B. whereas the Court of Auditors ("the Court"), in its report on the annual accounts of the European Institute for Gender Equality for the financial year 2014 ("the Court's report"), stated that it has obtained reasonable assurances that the Institute's annual accounts for the financial year 2014 are reliable and that the underlying transactions are legal and regular;

1. Recalls that the Institute was established in order to contribute to and strengthen the promotion of gender equality including, first and foremost, gender mainstreaming in all Union policies and the resulting national policies, and the fight against discrimination based on sex, and to raise Union citizens' awareness of gender equality; notes with satisfaction that in 2014 the Institute achieved 95 % of its planned output; stresses that the objectives and tasks of the Institute require the maintenance of a separate dedicated entity within the institutional framework of the Union;

Budget and financial management

2. Notes that budget monitoring efforts during the financial year 2014 resulted in a high budget implementation rate of 99,04 % indicating that commitments were made in a timely manner; notes that the payment appropriations execution rate was 71,91 %, representing an increase of 1,75 % compared to the previous year;

Commitments and carry-overs

3. Welcomes the further reduction of the overall level of committed appropriations carried over from EUR 2 500 000 (32 %) in 2012 and EUR 2 200 000 (29 %) in 2013 to EUR 1 900 000 (27 %) in 2014; notes from the Court's report that the level of carry-overs was high at EUR 1 800 000 (54 %) for Title III (operational expenditure); acknowledges that the main reasons for these carry-overs were delayed procurements of surveys and studies as well as ongoing studies which were expected to be finalised as planned in 2015; understands that the reasons for the delayed studies under operational appropriations are often due to circumstances outside the control of the Institute; calls, however, on the Institute to continue its effort to decrease the amount of carry-overs in the operational budget to respect the budgetary principle of annuality;

4. Observes that an amount of EUR 2 167 128 was carried forward from the financial year 2013; notes with satisfaction that only 1,76 % of the 2013 carry-overs were cancelled;

5. Calls on the Institute in future to keep the level of committed appropriations carried over to the following year as low as possible;

Procurement and recruitment procedures

6. Notes that the Institute's public procurement contracts were tendered on the broadest possible basis, while for negotiated procedures on low-value contracts the number of invited candidates was set to ensure a balance between publicity and proportionality; notes furthermore that 47 operational procurement procedures were completed for the amount of EUR 3 217 653, while the remainder of the 2014 operations budget was spent on translations, daily subsistence allowances paid to experts, staff missions and occasional purchase against invoices;

7. Notes from the Court's report that at year-end, the Institute had 29 posts in its establishment plan, all of which were occupied; ascertains that in anticipation of the staff reduction and evolving work priorities, the Institute reduced its number of posts by one in comparison to the previous year, while the reduction of two other temporary posts is foreseen for the 2016-2017 period; observes that these reductions will bring the total reduction of its establishment plan to 10 %;

Prevention and management of conflicts of interests and transparency

8. Points out that the Institute must scrutinise conflict-of-interest declarations by its members, administrative staff and experts and publish the report concerned without delay;

Internal audit

9. Acknowledges that the Institute submitted to the Commission's Internal Audit Service (IAS) in December 2014 an action plan addressing high risk areas identified during the course of the IAS' risk analysis made in 2013; acknowledges that at year-end, all processes were duly implemented within the set timeline;

10. Notes that in March 2014 the IAS carried out an Annual Internal Audit Report at the Institute for the financial year 2013; notes with satisfaction that no recommendations marked as "Critical" or "Very important" were issued by the IAS; takes note that following the full risk assessment exercise, the IAS prepared a Strategic Internal Audit Plan 2015-2017, which was endorsed by the Institute's Management Board; ascertains that the IAS, in its report from April 2015, confirmed that no open recommendations were rated as "Critical" and that one open recommendation was rated as "Very important";

Internal controls

11. Ascertains that the Institute, within the framework of the implementation of its Internal Control Standards, concentrated on adopting the quality management framework, the implementation of an ex-ante control system, strengthening the anti-fraud and anti-harassment environment as well as on the development of its Business Continuity Plan; notes that some measures were effectively implemented by 2014 while others were scheduled to continue during 2015;

Other comments

12. Notes that the Institute regularly consults the Parliament's Committee on Women's Rights and Gender Equality on defined topics, through direct contacts with its members or via liaisons; notes, furthermore, that the Institute takes part in the Commission (Eurostat) working groups to explore synergies, but also to provide advice on technical issues, the gender perspective of data collection and harmonisation; takes note that the Institute works closely with the European Union Agency for Fundamental Rights (FRA) and the European Foundation for the Improvement of Living and Working Conditions (Eurofound); observes that this is reflected in the Gender Equality Index and in the Institute's Beijing reports for the Presidency of the Council;

13. Calls on the Institute to enhance its procedures and practices aimed at safeguarding the financial interests of the Union and to actively contribute to a results-oriented discharge process;

14. Notes with satisfaction that the Institute is looking for synergies by pooling certain tasks and introducing shared services with other agencies; notes in particular the introduction of a service level agreement with the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (Frontex) in the area of ex-post controls;

15. Welcomes the productive ongoing cooperation between the Institute and the Committee on Women's Rights and Gender Equality; calls for further interaction between legislative and non-legislative priorities of the Committee on Women's Rights and Gender Equality and the Institute's research, taking also into account the Gender Equality Index developed by the Institute;

16. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2016)0159 (see page 447 of this Official Journal).

DECISION (EU) 2016/1527 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the European Institute for Gender Equality for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Institute for Gender Equality for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Institute for Gender Equality for the financial year 2014, together with the Institute's reply ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Institute in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0085/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 1922/2006 of the European Parliament and of the Council of 20 December 2006 on establishing a European Institute for Gender Equality ([4]), and in particular Article 15 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Women's Rights and Gender Equality (A8-0085/2016),

1. Notes that the final annual accounts of the European Institute for Gender Equality are as annexed to the Court of Auditors' report;

2. Approves the closure of the accounts of the European Institute for Gender Equality for the financial year 2014;

([1]) OJ C 409, 9.12.2015, p. 168.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 403, 30.12.2006, p. 9.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision to the Director of the European Institute for Gender Equality, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1528 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2014, together with the Authority's reply ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0087/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC ([4]), and in particular Article 64 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A8-0091/2016),

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 2014;

2. Sets out its observations in the resolution below;

([1]) OJ C 409, 9.12.2015, p. 175.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 331, 15.12.2010, p. 48.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision, and the resolution 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1529 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority for the financial year 2014

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 2014,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A8-0091/2016),

A. whereas, according to its financial statements, the final budget of the European Insurance and Occupational Pensions Authority (the 'Authority') for the financial year 2014 was EUR 21 582 772, representing an increase of 15 % compared to 2013 due to the Authority's recently established nature; whereas 40 % of the budget of the Authority derives from the Union budget;

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 2014 (the 'Court's report'), states that it has obtained reasonable assurances that the Authority's annual accounts for the financial year 2014 are reliable and that the underlying transactions are legal and regular;

1. Recalls that the European Parliament was a key driver in the efforts to set up a new and comprehensive European System of Financial Supervision (ESFS) in the aftermath of the financial crisis and in creating the Authority, as part of ESFS, in 2011;

2. Underlines that the Authority's role in promoting a common supervisory regime across the internal market is essential in order to ensure financial stability, a better integrated, more transparent, more efficient and safer financial market as well as a high degree of consumer protection in the Union;

3. Stresses that the Authority's work is of a purely technical nature and that key political decisions are the prerogative of the Union legislator;

Follow-up of 2013 discharge

4. Notes from the Court's report that one comment made in the Court's 2012 report and marked as 'Outstanding' in the Court's 2013 report is now marked in the Court's report as 'Not Applicable'; notes furthermore that, regarding two comments made in the Court's 2013 report, corrective actions have been taken and those two comments are now marked as 'Completed' while one is marked as 'Not Applicable';

5. Acknowledges that the Authority has put in place extra approval arrangements to avoid ambiguity in the authorisation of legal commitments; notes in particular the regular revision of the Authority's financial circuits, the introduction of specific finance and procurement training for all the Authority's staff involved in financial circuits as well as the strengthening of finance and budget processes with a focus on compliance with the financial circuits;

Commitments and carryovers

6. Notes from the Court's report that the overall level of committed appropriations carried over was 26 %, and was 66 % for Title III in particular; points out that those carryovers were mainly related to the multi-annual IT investments intended to build the Authority's information capability and allowing the Agency the proper implementation of the challenging timeframe of the Solvency II Directive [1];

7. Notes that the substantial shortfall in the Authority's 2015 budget required the rationalisation of the 2014 budget in order to use the available resources effectively and efficiently and to minimise the impact on ongoing IT projects;

[1] OJ L 153, 22.5.2014, p. 1.

8. Notes from the Authority that the majority of issues related to carryovers will diminish during 2016 when an advanced level of maturity of the Authority's IT capability is expected; notes in particular that the majority of carryovers are related to contractual obligations which the Authority entered into in 2014, but for which services delivery partially took place in 2015; further notes that, in addition to the IT projects, the carryovers covered expert reimbursements under the "Common Supervisory Culture" project, as well as meetings, missions and translations with an operational purpose; calls on the Authority to improve the management of external contracts in the future and bring it into line with the principles of sustainable and stable budgetary management;

9. Urges the Authority to keep carryovers to the next financial year to a minimum in future;

Transfers

10. Notes from the Court's report that part of the commitments carried over were related to budget transfers made in November and December 2014; observes that those transfers relate to an increase in the operational budget of EUR 1 100 000 (19 %), through transfers of EUR 858 828 from the staff budget and from administrative expenditure of EUR 266 360; acknowledges that those transfers were intended to compensate for shortfalls in the Authority's 2015 budget following substantial budget cuts;

Budget and financial management

11. Notes that budget monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 100 %, reaching the Authority's planned target and representing an increase of 3,26 % compared to 2013; further notes that the execution rate of payment appropriations was 74,1 %, missing the planned target by 6 % and representing an increase of 5,21 % compared to 2013;

12. Acknowledges that the Authority's budget and procurement processes have been revised to guarantee a full integration into the overall planning and coordination processes, which should better align the budgetary funds available to a given year;

13. Concludes that the Authority's mixed financing arrangement, which relies heavily on contributions from national competent authorities, is inadequate, inflexible, burdensome and a potential threat to its independence, especially when 60 % of its budget is financed by the competent national supervisory authorities; therefore calls on the Commission, in the White Paper planned for Q2 2016 and in a legislative proposal to be presented by 2017, to launch a different financing arrangement based on a separate budget line in the budget of the Union and on the complete replacement of the contributions from national authorities by fees paid by market participants;

Procurement and recruitment procedures

14. Acknowledges that the Authority achieved a 100 % fulfilment of its establishment plan; notes that, in total, 49 recruitment campaigns were launched and 27 new staff members joined the Authority, bringing the total to 129 staff members of 26 different nationalities;

15. Notes that the target for the Key Performance Indicator (KPI) on staff training was at 100 %, although only 80 % of staff were able to attend the job related training; regrets that the staff training KPI was not continued in 2015 as a result of budget cuts impacting on the Authority's training budget and its ability to make such a commitment in the future;

Prevention and management of conflicts of interests and transparency

16. Notes that the Authority has published on its website the CVs, declarations of intentions and declarations of conflict of interests of the members of its Management Board, as well as those of the members of its Board of Supervisors;

17. Calls on the Authority to pay special attention to the protection of whistleblowers in the context of the soon-to-be-adopted Directive of the European Parliament and of the Council on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure;

18. Calls on the Authority to enhance its procedures and practices aimed at safeguarding the financial interests of the Union and to actively contribute to a results-oriented discharge process;

19. Encourages the Authority further to raise awareness of the conflict-of-interest policy among its staff, alongside ongoing awareness-raising activities and the inclusion of integrity and transparency as an obligatory item to be discussed during recruitment procedures and performance reviews;

20. Regrets to acknowledge that the Authority has not managed to keep the Union legislator informed in a sufficient and comprehensive manner about all details of its ongoing work;

21. Regrets to acknowledge that in some occasions documents have only been transmitted to the Union legislator after they have been leaked to the wider public and deems this to be unacceptable;

22. Calls on the Authority to follow the European Banking Authority in greater transparency by disclosing all its meetings with third party stakeholders;

Internal controls

23. Notes that the Authority implemented all relevant recommendations issued by the Commission's Internal Audit Service (IAS) in its limited review of the implementation of the Authority's Internal Control Standards; notes the progress made by the Authority in the area of internal control, in particular the strengthened planning, evaluation and reporting processes, the additional security measures and the development of an anti-fraud strategy for 2015-2017; notes, however, that the introduction of a Document Management System with accompanying procedures as well as the implementation of the remaining blocks of the Authority's business continuity capability were to be finalised in 2015; calls on the Authority to inform the discharge authority on the progress made in implementing those actions;

Internal audit

24. Notes that, in 2014, the IAS performed an audit of the Authority's planning and budget processes, and issued six recommendations, of which one was rated as 'Very Important'; acknowledges that the Authority developed a dedicated action plan in order to address all recommendations made by the IAS;

25. Notes with satisfaction that at the end of 2014 no critical or very important actions were still open from previous audits made by the IAS;

Other comments

26. Points out that the Authority, when carrying out its activities, needs to pay particular attention to upholding the safety and soundness of the financial sector, ensuring compatibility with Union law, respecting the principle of proportionality and complying with the fundamental principles of the internal market for financial services; underlines that the Authority, on that basis, must strive to achieve outcomes that are unambiguous, consistent, coherent and free of superfluous complexity;

27. Points out that it is of particular importance that provisions drafted by the Authority are designed in a way that allows them to be equally applied by smaller entities;

28. Emphasises that, on all issues linked to the Authority 's resources, it has to be ensured that the mandate can consistently be fulfilled and that the practical limits of independent, reliable and effective supervision are not set by budgetary constraints;

29. Acknowledges that the setting-up phase of ESFS has still not been completed and therefore notes that the tasks already entrusted to the Authority as well as additional tasks envisaged in ongoing legislative work, require an adequate level of staff, in terms of both numbers and qualifications, and funding to allow for satisfactory supervision; underlines that, in order to uphold the quality of the supervisory work, it is very often the case that an expansion of tasks has to be matched by an expansion of resources; emphasises however that any potential increase in the Authority's means must be explained thoroughly and accompanied by rationalisation measures wherever possible;

30. Stresses that, while making sure that all assignments are carried out in full, the Authority must carefully stick to the tasks assigned to it by the Union legislator and must not seek to *de facto* broaden its mandate beyond those assignments; stresses that when carrying out its work and in particular when drafting technical standards and technical advice, the Authority needs regularly and comprehensively inform the European Parliament in a timely manner about its activities; regrets that this has not always been done in the past;

31. Stresses that when drafting implementing legislation, guidelines, questions and answers or similar measures, the Authority must always respect the mandate attributed by the Union legislator and must not seek to set standards in areas where legislative processes are still pending;

32. Calls on the Authority to supplement communication with the Parliament on draft advice or technical standards relating to the calibration of prudential formulae with a full description of the data and methodology used in such calibrations;

33. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2016)0159 (see page 447 of this Official Journal).

DECISION (EU) 2016/1530 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the European Insurance and Occupational Pensions Authority for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2014, together with the Authority's reply ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0087/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC ([4]), and in particular Article 64 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A8-0091/2016),

1. Notes that the final annual accounts of the European Insurance and Occupational Pensions Authority are as annexed to the Court of Auditors' report;

2. Approves the closure of the accounts of the European Insurance and Occupational Pensions Authority for the financial year 2014;

([1]) OJ C 409, 9.12.2015, p. 175.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 331, 15.12.2010, p. 48.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision to the Executive Director of the European Insurance and Occupational Pensions Authority, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1531 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the European Institute of Innovation and Technology for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Institute of Innovation and Technology for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Institute of Innovation and Technology for the financial year 2014, together with the Institute's reply ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Institute in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0091/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 294/2008 of the European Parliament and of the Council of 11 March 2008 establishing the European Institute of Innovation and Technology ([4]), and in particular Article 21 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control (A8-0117/2016),

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 2014;

2. Sets out its observations in the resolution below;

([1]) OJ C 409, 9.12.2015, p. 187.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 97, 9.4.2008, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision, and the resolution 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1532 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Institute of Innovation and Technology for the financial year 2014

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 2014,

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

— having regard to the report of the Committee on Budgetary Control (A8-0117/2016),

A. whereas, according to its financial statements, the final budget of the European Institute of Innovation and Technology (the 'Institute') for the financial year 2014 was EUR 233 115 437, representing an increase of 65,54 % compared to 2013; whereas the increase resulted mainly from its expanded portfolio and number of beneficiaries, as well as a change in the Institute's founding regulation;

B. whereas, according to its financial statements, the overall contribution of the Union to the Institute's budget for 2014 amounted to EUR 169 807 303, representing an increase of 81,69 % compared to 2013;

C. whereas the Court of Auditors (the 'Court'), in its report on the Institute's annual accounts for the financial year 2014 (the 'Court's report'), stated that it had obtained reasonable assurances that the Institute's annual accounts were reliable and that the underlying transactions were legal and regular;

Emphasis of matter

1. Notes from the Court's report that the ceiling of 25 % of global expenditure was complied with for the 'Knowledge and Innovation Communities' ('KICs'), the recipients of the Institute's grants, over the first five years; notes, furthermore, that the Institute obtained audit certificates on the costs of the KICs' complementary activities ('KCAs') incurred during 2010 to 2014; takes note of the fact that it conducted a review of the portfolio of KCAs to ensure that only those activities that meet all the KCAs' legal and operational requirements, including the requirement of a link with the KICs' added value activities funded by the Institute, are accepted;

Budget and financial management

2. Notes that the Institute's budget monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 94,13 %, representing a decrease of 2,84 % compared with 2013; notes, furthermore, that the payment appropriations execution rate was 92,79 %, representing a decrease of 4,07 % compared with 2013;

3. Acknowledges that the Institute faced uncertainties concerning its 2014 annual budget due to the ongoing negotiations relating to the 2014 to 2020 Multiannual Financial Framework and Horizon 2020 throughout the year 2013; notes that the Institute's Governing Board decided to approach budget planning in a prudent manner by allocating only a part of the budget for the 2014 grant agreements as a first tranche; notes, however, that a high amount of commitment appropriations remained unused; observes that this was due to a low request of grant from the KICs as well as because awarding higher amounts would have put at risk the full implementation of the KICs' business plans; acknowledges that the operational activities of the Institute and the KICs are by nature multiannual, and that this is reflected in a derogation specific to the Institute which allows it to re-enter any cancelled appropriations into its budget in the following three years;

4. Notes that, according to the Court's report, the Institute overestimated its budgetary needs for 2014 by EUR 13 100 000 and that only EUR 220 000 000 of the EUR 233 100 000 available were committed; notes that this was mainly related to non-used appropriations for grants (EUR 11 400 000) to fund KIC activities; observes that the KICs' business plans, on the basis of which grant agreements were signed, did not require the use of total 2014 appropriations available to the Institute and the unused appropriations will be re-entered in the Institute's budgets for the years 2015 to 2017, as stipulated in the Institute's financial rules;

5. Notes with concern that, according to the Court's report, while the KICs are to develop strategies for financial sustainability, to date, and in the fifth year of their existence, they remain fully dependent on financing by the Institute and KIC partners; acknowledges that, following the Institute's adoption of the principles on KICs' financial sustainability, all KICs have made the latter one of their priority objectives and activities are reviewed accordingly to create a return of income from activities as well as the establishment of several revenue streams; notes that the Institute's Governing Board adopted a set of principles in March 2015 stating that the maximum Institute's contribution to a KIC will be reduced from up to 100 % funding after 10 years of a KIC designation to 80 %, on average, in year 11 and thereafter progressive reductions: 60 % in year 12, 40 % in year 13, 20 % in year 14 and 10 % in year 15; encourages the Institute to consider a tighter schedule for the reductions; notes, furthermore, that the Institute will continue monitoring the progress of KICs towards financial sustainability and take specific corrective actions when necessary;

6. Welcomes that the Institute revised its internal procedures, circuits and templates in order to fully comply with the respective public procurement rules, with special attention given to the sound planning and estimation of needs; acknowledges that the Institute recruited an additional procurement officer in 2015 and that it conducted a series of procurement training courses for its staff;

Procurement and recruitment procedures

7. Notes that, according to the Court's report, the Institute suffered from high staff turnover and instability at management level since its establishment in 2009; observes that in June 2014, the Governing Board decided to second the Institute's Director on a long-term research mission to the European University Institute in Florence for the remaining eleven months of his mandate; observes that the interim Director took over his duties in August 2014 just after his recruitment and appointment as Chief Operating Officer, being the fourth person occupying the Director's post within a period of six years; acknowledges that the vacancy notice to recruit a new Director was published in July 2015; notes that the Commission is responsible for the recruitment process; asks the Institute to inform the discharge authority on the progress made in this regard;

8. Acknowledges the actions taken by the Institute in order to mitigate the high staff turnover, in particular the fact that the Institute introduced improvements in vacancy management which were to be implemented according to its action plan and that the Institute put in place an appraisal and re-classification system in autumn 2014 to provide a better career perspective for its staff and to strengthen the middle management level; notes, moreover, that it revised and improved its training policy, as well as that exit interviews are now carried out with all staff analysing the reasons for departure; acknowledges that, as a result of the implemented actions, staff turnover in the Institute dropped to 12 % in 2014 as compared with the 20 to 25 % experienced in the period 2012 to 2013; acknowledges that in June 2015, there were only seven vacant positions out of 60 authorised posts in the Institute and that the remaining vacant positions were expected to be filled during 2015;

9. Understands that one of the two Institute's Head of Unit posts mentioned in the Court's report as being vacant since 2013 was filled in August 2015 and that the other has been advertised and the selection process is ongoing, with the vacancy expected to be filled in the first half of 2016; ascertains from the Court's report that both posts were occupied ad interim from 2013, which is in contradiction with the Staff Regulations that stipulate a maximum period of one year for such an arrangement; acknowledges that in 2014 one post was occupied by the Chief Operating Officer who served as the interim Director at the same time and who thus fulfilled three roles simultaneously; acknowledges that there has been progress on those issues and that the Institute's management vacancies are gradually being filled; calls on the Institute to proceed ambitiously with its effort to improve its recruitment procedures, and to take further measures to tackle the instability at management level in the interests of ensuring better operational continuity; calls on the Institute to inform the discharge authority of progress made with regard to recruitment;

Prevention and management of conflicts of interest and transparency

10. Welcomes the Institute's Governing Board's adoption of a comprehensive revision of the Code of Good Conduct applicable to Governing Board members in June 2015; notes that, in line with that new Code of Conduct, the annual declarations of interests and independence of the Institute's Governing Board members have been published on its website; acknowledges the Institute's plan to publish on its website the declarations of interest of senior management as part of the revision of the Code of Conduct applicable to its staff; calls on the Institute to proceed with that action and to report to the discharge authority once it is completed;

Internal audit

11. Notes that the Commission's Internal Audit Service ('IAS') carried out a follow-up audit in February 2014 in order to review the implementation of actions stemming from the 'limited review' it performed in 2012; notes that the IAS issued a final follow-up report in June 2014, in which it acknowledged progress made by the Institute, closed two recommendations out of the original six and re-rated one from 'critical' to 'very important'; observes that the IAS considered a number of actions as remaining open; calls on the Institute to complete the actions in question without delay and to inform the discharge authority of the outcome of the next IAS evaluation as regards the implementation of those recommendations;

Internal controls

12. Notes from the Court's report that the Institute gradually improved its financial verification of the KICs' cost claims; notes with concern, however, that the operational verification of deliverables falls behind and that the KICs' annual business plans still include an inadequate definition of deliverables, as well as that no clear link between planned deliverables and eligible cost per partner and cost category exists; is concerned about the cases identified by the Court where full amount of the Institute's grant was paid out even if some of the objectives set in the business plan had not been achieved; acknowledges that the Institute's level of detail in the *ex ante* technical assessment of the implementation of KIC activities has improved significantly in comparison with previous years and that the Institute put in place a more robust methodology to assess the KICs' performance based on the reporting;

13. Acknowledges that the Institute's internal control standards are largely implemented; notes, however, that further improvements are needed in certain areas such as grant management, procurement and IT; takes note of the fact that the Institute prepared a comprehensive register of audit and other recommendations requiring further action; calls on the Institute to inform the discharge authority on the status of implementation of those actions;

14. Ascertains that the Institute's Internal Audit Capability ('IAC') issued 39 recommendations, including one rated as 'critical', on the Institute's conflict of interests policy, as well as 23 recommendations rated as 'very important', concerning vacancy management, procurement and management of conflict of interests and sensitive posts; takes note of the fact that the Institute accepted all the IAC recommendations and prepared action plans to implement and monitor them;

Performance

15. Notes that in order to reduce costs and promote best practices in the area of public procurement, the Institute participates in a number of inter-institutional procurement procedures of the Commission; takes note of the fact that the Institute and the European Police College signed a Memorandum of Understanding in 2014 given their geographical proximity, with a view of sharing joint procurement procedures;

16. Notes the Institute's Communications Strategy, its presence on social media and the dissemination of its activities; notes furthermore the Institute's new dynamic and interactive website launched in 2014 which should keep external stakeholders informed, increase the Institute's visibility and reach Union citizens more effectively;

17. Calls on the Institute to enhance its procedures and practices aimed at safeguarding the financial interests of the Union and to actively contribute to a results-oriented discharge process;

18. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2016)0159 (see page 447 of this Official Journal).

DECISION (EU) 2016/1533 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the European Institute of Innovation and Technology for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Institute of Innovation and Technology for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Institute of Innovation and Technology for the financial year 2014, together with the Institute's reply ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Institute in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0091/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 294/2008 of the European Parliament and of the Council of 11 March 2008 establishing the European Institute of Innovation and Technology ([4]), and in particular Article 21 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control (A8-0117/2016),

1. Notes that the final annual accounts of the European Institute of Innovation and Technology are as annexed to the Court of Auditors' report;

2. Approves the closure of the accounts of the European Institute of Innovation and Technology for the financial year 2014;

([1]) OJ C 409, 9.12.2015, p. 187.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 97, 9.4.2008, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision to the Director of the European Institute of Innovation and Technology, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1534 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the European Medicines Agency for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Medicines Agency for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Medicines Agency for the financial year 2014 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0069/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 726/2004 of the European Parliament and of the Council of 31 March 2004 laying down Community procedures for the authorisation and supervision of medicinal products for human and veterinary use and establishing a European Medicines Agency ([4]), and in particular Article 68 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0114/2016),

([1]) OJ C 409, 9.11.2015, p. 197.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 136, 30.4.2004, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

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 2014;

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
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1535 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Medicines Agency for the financial year 2014

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 2014,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0114/2016),

A. whereas, according to its financial statements, the final budget of the European Medicines Agency ('the Agency') for the financial year 2014 was EUR 282 474 000, representing an increase of 12,29 % compared to 2013; whereas 12,53 % of the Agency's budget derives from the Union budget;

B. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the Agency for the financial year 2014 ('the Court's report'), has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2014 are reliable and that the underlying transactions are legal and regular;

Follow-up of 2013 discharge

1. Notes from the Court's report that regarding one comment made in the Court's 2012 report and marked as 'Ongoing' in the Court's 2013 report, corrective actions were taken and that comment is now marked in the Court's report as 'Completed';

Comments on the legality and regularity of transactions

2. Notes from the Court's report that the Agency's Fee Regulation [1] provides due dates for the collection of fees from applicants and the Agency's related payments to national competent authorities; notes that these due dates were not respected for most of the transactions audited by the Court; ascertains from the Agency that it has redesigned and streamlined its main operational processes including financial authorisations and fee collections; takes note that the further automation of these processes was planned to be implemented by the Agency by the end of 2015; calls on the Agency to take all further steps needed in order to ensure that its pharmacovigilance responsibilities are fully met and to effectively report to the discharge authority on measures implemented to remedy this issue;

Budget and financial management

3. Recalls that, as stipulated in its financial regulation, budget revenue of the Agency is based on cash received for contributions from the Union, fees for marketing authorisation applications for pharmaceutical products and for post-authorisation activities as well as for various administrative activities;

4. Notes that budget monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 94,32 %; regrets, however that this represents a decrease of 2,44 % compared with the previous year; notes furthermore that the payment appropriations execution rate was at 82,30 %; regrets that, here again, this represents a decrease of 3,98 %;

5. Notes that the cancelled appropriations in 2014 were EUR 16 054 189 (5,68 % of final appropriations); notes furthermore that the Agency is reliant on fee income and that the level of cancelled appropriations does not indicate delays in the implementation of the Agency's work programme; points out that these cancellations

[1] Articles 10(1) and 11(1) of Council Regulation (EC) No 297/95 of 10 February 1995 on fees payable to the European Agency for the Evaluation of Medicinal Products (OJ L 35, 15.2.1995, p. 1).

correlate with uncollected revenue appropriations of EUR 10 688 070 at year-end creating a positive overall out-turn balance of 1,90 % of final appropriations;

Commitments and carry-overs

6. Notes with satisfaction the rates of committed appropriations carried over realised by the Agency; notes in particular that the automatic carry-overs to financial year 2015 were at 17,7 % of committed appropriations as well as the absence of non-automatic carry-overs; acknowledges furthermore that the Court's annual audit found no notable issues with regard to the level of carry-overs in 2014 and commends the Agency for its compliance with the principle of annuality and the timely execution of its budget;

7. Calls on the Agency to reduce the level of committed appropriations carried over in the future as far as possible in order to strengthen transparency and accountability;

Transfers

8. Notes that according to the annual activity report, as well as the Court's findings, the level and nature of transfers in 2014 remained within the limits of the financial rules; ascertains from the Agency that during 2014 it made nine transfers totalling EUR 29 811 800 or 11,85 % of final appropriations; notes in particular that the transferred appropriations were primarily used for expenditure on business IT development, rapporteur payments and other adjustments to administrative budget items;

Procurement and recruitment procedures

9. Takes note from the Agency that, in order to increase the level of human resources allocated to operational tasks, it is further improving its recruitment and resource planning procedures; ascertains from the Court's Report that in 2014 the Agency concluded an EUR 15 000 000 framework contract for high-level management consultancy services covering the 2014-2017 period; notes that the objectives and activities to be carried out were not sufficiently specific to justify the procurement decision or the volume of the contract; calls on the Agency therefore, in the interests of transparency and accountability, to ensure that the objectives and activities to be carried out are in fact specified; notes furthermore that the Court found no evidence that the Agency's Management Board had been consulted on the procurement decision; acknowledges from the Agency that consulting its Management Board in this case was not required by the financial rules;

10. Asks the Agency to apply strictly the measures pertaining to discretion and exclusion in public procurement, with proper background checks being carried out in every instance, and to apply the exclusion criteria so as to debar companies in the event of any conflict of interest, this being essential to protect the financial interests of the Union;

11. Ascertains that the Agency increased transparency in relation to its recruitment procedures by publishing the status of ongoing external procedures and the status of reserve lists on the Agency's external website, and that it also improved the documentation related to the recruitment procedures;

12. Notes that the Advisory Committee on Procurements and Contracts (ACPC), set up in 2012 in order to examine procurement contracts prior to signature on behalf of the Agency, reviewed 73 dossiers during the year 2014; takes note that during 2014, 28 new procurement contracts exceeding EUR 25 000 in value were concluded by the Agency following procurement procedures, compared to 30 in 2013 and 43 in 2012;

13. Ascertains that the Agency uses the Early Warning System of the Commission and has access to a database which enables the Agency to check the financial status of potential contractors; notes that any risks identified are alerted to the ACPC and the relevant authorising officer; welcomes the creation of the Central Sourcing Office in December 2014, which is aimed at improving the efficiency and effectiveness of the Agency's procurement and contract management, whilst ensuring compliance with the relevant Regulation;

14. Welcomes that 580 of 599 available posts had been filled by the end of 2014 and that 210 contract agents, seconded national experts and employment agency staff were employed by the Agency; welcomes that the occupation rate has increased compared to 2013; notes that the proportion of contract agents, seconded national experts and employment agency staff has increased compared to 2013; congratulates the Agency for dedicating about 79 % of its human resources to operational tasks, and notes that this represents a slight decrease compared to the situation in 2013;

Prevention and management of conflicts of interests and transparency

15. Notes from the Agency the publication of its revised policy on handling of declarations of interests of scientific committee members and experts in November 2014 which entered into force in January 2015; acknowledges that the Agency has defined what are direct and indirect interests and ordered all experts to declare all direct and indirect interests in their annual declaration of interests; notes moreover that restrictions are applied to experts declaring direct or indirect interests which depend on the activity in which they are involved, maintaining the policy distinction between those interests in line with the relevant legislation;

16. Encourages the Agency further to raise awareness of the conflict-of-interest policy among its staff, alongside ongoing awareness-raising activities and the inclusion of integrity and transparency as an obligatory item to be discussed during recruitment procedures and performance reviews;

17. Calls for an overall improvement in the prevention of, and the fight against, corruption through a holistic approach, commencing with better public access to documents and more stringent rules on conflicts of interest, the introduction or strengthening of transparency registers and the provision of sufficient resources for law enforcement measures, and also through improved cooperation among Member States and with relevant third countries;

18. Calls on the Agency to enhance its procedures and practices aimed at safeguarding the financial interests of the Union and to actively contribute to a results-oriented discharge process;

19. Notes that in December 2014, the Agency's Management Board adopted an anti-fraud strategy, developed within the framework of the Common Approach on decentralised agencies, adopted in July 2012 by the Parliament, the Council and the Commission; notes furthermore that the scope of the anti-fraud strategy does not encompass 'regulatory fraud', which is dealt with through other mechanisms such as inspections; ascertains from the Agency that a possible widening of the strategy's scope so as to include this type of fraud will be reconsidered;

20. Calls on the Agency to pay special attention to the protection of whistle-blowers in the context of the soon-to-be-adopted Directive of the European Parliament and of the Council on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure;

21. Stresses that the Agency should ensure maximum transparency in providing access to clinical reports, and welcomes the Agency's decision to proactively publish data on clinical trials;

Internal controls

22. Takes note that in 2014, the Agency carried out an administrative procedure with respect to its Information, Communication and Technology (ICT) Division; notes that significant weaknesses in management control were reported, implying considerable operational and financial risks to the Agency; notes from the Agency that no considerable financial risks were reported in the administrative enquiry to the Agency's Executive Director; observes that an action plan to address the issue was established and implemented; calls on the Agency to report to the discharge authority on the effectiveness of the measures taken after they have been evaluated;

23. Observes that the Agency assessed the effectiveness of its key internal control systems during the year 2014; notes that the findings of the review demonstrated the Agency's internal controls performed well during the year, with no control failure exposing the Agency to the identified risks;

Internal audit

24. Acknowledges that in 2013, the Commission's Internal Audit Service (IAS) carried out an audit on stakeholder management and communication at the Agency, which showed these areas as being managed effectively; notes furthermore that the IAS submitted its report on consultancy engagement related to IT project management carried out at the end of 2013; observes that this report showed several weaknesses which the Agency set out to resolve by implementing changes in its structure and internal accountability; notes with satisfaction that no critical recommendations were open at year-end, and that the actions on very important recommendations were within the agreed timeline as specified in the Agency's action plans;

25. Takes note that in 2014, the Agency's Internal Audit Capability carried out audits in several areas, with no critical recommendations open at year-end;

Other comments

26. Welcomes the Agency's annual environmental reporting;

27. Recalls that the Pharmacovigilance Fee Regulation ([1]) was published in the *Official Journal of the European Union* on 27 June 2014 and has applied to procedures starting from 26 August 2014, although annual fees to support information technology systems and literature monitoring activities will not be levied until 2015; likes to stress that that Regulation now allows the Agency to collect fees from marketing authorisation holders to finance these pharmacovigilance activities conducted at Union level in respect of medicinal products for human use; points out that the income is used to remunerate national competent authorities for the scientific assessment carried out by the rapporteurs of the EMA's Pharmacovigilance Risk Assessment Committee and contributes to the pharmacovigilance costs of the Agency;

28. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016 ([2]) on the performance, financial management and control of the agencies.

([1]) 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).

([2]) Texts adopted, P8_TA(2016)0159 (see page 447 of this Official Journal).

DECISION (EU) 2016/1536 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the European Medicines Agency for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Medicines Agency for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Medicines Agency for the financial year 2014 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0069/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 726/2004 of the European Parliament and of the Council of 31 March 2004 laying down Community procedures for the authorisation and supervision of medicinal products for human and veterinary use and establishing a European Medicines Agency ([4]), and in particular Article 68 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0114/2016),

1. Notes that the final annual accounts of the European Medicines Agency are as annexed to the Court of Auditors' report;

([1]) OJ C 409, 9.11.2015, p. 197.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 136, 30.4.2004, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

2. Approves the closure of the accounts of the European Medicines Agency for the financial year 2014;

3. Instructs its President to forward this decision to the Executive Director of the European Medicines Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1537 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2014, together with the Centre's reply ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0065/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 1920/2006 of the European Parliament and of the Council of 12 December 2006 on the European Monitoring Centre for Drugs and Drug Addiction ([4]), and in particular Article 15 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0105/2016),

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 2014;

([1]) OJ C 409, 9.12.2015, p. 206.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 376, 27.12.2006, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

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
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1538 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2014

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 2014,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0105/2016),

A. whereas, according to its financial statements, the final budget of the Monitoring Centre for Drugs and Drug Addiction ('the Centre') for the financial year 2014 was EUR 15 675 036 representing a decrease of 3,88 % compared to 2013; whereas 93,4 % of the Centre's budget derives from the Union budget;

B. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the Monitoring Centre for Drugs and Drug Addiction for the financial year 2014 ('the Court's report'), has stated that it has obtained reasonable assurances that the Centre's annual accounts for the financial year 2014 are reliable and that the underlying transactions are legal and regular;

Follow-up of 2013 discharge

1. Acknowledges that the Centre has taken measures to further reduce the need for the adjustment of technical specifications of tenders, as well as to ensure that all concerned parties are informed more effectively whenever such adjustments are needed, namely via the publication of more explicit notices on its website;

2. Welcomes that the Centre's 2014 final annual accounts report contains detailed information about the corrective actions taken by the Centre in response to the observations and recommendations expressed by the Court, the budget authority and the Commission's Internal Audit Service (IAS); takes note of the Centre's efforts to implement the Court's and the IAS's audit recommendations in order to improve its management and internal control systems;

Budget and financial management

3. Notes that the budget monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 99,62 % and that the payment appropriations execution rate was 94,93 %, representing a slight decrease of 2,78 % compared to 2013; notes with satisfaction that the high overall level of committed appropriations indicated that the commitments were being made in a timely manner;

Commitments and carry-overs

4. Takes note from the Court's report that the level of committed appropriations carried over to 2015 was at 26 % (EUR 673 534) for Title II (administrative expenditure); acknowledges that these carry-overs mainly relate to an accelerated implementation of the Centre's multi-annual information and communication technologies (ICT) strategy as well as to resources initially planned for salary increases but not needed following a decision by the Court of Justice of the European Union;

5. Welcomes the accelerated implementation of the ICT strategy, but calls on the Centre in future to keep the level of committed appropriations carried over to the following year as low as possible;

Prevention and management of conflicts of interests and transparency

6. Notes that, pursuant to the Centre's revised policy on the prevention and management of conflicts of interests, the Centre's Management Board adopted in 2015 the templates to be used for publishing of the declarations of interest;

7. Acknowledges the Centre's publication of declarations of interest of its Management Board; notes, however, that the declarations of interest of Centre's Director and senior management are not publicly available and calls on the Centre to publish those declarations without delay;

8. Reminds the Centre that, under Article 22c of the Staff Regulations, which entered into force on 1 January 2014, it must adopt binding internal rules on whistle-blowers; further calls on the Centre to establish clear rules against 'revolving doors';

Internal controls

9. Ascertains that a comprehensive document reviewing and setting out the state of implementation of the Centre's Internal Control Standards (ICS) was prepared in 2013 and reviewed throughout 2014; observes that the three identified areas where implementation of the ICS should be improved are the following: business continuity, governance in IT as regards project management and monitoring of performance supported by Key Performance Indicators; acknowledges that measures aimed at mitigating the risks have continued to be taken by the Centre in order to deal with these risks;

10. Takes note that the Centre placed particular focus on managing the risks included in the ICT section of the Centre's risk register, in particular in the areas of security, project management and governance;

Internal audit

11. Ascertains from the Centre that all recommendations relating to the 2008 audit of the IAS have been closed; notes that two recommendations arising from the 2011 IAS audit have not been formally closed, as their implementation is at an advanced stage at the Centre; notes furthermore that the 2013 IAS audit on budget monitoring produced three main recommendations, with two already implemented while the recommendation on the budget preparation process was scheduled to be completed in 2015;

Other comments

12. Notes that the Centre continued its efforts to find a suitable solution for some areas of its 'Cais do Sodré Relógio' building which remains partially unused; acknowledges that two parties have recently expressed an interest in subletting these areas; acknowledges furthermore that the negotiations with the Lisbon Port Authority, the owner of the premises, for the reduction of the rent are in progress; calls on the Centre to inform the discharge authority on the further progress in this issue;

13. Calls on the Centre to enhance its procedures and practices aimed at safeguarding the financial interests of the Union and to actively contribute to a results-oriented discharge process;

14. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted, P8_TA(2016)0159 (see page 447 of this Official Journal).

DECISION (EU) 2016/1539 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2014, together with the Centre's reply ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0065/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 1920/2006 of the European Parliament and of the Council of 12 December 2006 on the European Monitoring Centre for Drugs and Drug Addiction ([4]), and in particular Article 15 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0105/2016),

1. Notes that the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction are as annexed to the Court of Auditors' report;

([1]) OJ C 409, 9.12.2015, p. 206.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 376, 27.12.2006, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

2. Approves the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2014;

3. Instructs its President to forward this decision to the Director of the European Monitoring Centre for Drugs and Drug Addiction, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1540 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the European Maritime Safety Agency for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Maritime Safety Agency for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0072/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 1406/2002 of the European Parliament and of the Council of 27 June 2002 establishing a European Maritime Safety Agency ([4]), and in particular Article 19 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0102/2016),

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 2014;

2. Sets out its observations in the resolution below;

([1]) OJ C 409, 9.12.2015, p. 216.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 208, 5.8.2002, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision, and the resolution 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1541 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Maritime Safety Agency for the financial year 2014

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 2014,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0102/2016),

A. whereas, according to its financial statements, the final budget of the European Maritime Safety Agency ('the Agency') for the financial year 2014 was EUR 52 403 276, representing a decrease of 9,37 % compared to 2013;

B. whereas the Court of Auditors, in its report on the annual accounts of the European Maritime Safety Agency for the financial year 2014, has stated that it has obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Follow-up of 2013 discharge

1. Appreciates the fact that the Court of Auditors did not make any comments on the Agency's financial management in 2014; welcomes the fact that the Agency has completed a physical inventory of administrative equipment and invites the Agency to accelerate its work on improving accounting procedures and information in respect of costs for internally created intangible assets;

Budget and financial management

2. Notes that the budget monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 94,78 % and the payment appropriations execution rate was 93,77 %;

Commitments and carryovers

3. Acknowledges that, according to the Court of Auditors' annual audit, as well as the Agency's annual activity report, no notable issues with regard to the level of carryovers in 2014 were identified; observes that EUR 5 178 491 was carried forward from the financial year 2013; notes with satisfaction that only 3,80 % of the 2013 carryovers were cancelled;

4. Regrets, especially in the context of the Agency's new legal framework, that the commitment execution in 2014 is below the 95 % target of the Commission, resulting in the Commission imposing a penalty in respect of the Draft Budget 2016; calls on the Agency to state the reasons for the failure to meet the 95 % target; urges the Agency to improve the budget execution and reduce this level to the ceilings established by Commission;

Transfers

5. Notes that, according to the Agency's annual activity report, the level and nature of transfers in 2014 have remained within the limits of the Agency's financial rules; notes that all Agency transfers for 2014 were below 10 % of the appropriations for the financial year of the budget line, when transferring from one title to another;

Procurement and recruitment procedures

6. Takes note of the fact that the Agency launched 82 procurement procedures in the financial year 2014, with 15 special negotiated procedures and 67 open and low value negotiated procedures; notes furthermore that the amount paid for procurement contracts signed in 2014 was EUR 3 432 061;

7. Notes from the Court of Auditors' report that at the year-end, the Agency had 210 posts in its establishment plan, of which 198 were occupied, 30 posts planned in the budget for contract staff, of which 29 were occupied as well as 18 posts for seconded national experts, of which 15 were occupied; has ascertained that in anticipation of the staff reduction and evolving work priorities, the Agency reduced its number of posts dealing with overhead functions by three; understands from the Agency that, in order to respond more effectively to the increased workload, identify the expertise currently available in the Agency and support an internal mobility policy, the Agency created a Human Capital Database as an internal management support tool;

8. Notes the results of the first benchmarking exercise on the Agency's posts, which showed that with 20,3 % of the jobs were dedicated to administrative support and coordination, 70,8 % to operational tasks and 6,6 % to control and financial tasks;

Prevention and management of conflicts of interests and transparency

9. Understands from the Agency that its Administrative Board has amended its rules of procedure; notes that these amended rules reflect the need for the Administrative Board members and alternates to provide, in addition to the signed declarations of commitment and confidentiality, their CVs for publication on the Agency's website; notes that the publication of these CVs was expected before October 2015; notes moreover that the CVs of the Agency's Executive Director and senior management are already published on its website;

10. Notes that the Agency's strategy on fraud prevention and detection, which has been developed completely in accordance with the guidelines provided by the European Anti-Fraud Office, was adopted in November 2015; understands that a number of additional actions are to be implemented during the 2015-2016 period; calls on the Agency to inform the discharge authority on the status of implementation of these actions;

11. Welcomes the fact that according to the stakeholder survey launched by the Agency in 2014, the Agency is perceived as highly professional and equipped with high technical expertise to deliver its mission; notes with concern that transparency comes out as a weak point in this survey and invites the Agency to work towards reverting this perception by stakeholders;

Performance

12. Welcomes the fact that the Agency is developing medium-term objectives and action plans to improve its performance towards the achievement of the strategic goals set in the 5-year strategy adopted by the Administrative Board in 2013; regrets, in this context that the multi-annual financial framework of the Union for the period 2014-2020, in clear contrast with the new legal remit for the Agency set out in Regulation (EU) No 100/2013 of the European Parliament and of the Council [1], may impose an adaptation of the strategy of the Agency due to financial constraints;

Internal controls

13. Notes that one of the key elements of the Agency's internal control system is the control and registration of exceptions to established regulations, policies, rules and procedures; observes that a total of 11 such exceptions were registered during the course of 2014, of which were nine *ex ante* and two were *ex post*; understands from the Agency that corrective actions were carried out where necessary or clarifications were given in order to avoid similar situations occurring in the future;

Internal audit

14. Notes that in 2014, the Commission's Internal Audit Service (IAS) conducted an audit on the 'Building Blocks of Assurance' at the Agency; notes that, according to the IAS, the internal control system put in place by the Agency's management provides reasonable assurance regarding the achievement of the business objectives established for the annual report and the underlying assurance building process;

15. Observes that, at the time of the audit, there was no formalised and documented process of drafting the annual report, leading to the risk that some actors involved in the process might not be fully aware of their responsibilities; notes that following the audit, the Agency established an action plan to address all recommendations stemming from the audit report which was subsequently approved by the IAS; notes that the Agency reviewed and documented the process of drafting the annual report in order to provide clear guidelines and a definition of the roles and responsibilities for all actors involved in the process of drafting, assessing and approving the annual report;

[1] Regulation (EU) No 100/2013 of the European Parliament and of the Council of 15 January 2013 amending Regulation (EC) No 1406/2002 establishing a European Maritime Safety Agency (OJ L 39, 9.2.2013, p. 30).

Other comments

16. Notes with satisfaction that the Agency actively sought potential synergies with other agencies; notes in particular that the Agency is sharing its Business Continuity Facility in Madrid with the Joint Undertaking for ITER and the Development of Fusion Energy and with the European Fisheries Control Agency; notes that the Agency, given the geographical proximity, has developed a close cooperation in the area of human resources, infrastructure and ICT with the European Monitoring Centre for Drugs and Drug Addiction;

17. Calls on the Agency to enhance its procedures and practices aimed at safeguarding the financial interests of the Union and to actively contribute to a results-oriented discharge process;

18. Highlights the Agency's contribution to maritime safety, the prevention of ship pollution in Europe, and the assistance provided to Member States and the Commission under international and Union law; deplores the fact that, while extending competences to a new set of core tasks and introducing new ancillary tasks to be executed by the Agency following the entry into force of Regulation (EU) No 100/2013 in February 2013, staff reduction and budgetary cuts became applicable in 2014; welcomes and encourages the Agency's collaboration with other European Agencies regarding the refugee crisis and reaffirms that the Agency has to be given the financial, material and human resources it needs to perform its tasks effectively, including when dealing with critically important activities outside its mandate, that is, its contribution in the form of know-how and operational support, through its staff, to managing the refugees crisis;

19. Highlights that the Agency's know-how and in-house capabilities provide the opportunity for it to expand its activities and services, providing them on a more global scale, thereby contributing to increasing the reach of Union regulatory frameworks and safety and environmental standards;

20. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2016)0159 (see page 447 of this Official Journal).

DECISION (EU) 2016/1542 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the European Maritime Safety Agency for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Maritime Safety Agency for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0072/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 [3], and in particular Article 208 thereof,

— having regard to Regulation (EC) No 1406/2002 of the European Parliament and of the Council of 27 June 2002 establishing a European Maritime Safety Agency [4], and in particular Article 19 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities [5],

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council [6], and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0102/2016),

1. Notes that the final annual accounts of the European Maritime Safety Agency are as annexed to the Court of Auditors' report;

[1] OJ C 409, 9.12.2015, p. 216.
[2] See footnote 1.
[3] OJ L 298, 26.10.2012, p. 1.
[4] OJ L 208, 5.8.2002, p. 1.
[5] OJ L 357, 31.12.2002, p. 72.
[6] OJ L 328, 7.12.2013, p. 42.

2. Approves the closure of the accounts of the European Maritime Safety Agency for the financial year 2014;

3. Instructs its President to forward this decision to the Executive Director of the European Maritime Safety Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1543 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the European Union Agency for Network and Information Security for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Network and Information Security for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Union Agency for Network and Information Security for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 — C8-0076/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 526/2013 of the European Parliament and of the Council of 21 May 2013 concerning the European Union Agency for Network and Information Security (ENISA) and repealing Regulation (EC) No 460/2004 ([4]), and in particular Article 21 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control (A8-0098/2016),

1. Grants the Executive Director of the European Union Agency for Network and Information Security discharge in respect of the implementation of the Agency's budget for the financial year 2014;

([1]) OJ C 409, 9.12.2015, p. 223.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 165, 18.6.2013, p. 41.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Union Agency for Network and Information Security, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1544 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Union Agency for Network and Information Security for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Union Agency for Network and Information Security for the financial year 2014,

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

— having regard to the report of the Committee on Budgetary Control (A8-0098/2016),

A. whereas, according to its financial statements, the final budget of the European Union Agency for Network and Information Security (the 'Agency') for the financial year 2014 was EUR 9 708 297, representing an increase of 0,39 % compared to 2013;

B. whereas the Union's contribution for the financial year 2014 to the Agency's budget amounted to EUR 8 820 666, representing an increase of 0,05 % compared to 2013;

C. whereas the Court of Auditors (the 'Court'), in its report on the Agency's annual accounts for the financial year 2014 (the 'Court's report'), stated that it had 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 2014 resulted in a high budget implementation rate of 100 % and that the payment appropriations execution rate was 85,61 %;

Commitments and carry-overs

2. Notes that, according to the Court's report, the total amount of committed appropriations carried over to 2015 amounted to EUR 1 332 421 (15 % of total appropriations); takes note of the fact that the carry-overs were EUR 612 981 (49 %) for Title II (administrative expenditure), representing a decrease of 10 % compared to 2013; acknowledges the fact that those carry-overs related to investments in IT infrastructure ordered as planned near the year-end for the Agency's two offices;

3. Observes that an amount of EUR 717 927 was carried forward from the financial year 2013; notes that EUR 49 460 (6,89 %) of the 2013 carry-forwards were cancelled;

Transfers

4. Notes with satisfaction that, according to the Agency's Annual Report, as well as the Court's audit findings, the level and nature of transfers in 2013 remained within the limits of the financial rules;

Procurement and recruitment procedures

5. Notes from the Agency's Annual Activity Report that, at the end of 2014, 62 statutory staff were employed; notes, furthermore, that during 2014, three staff left the Agency, ten vacancy notices were published and seven staff were recruited;

6. Observes that the Agency experiences challenges in attracting and holding suitably qualified staff to support its activities, mainly due to the location of its office in Crete, where international education is a challenging factor; acknowledges the fact that the Agency concluded a service level agreement with each of the private schools being used by the children of the staff in the Athens office, as no European schools are based there; notes, furthermore, that a new mandate and service agreement was concluded between the Commission and the Agency which provides the detail of the funding for European schools used by the children of Agency's staff;

7. Notes that, according to the Agency's Annual Activity Report, the Agency conducted a job-screening exercise using the common methodology adopted for the Agencies for the first time in 2014; notes, furthermore, that, according to that exercise, 68 % of the Agency's staff were in the operational functions category, 22 % were in the administrative support and coordination category and 10 % were employed in relation to neutral functions;

Internal audit

8. Takes note of the fact that at the beginning of 2014, the Agency had 25 open recommendations from previous reports of the Commission's Internal Audit Service ('IAS'); acknowledges the fact that 24 recommendations were closed during 2014 as confirmed by the IAS in its 'on-the-spot' visit to the Agency in November 2014; notes that one remaining open recommendation was closed in 2015, after the tool for e-workflows had been implemented;

Other comments

9. Acknowledges the fact that the Agency adopted internal policies in order to improve cost-effectiveness and the environmental friendliness of its facilities; notes that an important step towards satisfying both requirements was the adoption of a 'paperless' platform serving as workflow and storage of internal documents; notes with satisfaction that the Agency has practically eliminated all paper-based workflows, including financial transactions and human resources files and documents, and has replaced them with electronic documents and workflows in an effort to achieve a paperless office environment; acknowledges the fact that this tool was successfully introduced in January 2015;

10. States that the annual reports of the Agency could play an important role in compliance regarding transparency, accountability and integrity; calls on the Agency to include a standard chapter on those components in its annual report;

11. Acknowledges the fact that, as a follow up from the 2013 discharge of the Agency, according to the lease agreement between the Greek authorities, the Agency and the landlord, rent for the offices in Athens is paid by the Greek authorities; is concerned about the constant late payment of rent, which continued in 2014 and 2015 and which presents significant reputational, financial and business-continuity risks for the Agency; notes with concern that in 2015, the payment of the instalment for the first six months of the year was made on 27 August 2015 and only after the Agency received a warning that litigation would be launched by the landlord of the Athens office; urges the Commission, the Agency and the Greek authorities to find a solution for this issue in order to reduce significantly the risks to which the Agency is exposed;

12. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P8_TA(2016)0159 (see page 447 of this Official Journal).

DECISION (EU) 2016/1545 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the European Union Agency for Network and Information Security for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Network and Information Security for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Union Agency for Network and Information Security for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0076/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 526/2013 of the European Parliament and of the Council of 21 May 2013 concerning the European Union Agency for Network and Information Security (ENISA) and repealing Regulation (EC) No 460/2004 ([4]), and in particular Article 21 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control (A8-0098/2016),

1. Notes that the final annual accounts of the European Union Agency for Network and Information Security are as annexed to the Court of Auditors' report;

([1]) OJ C 409, 9.12.2015, p. 223.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 165, 18.6.2013, p. 41.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

2. Approves the closure of the accounts of the European Union Agency for Network and Information Security for the financial year 2014;

3. Instructs its President to forward this decision to the Executive Director of the European Union Agency for Network and Information Security, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1546 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the European Railway Agency for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Railway Agency for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Railway Agency for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0077/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 881/2004 of the European Parliament and of the Council of 29 April 2004 establishing a European Railway Agency ([4]), and in particular Article 39 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0106/2016),

1. Grants the Executive Director of the European Railway Agency discharge in respect of the implementation of the Agency's budget for the financial year 2014;

([1]) OJ C 409, 9.12.2015, p. 238.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 164, 30.4.2004, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

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 Railway Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1547 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Railway Agency for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Railway Agency for the financial year 2014,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0106/2016),

A. whereas, according to its financial statements, the final budget of the European Railway Agency ('the Agency') for the financial year 2014 was EUR 25 715 600, representing a decrease of 0,55 % compared to 2013; whereas the entire budget of the Agency derives from the Union budget;

B. whereas the Court of Auditors, in its report on the annual accounts of the European Railway Agency for the financial year 2014 ('the Court's report'), has stated that it has obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes that the budget monitoring efforts during the financial year 2014 resulted in a high budget implementation rate of 97,34 %, representing a decrease of 0,53 % compared with 2013; notes, furthermore, that the payment appropriations execution rate was 85,82 %, representing a decrease of 2,3 % compared with the previous year;

Commitments and carry-overs

2. Notes from the Court's report that the level of committed appropriations carried over for Title III (operational expenditure) was at EUR 2 200 000 (37,7 %); notes furthermore that these carryovers relate to delayed operational and IT projects and result from contracts being signed late in the financial year due to the procurement procedures being launched only after the adoption of Agency's budget and work programme; notes that the carryovers are closely followed by the Agency, reaching an execution rate of at least 95 % in the following year;

3. Calls on the Agency as far as possible to reduce the level of committed appropriations carried over in the future in order to strengthen transparency and accountability;

Procurement and recruitment procedures

4. Notes from the Court's report that the Agency reopened a competition procedure for the award of a specific contract in the context of the 'European Rail Traffic Management System' framework contract; notes, moreover, that both the excessive weighting of quality and the high maximum contract value in the reopening tender resulted in financial offers close to the maximum contract value; has ascertained, however, that this is in contradiction with the objective of reopening a competition procedure, which is to ensure competition on price; acknowledges that the Agency was preparing internal guidance on the use of the reopening of the competition procedure to ensure better competition on price at the time of the audit; asks the Agency to inform the discharge authority about the advancements achieved in this regard;

5. Notes that the Agency revised its selection procedures and made a number of improvements to the recruitment process in order to ensure full transparency and equal treatment of candidates; takes note that some further weaknesses were detected by the Commission's Internal Audit Service (IAS) resulting in the Agency introducing an *ex ante* control in order to ensure an independent monitoring of the selection procedures;

6. Takes note of the fact that the Agency adopted a decision enabling the use of long-term employments for its operational staff; has ascertained that it has enabled the possibility of long-term employment for the operational staff into its new regulation, as this possibility is expected to be incorporated in the new founding regulation of the Agency ([1]);

7. Has ascertained that the Agency published the CVs and declarations of conflicts of interests of the majority of its Administrative Board members; regrets, however, that some declarations of conflicts of interests of its Administrative Board members as well as of its management staff are still pending; expressly notes that this practice does not further transparency and consequently the Agency should publish the remaining declarations without delay;

8. Notes the results of the first benchmarking exercise on the Agency's posts, with 20,9 % of the jobs dedicated to administrative support and coordination, 67,6 % to operational tasks and 11,7 % to control and financial tasks;

9. Acknowledges that the selection and engagement procedures carried out in 2014 led to 96 % of the establishment plan being completed; welcomes the reduction of the previous high turnover in the operational staff and expects that the adoption of the new European Railway Agency Regulation will allow the Agency to achieve an appropriate balance of short- and long-term staff, in particular in operational units, in order to ensure business continuity;

Prevention and management of conflicts of interest and transparency

10. Has ascertained that the Agency published the CVs and declarations of conflicts of interest of the majority of its Administrative Board members; notes that the Agency is set to publish the remaining declarations of conflicts of interest of its Administrative Board members as well as of its management staff;

11. Takes note of the fact that the Agency's anti-fraud strategy was submitted to the Administrative Board in November 2014 and adopted in March 2015; notes that this anti-fraud strategy takes fully into account the European Anti-Fraud Office's 'Methodology and guidance for anti-fraud strategies for EU decentralised Agencies', and provides objectives for the Executive Director and the Administrative Board in the fight against fraud;

12. Notes that the Agency has in place a conflicts of interest policy for its staff and seconded national experts since 2012; acknowledges that this policy will be reviewed in the near future and calls on the Agency to report to the discharge authority on the progress made in this regard;

Internal audit

13. Has ascertained from the Agency that the IAS during 2014 issued one recommendation marked as 'very important', which was closed by the Agency in December 2015; takes note of the fact that, further to the IAS' follow-up of audit recommendations from previous years, two recommendations were closed by the Agency and four recommendations were being addressed by the Agency at the end of 2015; calls on the Agency to report to the discharge authority on the progress made in the implementation of these recommendations;

Internal controls

14. Acknowledges that an Internal Control Coordinator was appointed in March 2014 to support the development of an integrated management system and the implementation of the internal control standards, which will enhance the quality and relevance of the Agency's work;

([1]) Proposal for a Regulation of the European Parliament and of the Council on the European Union Agency for Railways and repealing Regulation (EC) No 881/2004, COM(2013) 27, 30 January 2013.

15. Has ascertained that the Agency assessed the effectiveness of its key internal control systems during the financial year 2014 and concluded that the 16 Internal Control Standards (ICS) are effectively implemented; notes, furthermore, that the assessment of the ICS showed the Agency was fully compliant with eight ICS and partially compliant with the other eight ICS; calls on the Agency to report to the discharge authority on the results of its action plans for achieving full compliance with the prioritised ICS;

Performance

16. Notes the high number of outputs (240) and key performance indicators (41) in the Agency's work programme 2014 and annual report; supports the view that a reporting system based on the Agency's impact on the railway sector would enhance transparency and visibility on mission delivery by the Agency;

Other comments

17. Notes that the participation of the civil society in the Agency's work during 2014 was ensured through the Agencies' stakeholders representation in its Administrative Board and the consultation process for development of its work programme; takes note of the visibility of the Agency through its presence on social media, participation in public events, cooperation with railway-related academia, settlement of working parties and periodic stakeholders surveys with the aim of obtaining and analysing feedback from the groups of interest;

18. Calls for an overall improvement in the prevention of, and the fight against, corruption through a holistic approach, commencing with better public access to documents and more stringent rules on conflicts of interest, the introduction or strengthening of transparency registers and the provision of sufficient resources for law enforcement measures, and also through improved cooperation among Member States and with relevant third countries;

19. States that the annual reports of the Agency could play an important role in compliance regarding transparency, accountability and integrity; calls on the Agency to include a standard chapter on these components in its annual report;

20. Takes note of the fact that the Agency shares its Accounting Officer with the European Securities and Markets Authority and certain facilities with the Translation Centre for the Bodies of the European Union in order to create synergies and achieve cost-effectiveness;

21. Notes that although the Agency became operational in 2005 it has been working on the basis of correspondence and exchanges with the host Member State since a comprehensive headquarters agreement between the Agency and the host Member State was not signed; acknowledges that the Government of the host Member State recently initiated informal discussions with the Agency on this matter; calls on the Agency and the host Member State to address this issue as a matter of urgency and to inform the discharge authority on the progress of the negotiations;

22. Deplores the fact that using two locations to carry out its activities exposes the Agency to additional costs and represents a waste of the European taxpayer's money; demands that this issue be addressed in order to restore value for taxpayer's money and operational efficiency while also avoiding needless indirect cost such as 'wasted' working hours due to travelling or additional administrative work;

23. Points out that the Agency's role in ensuring the safety and interoperability of European rail system; welcomes the Agency's role in following up the development, testing and implementation of European Railway Traffic Management System (ERTMS) as well as in evaluating the specific ERTMS projects; notes furthermore that a review of the Agency's role (e.g. one-stop-shop for vehicle authorisation and safety certification) and powers forms part of the Fourth Railway Package; stresses that as it receives greater responsibilities, the Agency will need to be given the necessary financial, material and human resources to perform its new and additional tasks effectively and efficiently; notes with concern the contradiction between the recently approved legislation extending the Agency's mission and the budgetary cuts related to the Agency to be implemented within the scope of the multi-annual financial framework 2014-2020;

24. Encourages the Agency to collaborate with Member States in order to increase the number and quality of railway projects, especially ERTMS projects, proposed under the Connecting Europe Facility (CEF) transport programme; recalls the Parliament's position in budgetary procedure for recovering of total amounts relocated from the CEF to the European Fund for Strategic Investments;

25. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted of that date, P8_TA(2016)0159 (see page 447 of this Official Journal).

DECISION (EU) 2016/1548 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the European Railway Agency for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Railway Agency for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Railway Agency for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 — C8-0077/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 881/2004 of the European Parliament and of the Council of 29 April 2004 establishing a European Railway Agency ([4]), and in particular Article 39 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0106/2016),

1. Notes that the final annual accounts of the European Railway Agency are as annexed to the Court of Auditors' report;

2. Approves the closure of the accounts of the European Railway Agency for the financial year 2014;

([1]) OJ C 409, 9.12.2015, p. 238.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 164, 30.4.2004, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision to the Executive Director of the European Railway Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1549 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the European Securities and Markets Authority for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Securities and Markets Authority for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Securities and Markets Authority for the financial year 2014, together with the Authority's reply ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2014 (05584/2016 — C8-0088/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC ([4]), and in particular Article 64 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A8-0096/2016),

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 2014;

2. Sets out its observations in the resolution below;

([1]) OJ C 409, 9.12.2015, p. 255.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 331, 15.12.2010, p. 84.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision, and the resolution 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1550 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Securities and Markets Authority for the financial year 2014

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 2014,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A8-0096/2016),

A. whereas, according to its financial statements, the final budget of the European Securities and Markets Authority (the 'Authority') for the financial year 2014 was EUR 33 267 143 representing an increase 18,02 % compared to 2013 due to the additional tasks entrusted to the Authority;

B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the European Securities and Markets Authority for the financial year 2014 (the 'Court's report') states that it has obtained reasonable assurances that the Authority's annual accounts for the financial year 2014 are reliable and that the underlying transactions are legal and regular;

1. Recalls that the Parliament was a key driver in the efforts to set up a new and comprehensive European System of Financial Supervision (ESFS) in the aftermath of the financial crisis, and in creating the Authority, as part of ESFS, in 2011;

2. Underlines that the Authority's role in promoting a common supervisory regime across the internal market is essential in order to ensure financial stability and a better integrated, more transparent, more efficient and safer financial market as well as a high degree of consumer protection in the Union;

3. Stresses that the Authority's work is of a purely technical nature and that key political decisions are the prerogative of the Union legislator;

Comments on the reliability of the accounts

4. Notes from the Court's report that the fees the Authority charged to its supervised entities, appearing as revenue in the provisional statement of financial performance, were based on estimated rather than actual costs of realised supervisory activities; acknowledges that in 2014 the Authority developed an activity-based costing model which will allow accurate follow up of the expenditure of its supervision activities; acknowledges furthermore that the Authority is applying this model from 2015 resulting in the supervisory fees being calculated according to the actual cost;

Comments on the legality and regularity of transactions

5. Notes from the Court's report that the Authority inherited a number of IT framework contracts from its predecessor body, the Committee of European Securities Regulators (CESR); notes that those contracts were related to the hosting of the Authority's data centres as well as to the development and maintenance of its systems; notes with concern that the IT contracts were not replaced with timely calls for tender which led to two contracts being extended beyond their original duration; is concerned that this resulted in the Authority procuring IT services, furniture and stationery, using a French central purchasing body, Union de Groupements d'Achats Publics (UGAP), for the amount of EUR 956 000 for 2014; points out that the use of UGAP was not in compliance with the Financial Regulation; acknowledges that the Authority has ceased to procure using UGAP's framework contracts, and that it has replaced all CESR IT framework contracts with its own;

Budget and financial management

6. Notes that the budget monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 98,89 %, representing an increase of 5,71 % compared to 2013 and indicating that commitments were made in a more timely manner; notes that the payment appropriations execution rate was 81,16 %;

7. Notes that the total cancellation rate for committed appropriations carried forward from 2013 was 19 %; acknowledges that those cancellations related mainly to delays in delivering requested services by the contractors, the cancelled purchase of licenses for a cancelled project, difficulties encountered in implementing a contract for interim staff as well as to a changeover to the new IT consultancy framework contract;

Commitments and carryovers

8. Ascertains from the Court's report that the that the level of committed appropriations carried over to 2015 was at 45 % for Title III (operational expenditure), showing a decrease of 13 % compared to 2013; acknowledges that those carryovers related mainly to IT and other services provided in 2014 and not paid at the year-end, to services expected to be delivered in 2015 as well as to the multi-annual nature of signed contracts;

Transfers

9. Notes with satisfaction that the Authority reduced the level of transfers in 2014 by implementing a thorough quarterly budget review, as well as monthly reporting to the Executive Director and quarterly reporting to the Management Board in order to ensure better and more transparent budget monitoring;

Procurement and recruitment procedures

10. Notes that at year-end, the Authority employed 167 staff members, compared to 139 staff in the previous year; acknowledges from the Authority that it aims for the best possible gender and geographical balance, resulting in 24 Union and European Economic Area nationalities being represented, with a ratio of 55 % male and 45 % female staff members;

Prevention and management of conflicts of interests and transparency

11. Acknowledges that the Authority developed, jointly with the European Banking Authority (EBA) and the European Insurance and Occupational Pensions Authority (EIOPA), a policy on management of conflicts of interest for its staff; notes that this policy was adopted in March 2015; notes furthermore that the Authority's Board of Supervisors adopted a policy on management of conflicts of interest for non-staff in September 2014; ascertains that the Authority is to annually collect and assess the declarations of interests from its staff, introduce awareness sessions for staff and newcomers, as well as to assess *ad hoc* declarations sent by its staff in order to raise awareness of the importance of avoiding conflicts of interests;

12. Notes that the CVs and declarations of interests of the Authority's senior management, voting members of its Board of Supervisors and members of the Securities and Market Stakeholder Group were made available on the Authority's website;

13. Acknowledges that in 2014 the Authority developed, in close cooperation with EBA and EIOPA, an anti-fraud strategy for the 2015-2017 period and that its implementation will enhance the Authority's capabilities in preventing, detecting, investigating and penalising potential fraud cases;

14. Calls on the Authority to follow EBA in greater transparency by disclosing all its meetings with third party stakeholders;

Internal audit

15. Notes that the Commission's Internal Audit Service (IAS) performed an audit on 'IT Governance and Project Management' and started an audit on 'Stakeholder Management and External Communications'; notes that in June 2014 the IAS performed a follow up visit and reviewed the implementation of the Authority's Internal Control Standards; acknowledges that the IAS considered seven out of 14 recommendations were already implemented while some of the pending recommendations were sent for closure to the IAS and are pending a new review;

Other comments

16. Notes that the Authority has put in place different actions in order to tackle the issue of late payments, which in 2013 constituted 27 % of all payments for goods and services received; acknowledges that these actions resulted in the late payments rate being reduced to below 1 % in 2015;

17. States that the annual reports of the Authority could play an important role in compliance regarding transparency, accountability and integrity; calls on the Authority to include a standard chapter on these components in its annual report;

18. Notes that following its discussions with the host Member State, the Authority started claiming VAT reimbursements according to the Protocol No 7 on the privileges and immunities of the European Union and the Council 'VAT Directive' ([1]); acknowledges that a VAT claiming procedure was put in place in 2013 which involves the participation of financial actors early in the appropriate circuits; observes that as a result of this measure, a quarterly procedure for claiming and reimbursement of VAT is in place as from 2014, effectively resolving the VAT recovery issue;

19. Points out that the Authority, when carrying out its activities, needs to pay particular attention to upholding the safety and soundness of the financial sector, ensuring compatibility with Union law, respecting the principle of proportionality and complying with the fundamental principles of the internal market for financial services; underlines that the Authority, on that basis, must strive to achieve outcomes that are unambiguous, consistent, coherent and free of superfluous complexity;

20. Points out that it is of particular importance that provisions drafted by the Authority are designed in a way that allows them to be equally applied by smaller entities;

21. Emphasises that, on all issues linked to the Authority's resources, it has to be ensured that the mandate can consistently be fulfilled and that the practical limits of independent, reliable and effective supervision are not set by budgetary constraints;

22. Acknowledges that the setting-up phase of ESFS has still not been completed and therefore notes that the tasks already entrusted to the Authority, as well as additional tasks envisaged in ongoing legislative work, require an adequate level of staff, in terms of both numbers and qualifications, and funding to allow for satisfactory supervision; underlines that, in order to uphold the quality of the supervisory work, it is very often the case that an expansion of tasks has to be matched by an expansion of resources; emphasises however that any potential increases in the Authority's means must be explained thoroughly and accompanied by rationalisation measures wherever possible;

23. Stresses that, while making sure that all assignments are carried out in full, the Authority must carefully stick to the tasks assigned to it by the Union legislator and must not seek to de facto broaden its mandate beyond those assignments; stresses that when carrying out its work and in particular when drafting technical standards and technical advice, the Authority needs to regularly and comprehensively inform the Parliament in a timely manner about its activities; regrets that this has in the past not always been done;

24. Stresses that when drafting implementing legislation, guidelines, questions and answers or similar measures the Authority must always respect the mandate attributed by the Union legislator and must not seek to set standards in areas where legislative processes are still pending;

([1]) Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax (OJ L 347, 11.12.2006, p. 1).

25. Regrets to acknowledge that the Authority has not managed to keep the Union legislator informed in a sufficient and comprehensive manner about all details of its ongoing work;

26. Regrets several cases where information from the Authority was available to Member States or third party stakeholders that was not given to Parliament; calls on the Authority to take effective measures to end this maladministration and to treat Parliament and Member States equally both regarding the content and timing of disclosed information;

27. Concludes that the Authority's mixed financing arrangement, which relies heavily on contributions from national competent authorities, is inadequate, inflexible, burdensome and a potential threat to its independence; therefore calls on the Commission, in the White Paper planned for Q2 2016 and in a legislative proposal to be presented by 2017, to launch a different financing arrangement based on a separate budget line in the budget of the Union and on the complete replacement of the contributions from national authorities by fees paid by market participants;

28. Calls on the Authority to supplement communication with the Parliament on draft advice or technical standards relating to the calibration of prudential formulae with a full description of the data and methodology used in such calibrations;

29. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted of that date, P8_TA(2016)0159 (see page 447 of this Official Journal).

DECISION (EU) 2016/1551 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the European Securities and Markets Authority for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Securities and Markets Authority for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Securities and Markets Authority for the financial year 2014, together with the Authority's reply ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0088/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC ([4]), and in particular Article 64 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A8-0096/2016),

1. Notes that the final annual accounts of the European Securities and Markets Authority are as annexed to the Court of Auditors' report;

2. Approves the closure of the accounts of the European Securities and Markets Authority for the financial year 2014;

([1]) OJ C 409, 9.12.2015, p. 255.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 331, 15.12.2010, p. 84.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision to the Executive Director of the European Securities and Markets Authority, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1552 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Training Foundation for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2014, together with the Foundation's reply ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0071/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation ([4]), and in particular Article 17 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0116/2016),

1. Grants the Director of the European Training Foundation discharge in respect of the implementation of the Foundation's budget for the financial year 2014;

2. Sets out its observations in the resolution below;

([1]) OJ C 409, 9.12.2015, p. 266.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 354, 31.12.2008, p. 82.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision, and the resolution 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1553 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2014

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 2014,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0116/2016),

A. whereas, according to its financial statements, the final budget of the European Training Foundation (the 'Foundation') for the financial year 2014 was EUR 20 158 053, representing an increase of 0,07 % compared to 2013; whereas the Foundation's entire budget derives from the Union budget;

B. whereas the Court of Auditors (the 'Court'), in its report on the Foundation's annual accounts for the financial year 2014 (the 'Court's report'), stated that it had obtained reasonable assurances that the Foundation's annual accounts were reliable and that the underlying transactions were legal and regular;

Follow-up of 2013 discharge

1. Welcomes the fact that, after an agreement on the Foundation's premises was signed in March 2013 with the authorities of the Piedmont region in Italy, the Foundation carried out extraordinary maintenance of the premises and assumed direct control of the internal systems such as water, gas and electricity, while the common systems remained under the overall management and maintenance of the region; notes with satisfaction that in July 2015 the Foundation and the Piedmont region signed a new agreement on the premises covering the period 2016 to 2018;

Budget and financial management

2. Notes that budget monitoring efforts during the financial year 2014 resulted in a high budget implementation rate of 99,90 %, indicating that commitments were made in a timely manner, and that the payment appropriations execution rate was high, at 94,80 %;

3. Acknowledges that the Foundation participated in the Commission's inter-institutional bank tender, which resulted in concluding a contract with a new bank; notes from the Court's report that the Foundation reduced the amount held in the Italian bank with a low credit rating (F3, BBB) from EUR 7 500 000 in 2013 to EUR 1 800 000 in 2014; takes note of the fact that, due to specific banking issues, the Foundation is obliged to keep an Italian bank;

Commitments and carry-overs

4. Notes from the Court's report that the total amount of committed appropriations carried over to 2015 amounted to EUR 940 119 (4,7 % of total appropriations); takes note of the fact that the carry-overs were at EUR 756 768 (36,2 %) for Title II (administrative expenditure), representing an increase of 6,2 % compared to the previous year; acknowledges that those carry-overs related mainly to software, hardware and furniture renewal purchases;

5. Observes that an amount of EUR 2 618 494 was carried forward from the financial year 2013; notes that EUR 85 129 (3,25 %) of 2013 carry-forwards were cancelled; takes note of the fact that the cancellations of 2013 carry-forwards were high for Title I (staff expenditure), at 15,9 % and for Title II (administrative expenditure), at 7,6 %, indicating an over-estimation of financial needs; acknowledges that, according to the Foundation, those cancellations were related mainly to unexpected delays and unforeseen staff issues;

Transfers

6. Notes with satisfaction that, according to the Foundation's Annual Report and the Court's audit findings, the level and nature of transfers in 2014 remained within the limits of the financial rules;

Procurement and recruitment procedures

7. Notes that the Foundation has been striving to reduce the number of staff in central administrative functions since the adoption of its recast mandate in 2008, while at the same time maximising the number of experts it deploys, increasing the staffing of its operations department by 19 %, from 64 in 2008 to 76 in 2014;

Prevention and management of conflicts of interests and transparency

8. Notes that the Foundation carried out in 2014 the exercise of requesting CVs and declarations of interest of its Governing Board members, Director and senior managers; notes, moreover, that the majority of CVs and declarations if interest collected have been published on the Foundation's website; takes note of the fact that the Foundation is actively pursuing the publication of the residual number of outstanding CVs and declarations, which will be published upon receipt, provided that consent for publication is given; calls on the Foundation to inform the discharge authority of progress with regard to recruitment of senior management;

9. Encourages the Foundation further to raise awareness of the conflicts-of-interest policy among its staff, alongside ongoing awareness-raising activities and the inclusion of integrity and transparency as an obligatory item to be discussed during recruitment procedures and performance reviews;

10. States that the annual reports of the Foundation could play an important role in compliance regarding transparency, accountability and integrity; calls on the Foundation to include a standard chapter on these components in its annual report;

11. Calls on the Foundation to enhance its procedures and practices aimed at safeguarding the financial interests of the Union and to actively contribute to a results-oriented discharge process;

Performance

12. Notes that 2014 was the first year of the Foundation's Mid-term Perspective 2014-2017 and commends the Foundation on its estimated performance effectiveness, at over 97 %, when comparing results planned against those delivered in the three strategic objectives, which were reinforcing evidence-based vocational education and training ('VET') policy analysis, modernising VET systems in a lifelong learning perspective and increasing the relevance of VET provision in respect of the labour market, economic and social cohesion;

Internal audit

13. Notes that in accordance with the audit plan, the Commission's Internal Audit Service ('IAS') did not carry out an audit during the course of 2014; ascertains that at the end of 2014, all six recommendations issued by the IAS following the 2013 audit on expert management and missions were addressed by the Foundation; notes furthermore that the evidence was provided to IAS for its annual review in 2014 and that in July 2015 the IAS formally closed five out of six recommendations while downgrading one recommendation from 'very important' to 'important';

Other comments

14. Notes the increasing number of requests for the Foundation' support to Union external relations assistance, from 78 in 2013 to 82 in 2014, and believes this underlines its relevance in supporting the role of the Union as a global actor in this field;

15. Points out that the Foundation operates in a dynamic environment which requires a high level of flexibility in continually updating and adjusting its activities to meet expected results in the delivery of support to partner countries; recalls that the 2014 context was marked in particular by ongoing political instability in the southern and eastern Mediterranean and in eastern Europe owing to the crisis in Ukraine; suggests that full advantage of the work done by the Foundation be taken in the area of migration and skills;

16. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted of that date, P8_TA(2016)0159 (see page 447 of this Official Journal).

DECISION (EU) 2016/1554 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the European Training Foundation for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Training Foundation for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2014, together with the Foundation's reply ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2014 (05584/2016 — C8-0071/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation ([4]), and in particular Article 17 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0116/2016),

1. Notes that the final annual accounts of the European Training Foundation are as annexed to the Court of Auditors' report;

2. Approves the closure of the accounts of the European Training Foundation for the financial year 2014;

([1]) OJ C 409, 9.12.2015, p. 266.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 354, 31.12.2008, p. 82.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision to the Director of the European Training Foundation, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1555 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0093/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 1077/2011 of the European Parliament and of the Council of 25 October 2011 establishing a European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice ([4]), in particular Article 33 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0124/2016),

1. Grants the Executive Director of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice discharge in respect of the implementation of the Agency's budget for the financial year 2014;

([1]) OJ C 409, 9.12.2015, p. 275.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 286, 1.11.2011, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1556 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice for the financial year 2014,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0124/2016),

A. whereas, according to its financial statements, the final budget of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice ('the Agency') for the financial year 2014 was EUR 59 380 000, representing a decrease of 3,2 % compared to the year 2013; whereas the entire budget of the Agency derives from the Union budget;

B. whereas the Court of Auditors, in its report on the annual accounts of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom for the financial year 2014 ('the Court's report'), states that it has obtained reasonable assurances that the annual accounts of the Agency are reliable and that the underlying transactions are legal and regular;

Emphasis of matter

1. Notes that the Court's report emphasises the issues related to the valuation of the SIS II, VIS and EURODAC systems in the Agency's accounts; notes that the systems were transferred from the Commission to the Agency in May 2013 by way of a non-exchange transaction; takes note that in the absence of reliable and complete information in respect of the total development cost of those systems, the value of the systems was recorded in the Agency's accounts at their net book values as per the Commission's books and updated at year-end; acknowledges the Agency's comment that as long as the book value of the assets transferred by the Commission to the Agency was established in line with the Commission's internal accounting rules, there was no action that the Agency had to or could have performed in this respect; also acknowledges that the value of transferred assets is expected to become immaterial in the year 2015 due to the yearly application of depreciation of asset value and that as such, for future discharges, this comment will no longer be relevant;

Budget and financial management

2. Notes that according to Regulation (EU) No 1077/2011, the Commission was responsible for the Agency's establishment and initial operation until it was granted financial autonomy on 22 May 2013; notes also that the year 2014 was the second year in which the Court proceeded to conduct an audit on the Agency's financial statements;

3. Notes that budget-monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 99,32 % and that the payment appropriations execution rate was high at 99,14 %;

Commitments and carry-overs

4. Notes from the Court's report that out of EUR 6 600 000 of committed appropriations carried forward to 2014 for Title I (staff expenditure) and Title II (administrative expenditure), EUR 1 700 000 (26 %) were cancelled, showing that the budgetary needs were overestimated at the end of 2013; acknowledges however, the Agency's observation that upon becoming financially independent in 2013, a number of commitments for administrative expenditure were migrated from the Commission to the Agency; acknowledges furthermore that, by the time the Agency made the decision regarding these carry-forwards, it had still not attained its full staff complement and therefore had a limited budget management capacity in certain areas; notes with satisfaction that the Agency subsequently improved its capacity to monitor and implement the carry-overs and expects the volume and percentage of cancellations to decrease in 2015;

5. Takes note from the Court's report that the committed appropriations carried over to 2015 were high for Title II (administrative expenditure) at EUR 15 000 000 (87 %); acknowledges that these carry-overs mainly resulted from delayed procurements for the extension and refurbishment of the Agency's site in Strasbourg; notes furthermore that the carry-overs for Title III (operational expenditure) were high at EUR 24 500 000 (85 %) and mainly related to multi-annual contracts for the maintenance of the Agency's IT systems; acknowledges the Agency's observation that it has taken steps to improve its capacity for planning, monitoring and implementing available appropriations, to ensure closer coordination between its operational and administrative functions and to further design and improve effective internal controls; calls on the Agency to reduce the high level of carry-overs as it is at odds with the principle of annuality;

6. Recalls that according to Regulation (EU) No 1077/2011, countries associated with the implementation, application and development of the Schengen acquis and EURODAC-related measures must make a contribution to the Agency's budget; notes furthermore that although Schengen-associated countries were using the systems managed by the Agency, the Commission's negotiations were still ongoing; acknowledges the Agency's observation that Iceland and Liechtenstein accepted the Regulation and that the negotiations with Switzerland and Norway are still ongoing, meaning that signature of the agreement is not possible before the acceptance of all associated countries;

Prevention and management of conflicts of interests and transparency

7. Notes the Agency's observation that its establishing regulation requests all members of the management board and advisory groups to issue an annual public statement of interest in writing; acknowledges that the Agency strictly follows this requirement and keeps all annual statements duly signed in the secretariat of the management board; notes furthermore that no national experts are sitting on the management board and advisory groups of the Agency;

8. Encourages the Agency further to raise awareness of the conflict-of-interest policy among its staff, alongside ongoing awareness-raising activities and the inclusion of integrity and transparency as an obligatory item to be discussed during recruitment procedures and performance reviews;

9. States that the annual reports of the Agency could play an important role in compliance regarding transparency, accountability and integrity; calls on the Agency to include a standard chapter on these components in its annual report;

10. Takes note that CVs of the Agency's executive director and the chairperson of its management board have been published and are kept up to date on the Agency's website; notes the Agency's observation that the individual statements of commitment for the members of its management board and advisory groups are kept by the secretariat of the management board, as there is no specific legal requirement in the Agency's establishing regulation calling for the publication of these statements;

11. Requests that the Agency implement Article 16 of the Staff Regulations by publishing information about senior officials who have left the service and a list of conflicts of interest on an annual basis;

Internal controls

12. Notes that the Agency's 16 internal control standards (ICS), structured around six major areas, were adopted by its management board in June 2014;

13. Acknowledges the Agency's observation that it successfully concluded a procurement procedure to acquire the necessary insurance coverage for its fixed tangible assets in its seat premises in Tallinn;

14. Asks the Agency to apply strictly the measures pertaining to discretion and exclusion in public procurement, with proper background checks being carried out in every instance, and to apply the exclusion criteria so as to debar companies in the event of any conflict of interest, this being essential to protect the financial interests of the Union;

Other comments

15. Is pleased that the negotiations between the Agency and France were successfully concluded and that the seat agreement was signed for the Agency's operational site in Strasbourg; acknowledges that at the end of 2015 the agreement was still expecting ratification from the French National Assembly;

16. Calls for an overall improvement in the prevention of, and the fight against, corruption through a holistic approach, commencing with better public access to documents and more stringent rules on conflicts of interest, the introduction or strengthening of transparency registers and the provision of sufficient resources for law enforcement measures, and also through improved cooperation among Member States and with relevant third countries;

17. Is pleased that the negotiations between the Agency and Estonia were successfully concluded and the seat agreement was signed at the end of 2014; acknowledges that the agreement was ratified by the Estonian Parliament in February 2015 and entered into force in March 2015;

18. Calls on the Agency to enhance its procedures and practices aimed at safeguarding the financial interests of the Union and to actively contribute to a results-oriented discharge process;

19. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted of that date, P8_TA(2016)0159 (see page 447 of this Official Journal).

DECISION (EU) 2016/ OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0093/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 1077/2011 of the European Parliament and of the Council of 25 October 2011 establishing a European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice ([4]), in particular Article 33 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0124/2016),

1. Notes that the final annual accounts of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice are as annexed to the Court of Auditors' report;

2. Approves the closure of the accounts of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice for the financial year 2014;

([1]) OJ C 409, 9.12.2015, p. 275.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 286, 1.11.2011, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision to the Executive Director of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1558 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the European Agency for Safety and Health at Work for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Agency for Safety and Health at Work for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0067/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 2062/94 of 18 July 1994 establishing a European Agency for Safety and Health at Work ([4]), and in particular Article 14 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0134/2016),

([1]) OJ C 409, 9.12.2015, p. 284.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 216, 20.8.1994, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Grants the Director of the European Agency for Safety and Health at Work discharge in respect of the implementation of the Agency's budget for the financial year 2014;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the European Agency for Safety and Health at Work, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1559 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Agency for Safety and Health at Work for the financial year 2014

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 2014,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0134/2016),

A. whereas, according to its financial statements, the final budget of the European Agency for Safety and Health at Work (the 'Agency') for the financial year 2014 was EUR 17 256 026, representing a decrease of 1,17 % compared to 2013;

B. whereas the Union's contribution for the financial year 2014 to the Agency's budget amounted to EUR 14 987 210, representing a decrease of 4,02 % compared to 2013;

C. whereas the Court of Auditors (the 'Court') in its report on the Agency's annual accounts financial year 2014 (the 'Court's report'), stated that it had obtained reasonable assurances that the Agency's annual accounts were reliable and that the underlying transactions were legal and regular;

Follow-up of 2013 discharge

1. Notes that, according to the Court's report, regarding two comments made in the Court's 2013 report, corrective actions had been taken and the two comments are now marked in the Court's report as 'N/A';

Budget and financial management

2. Notes that the budget monitoring efforts during the financial year 2014 resulted in the budget implementation rate of 98,65 %, and that the payment appropriations execution rate was 75,59 %;

Commitments and carry-overs

3. Notes that the level of committed appropriations carried over to 2015 for Title II (administrative expenditure) was EUR 443 412 or 34 %; acknowledges the fact that those carry-overs relate mainly to the purchase of goods and services, as planned, at the end of the year in connection with the Agency's fitting out of its new premises, with the renewal of annual IT contracts and with the cost of audit services;

4. Observes that an amount of EUR 4 384 922 was carried forward from the financial year 2013; notes with satisfaction that only 1,96 % of the 2013 carry-overs were cancelled;

Transfers

5. Notes that, according to the annual activity report as well as the Court of Auditors' audit findings, the level and nature of transfers in 2014 have remained within the limits of the financial rules as in the previous year;

Procurement and recruitment procedures

6. Notes that the Agency completed five recruitment procedures in 2014 with one ongoing and another three planned for 2015; acknowledges the fact that all current recruitment is either to replace staff leaving or temporary contracts to cover long-term sickness or maternity leave; notes that the Court made no comments on the Agency's recruitment procedures in its annual report for 2014;

Prevention and management of conflicts of interests and transparency

7. Acknowledges the fact that, further to the adoption of the Agency's conflicts of interest policy in November 2014, no conflict of interest situations were detected;

8. Calls for an overall improvement in the prevention of, and the fight against, corruption through a holistic approach, commencing with better public access to documents and more stringent rules on conflicts of interest, the introduction or strengthening of transparency registers and the provision of sufficient resources for law enforcement measures, and also through improved cooperation among Member States and with relevant third countries;

9. Recalls that existing procedures regarding the prevention of conflicts of interests for the Agency's staff are under revision and were to be completed in 2015; notes that the revision of the rules remains ongoing and calls on the Agency to complete that process as soon as possible and to inform the discharge authority of the results;

10. Encourages the Agency further to raise awareness of the conflict-of-interest policy among its staff, alongside ongoing awareness-raising activities and the inclusion of integrity and transparency as an obligatory item to be discussed during recruitment procedures and performance reviews;

Internal controls

11. Takes note of the fact that in its annual management plan for 2014, the Agency agreed on measures to further improve the effectiveness of the Agency's Internal Control Standards ('ICS') in several areas; notes that, given the scope of the areas identified, a multi-annual action plan was prepared; notes, furthermore, that in June 2014, the Agency's Director adopted an internal control policy that includes a specific procedure on ICS self-assessment, which is based on established practice at the Agency, gives an account of the internal control systems in force and defines roles and responsibilities in relation to the implementation of the procedure;

Internal audit

12. Notes that the Commission's internal audit service ('IAS') serves as the Agency's internal auditor and carries out audits at the Agency on the basis of a strategic internal audit plan ('SIAP'); notes, furthermore, that in 2014, the IAS did not perform any new audits and that the next audit in the framework of the SIAP took place in April 2015;

Other comments

13. Notes from the Court's report that, following the amendment of the Staff Regulations in 2004 by Council Regulation (EC, Euratom) No 723/2004 [1], these included provisions that future remuneration of officials recruited before 1 May 2004 should not be less than under the previous Staff Regulations; observes that the Court's audit revealed that this was not complied with and, in the case of one of the 26 officials employed at the time, this led to an underpayment of EUR 5 300 for the period 2005 to 2014; notes that the Agency undertook necessary actions to remedy that issue;

14. Notes that the Agency's move to its new premises was completed late in 2013 but fully implemented in 2014; welcomes the fact that the new premises give the staff more space and better working conditions as well as better meeting facilities for visitors; notes with satisfaction that the move has resulted in substantial savings on rent; welcomes that the seat agreement with the Spanish authorities secures the Agency's home in the long term;

15. States that the annual reports of the Agency could play an important role in compliance regarding transparency, accountability and integrity; calls on the Agency to include a standard chapter on those components in its annual report;

[1] Council Regulation (EC, Euratom) No 723/2004 of 22 March 2004 amending the Staff Regulations of officials of the European Communities and the Conditions of Employment of other servants of the European Communities (OJ L 124, 27.4.2004, p. 1).

16. Recognises the key role of the Agency for the implementation of the EU Strategic Framework on Health and Safety at Work 2014 to 2020;

17. Notes that 2014 was the first year of the Agency's new multiannual strategic programme for the years 2014 to 2020; appreciates the positive indications regarding the Agency's achievements during the first year of the strategy in the following priority areas defined in the strategy: anticipating change, facts and figures, tools for occupational safety and health management, awareness raising, networking knowledge and corporate communication;

18. Welcomes the active cooperation between the Agency and the relevant Member States' authorities;

19. Commends the work of the agency in developing an online interactive risk assessment tool and its efforts through the Healthy Workplaces Campaign to strengthen risk prevention and promote sustainable and healthy workplaces;

20. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted of that date, P8_TA(2016)0159 (see page 447 of this Official Journal).

DECISION (EU) 2016/1560 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the European Agency for Safety and Health at Work for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Agency for Safety and Health at Work for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0067/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 2062/94 of 18 July 1994 establishing a European Agency for Safety and Health at Work ([4]), and in particular Article 14 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0134/2016),

([1]) OJ C 409, 9.12.2015, p. 284.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 216, 20.8.1994, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Notes that the final annual accounts of the European Agency for Safety and Health at Work are as annexed to the Court of Auditors' report;

2. Approves the closure of the accounts of the European Agency for Safety and Health at Work for the financial year 2014;

3. Instructs its President to forward this decision to the Director of the European Agency for Safety and Health at Work, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2016/1561 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the Euratom Supply Agency for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Euratom Supply Agency for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the Euratom Supply Agency for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0083/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 1(2) thereof,

— having regard to Council Decision 2008/114/EC, Euratom of 12 February 2008 establishing Statutes for the Euratom Supply Agency ([4]), and in particular Article 8(9) of the Annex thereof,

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

— having regard to the report of the Committee on Budgetary Control (A8-0110/2016),

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 2014;

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
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 409, 19.12.2015, p. 299.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 41, 15.2.2008, p. 15.

RESOLUTION (EU, EURATOM) 2016/1562 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Euratom Supply Agency for the financial year 2014

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 2014,

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

— having regard to the report of the Committee on Budgetary Control (A8-0110/2016),

A. whereas, according to its financial statements, the final budget of the Euratom Supply Agency (the 'Agency') for the financial year 2014 was EUR 104 000, representing the same amount as in 2013;

B. whereas the Court of Auditors (the 'Court'), in its report on the Agency's annual accounts for the financial year 2014 (the 'Court's report'), stated that it had obtained reasonable assurances that those 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 2014 resulted in a commitment appropriations execution rate of 91,08 %, representing a decrease of 3,92 % compared to 2013; ascertains that the payment appropriation execution rate was 81,13 %, representing an increase of 21,91 % compared to 2013;

Other comments

2. Takes note of the fact that the Agency has provided in its annual accounts estimations of the administrative services paid directly from the Commission's budget;

3. States that the annual reports of the Union institutions and agencies could play an important role in compliance regarding transparency, accountability and integrity; calls for the Union institutions and agencies to include a standard chapter on those components in their annual reports;

4. Acknowledges that the Agency has an appropriate risk management and control strategy in place; notes, furthermore, that the Agency has taken all necessary actions on risk assessment and risk mitigation to align its internal control system with the Court's requirements;

5. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted of that date, P8_TA(2016)0159 (see page 447 of this Official Journal).

DECISION (EU, EURATOM) 2016/1563 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the Euratom Supply Agency for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Euratom Supply Agency for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the Euratom Supply Agency for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0083/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 1(2) thereof,

— having regard to Council Decision 2008/114/EC, Euratom of 12 February 2008 establishing Statutes for the Euratom Supply Agency ([4]), and in particular Article 8(9) of the Annex thereof,

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

— having regard to the report of the Committee on Budgetary Control (A8-0110/2016),

1. Notes that the final annual accounts of the Euratom Supply Agency are as annexed to the Court of Auditors' report;

2. Approves the closure of the accounts of the Euratom Supply Agency for the financial year 2014;

3. Instructs its President to forward this decision to the Director-General of the Euratom Supply Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 409, 19.12.2015, p. 299.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 41, 15.2.2008, p. 15.

DECISION (EU) 2016/1564 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

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 2014

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 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2014, together with the Foundation's reply ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0063/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EEC) No 1365/75 of the Council of 26 May 1975 on the creation of a European Foundation for the improvement of living and working conditions ([4]), and in particular Article 16 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0120/2016),

1. Grants the Director of the European Foundation for the Improvement of Living and Working Conditions discharge in respect of the implementation of the Foundation's budget for the financial year 2014;

([1]) OJ C 409, 9.12.2015, p. 307.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 139, 30.5.1975, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the European Foundation for the Improvement of Living and Working Conditions, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President — Martin SCHULZ

The Secretary-General — Klaus WELLE

RESOLUTION (EU) 2016/1565 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2014

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 2014,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0120/2016),

A. whereas, according to its financial statements, the final budget of the European Foundation for the Improvement of Living and Working Conditions (the 'Foundation') for the financial year 2014 was EUR 20 774 000, representing an increase of 0,73 % compared to 2013;

B. whereas the Court of Auditors (the 'Court') in its report on the Foundation's annual accounts for the financial year 2014 (the 'Court's report'), stated that it had obtained reasonable assurances that those annual accounts were reliable and that the underlying transactions were legal and regular;

Follow-up of 2013 discharge

1. Welcomes the Foundation's corrective actions regarding the concerns raised by the Court on the physical inventory and fixed assets registration;

Budget and financial management

2. Notes that the Foundation's budget monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 99,66 % and that the payment appropriations execution rate was 79,80 %; notes with satisfaction that high overall level of committed appropriations indicates commitments being made in a timely manner;

Commitments and carry-overs

3. Notes that the level of committed appropriations carried over to 2015 was 53,7 % for Title III (operational expenditure); acknowledges that those carry-overs related mainly to multiannual projects, for which activities were implemented and payments were made according to schedule, as well as to one multiannual project for which implementation was brought forward to 2014, but for which payments are due only in 2015;

4. Acknowledges that, in order to align the multi-annual nature of its projects with the budgetary principle of annuality, the Foundation reports the amount of planned carry-overs to the Court at the beginning of each year; takes note that that reporting allows the Court to separate the unavoidable carry-overs relating to the multiannual projects from carry-overs which indicate budgetary planning or implementation deficiencies;

Procurement and recruitment procedures

5. Welcomes the introduction of a new web application for the management of the selection and recruitment process, which was adopted and implemented during 2014; notes that that application will allow for most of the process, previously managed through a number of electronic and paper-based systems, to be organised in a single workflow, with potential savings in time;

6. Notes that the Foundation conducted for the first time in December 2014 a job screening exercise using the common methodology adopted for Union agencies; notes, furthermore, that, according to that exercise, 72,81 % of the Foundation's staff had operational functions, 15,54 % had administrative support and coordination functions and 11,65 % had neutral functions;

Prevention and management of conflicts of interests and transparency

7. Notes with concern that only approximately half of the Foundation's Governing Board members' CVs and declarations of interest are publicly available on its website; acknowledges that the Foundation has no legal means of enforcing submission of those documents; urges the Foundation's governing board members to submit those documents without delay with a view to increasing transparency;

8. Calls on those Union institutions and agencies which have introduced codes of conduct, including Parliament, to step up their implementation measures, such as checks of declarations of financial interests;

9. Encourages the Foundation further to raise awareness of the conflict-of-interest policy among its staff, alongside ongoing awareness-raising activities and the inclusion of integrity and transparency as an obligatory item to be discussed during recruitment procedures and performance reviews;

Internal controls

10. Notes that, following the prioritisation in 2013 of further developing the Foundation's internal control standards ('ICS'), the internal control coordinator, in its annual work plan, focused on the ICS relating to staff allocation and mobility, processes and procedures as well as the assessment of the Foundation's internal control system; notes, moreover, that the Foundation's internal controls committee ('ICC') carried out a self-assessment of internal control weaknesses; takes note of the fact that the conclusion of the assessment was to focus on raising awareness about the ICS among managers; acknowledges that the ICC decided to plan and conduct seminars on each of the selected internal control systems;

Internal audit

11. Ascertains that the major activity in 2014 as regards the Foundations' relations with the Commission's internal audit service ('IAS') was to follow up on the 2013 IAS audit on customer relations and stakeholder relations management and its three recommendations; takes note of the fact that that the Roadmap agreed with the IAS in respect of the three recommendations was implemented in 2014 and various documents were made available to the IAS; acknowledges that the corrective actions implemented by the Foundation were ready for review by the IAS at the year-end and were submitted to the IAS for review;

Other comments

12. Notes from the Court's report that, following the amendment of the Staff Regulations in 2004 by Council Regulation (EC, Euratom) No 723/2004 ([1]), these included provisions that future remuneration of officials recruited before 1 May 2004 should not be less than under the previous Staff Regulations; observes that the Court's audit revealed that this was not complied with and that, in the case of 20 of the 78 officials employed at the time, this led to an underpayment of EUR 128 735 for the period 2005 to 2014; acknowledges that the calculation of the Foundation's salaries is outsourced to the Commission's Paymaster's Office; notes that the Foundation undertook necessary actions to remedy that issue;

13. Notes that although the Foundation became operational in 1975, a comprehensive headquarters agreement between the Foundation and the host Member State was not signed during 2014; notes with satisfaction that negotiations with the host Member State, which started in February 2014, were completed and that the signing of the Foundation's seat agreement took place on 10 November 2015; observes that this agreement should promote transparency in respect of the conditions under which the Foundation and its staff operate;

([1]) Council Regulation (EC, Euratom) No 723/2004 of 22 March 2004 amending the Staff Regulations of officials of the European Communities and the Conditions of Employment of other servants of the European Communities (OJ L 124, 27.4.2004, p. 1).

14. Welcomes the successful implementation of the Foundation's four-year work programme; praises the important work performed on the three European surveys: the European Quality of Life Survey, the European Working Conditions Survey and the European Company Survey; notes that the Foundation continued to focus its research on youth unemployment and social cohesion; appreciates its contribution to assessing the impact of the crisis on working and living conditions;

15. Welcomes the conclusion of the three key reports: 'Psychosocial risks in Europe', 'Labour mobility in the EU: Recent trends and policies' and 'Social cohesion and well-being in the EU';

16. Appreciates the research provided by the Foundation and the valuable comparative information and notes their key importance for ensuring evidence-based discussions on social and work-related policies; highlights the particular relevance of the ongoing cooperation between the Foundation and the Committee on Employment and Social Affairs;

17. Acknowledges that the Foundation remained an essential contributor to policy development, the use of its expertise in key Union policy documents remained significant; welcomes the fact that the key performance indicators suggest a high visibility and recognition of the scientific value of the Foundation's research;

18. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016 [1] on the performance, financial management and control of the agencies.

[1] Texts adopted of that date, P8_TA(2016)0159 (see page 447 of this Official Journal).

DECISION (EU) 2016/1566 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2014

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 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2014, together with the Foundation's reply ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2014 (05584/2016 — C8-0063/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EEC) No 1365/75 of the Council of 26 May 1975 on the creation of a European Foundation for the improvement of living and working conditions ([4]), and in particular Article 16 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0120/2016),

1. Notes that the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions are as annexed to the Court of Auditors' report;

2. Approves the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2014;

([1]) OJ C 409, 9.12.2015, p. 307.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 139, 30.5.1975, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision to the Director of the European Foundation for the Improvement of Living and Working Conditions, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1567 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of Eurojust for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of Eurojust for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of Eurojust for the financial year 2014, together with Eurojust's reply ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to Eurojust in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0070/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime ([4]), and in particular Article 36 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0099/2016),

1. Grants the Administrative Director of Eurojust discharge in respect of the implementation of Eurojust's budget for the financial year 2014;

2. Sets out its observations in the resolution below;

([1]) OJ C 409, 9.12.2015, p. 315.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 63, 6.3.2002, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Administrative Director of Eurojust, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1568 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of Eurojust for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of Eurojust for the financial year 2014,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0099/2016),

A. whereas, according to its financial statements, the final budget of Eurojust for the financial year 2014 was EUR 33 667 239, representing an increase of 4,04 % compared to 2013; whereas the entire budget of Eurojust derives from the Union budget;

B. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the Eurojust for the financial year 2014 ('the Court's report'), has stated that it has obtained reasonable assurances that Eurojust's annual accounts are reliable and that the underlying transactions are legal and regular;

Follow-up of 2013 discharge

1. Acknowledges from Eurojust that:

— its college adopted a template for the declarations of absence of interest by the management board in June 2015,

— the Commission's Internal Audit Service closed an outstanding recommendation rated as 'very important' from the financial year 2013,

— its 'Guidelines on the prevention and management of conflicts of interest' were presented in October 2015 to the management board and subsequently adopted at the board's meeting in January 2016;

Budget and financial management

2. Notes with satisfaction that the budget monitoring efforts during the financial year of 2014 resulted in a budget implementation rate of 99,82 %, representing an increase of 0,21 % from 2013; ascertains that the payment appropriations execution rate was 87,31 %, representing a decrease of 2,34 % from 2013;

3. Acknowledges Eurojust's statement that it has reduced the number of budget lines for its 2015 budget in order to reduce weaknesses in budget planning and implementation; notes furthermore that this exercise will continue for the 2016 and 2017 budgets;

4. Notes with concern from the Court's report that the financial impact of salary adjustments and of the increase in the correction coefficient were not included in the initial budget for the financial year 2014; regrets that the shortfall in the salary budget of approximately EUR 1 800 000 required temporary reductions in operational expenditure and substantial transfers from administrative and operating budget lines at year-end; notes that this shortfall was partly balanced by an amending budget providing an additional EUR 1 200 000 to Eurojust and that commitments were made to advance with the implementation of the planned projects;

5. Takes note of the fact that Eurojust provides grants from its own budget to support the joint investigation teams (JIT); notes, furthermore, that only 32,8 % was paid by the end of the year mainly due to the budget implementation depending on beneficiaries and their submitted claims for reimbursement, putting the budget execution at risk; calls on Eurojust to report to the discharge authority on the measures taken to address this issue and to provide better guidance to its beneficiaries;

Commitments and carry-overs

6. Notes from the Court's report that the overall level of committed appropriations was high at 99 %; notes however that the level of carry-overs for Title III was high at 35 %, representing an increase of 2 % compared with 2013; ascertains that the high level of carry-overs occurred mainly because of the temporary budget shortfall, where commitments could only be made late in the year and because of granting projects for JIT launched during the last months of 2014 for which payments were not due until 2015;

7. Welcomes the fact that Eurojust will evaluate the use of differentiated appropriations to ensure the financing of its operational activities; notes moreover that this initiative is undertaken in consultation with the Commission's Directorate-General for Justice and Consumers and the Directorate-General for Budget; invites Eurojust to report to the discharge authority on the results of this initiative and the measures taken;

Procurement and recruitment procedures

8. Notes the efforts made by Eurojust to provide a more comprehensive procurement plan and urges Eurojust to publish the full list of contracts awarded;

9. Welcomes the detailed presentation of Eurojust's organisational structure, its members and administrative structures, as well as the publication of its code of administrative behaviour on the website;

Prevention and management of conflict of interests and transparency

10. Reminds Eurojust that it must adopt internal binding rules for the protection of whistle-blowers, in accordance with Article 22c of the Staff Regulations, which came into force on 1 January 2014;

11. Asks Eurojust to provide the discharge authority with a track record of cases of conflicts of interest identified, and to establish strict and clear rules against 'revolving doors';

Internal controls

12. Ascertains from Eurojust that the Commission's Internal Audit Service (IAS) carried out risk assessments in 2014 and that the results of these assessments have been used by the IAS as the basis for its 2014-2016 Strategic Internal Audit Plan as well as by Eurojust for identifying possible further improvements to administrative processes; acknowledges the actions taken by Eurojust regarding the implementation of internal control standards related to ethical and organisational values as well as to the risk management process;

Internal audit

13. Acknowledges Eurojust's observation that no critical recommendations were issued by the IAS during 2014; notes, furthermore, that the IAS issued an 'outstanding' recommendation from the year 2013 in the first quarter of 2015; looks forward to the results of the review and calls on Eurojust to report to the discharge authority on the outcome;

Other comments

14. Acknowledges Eurojust's statement that the ongoing issue identified by the Court in 2011 regarding the overlap of responsibilities between the administrative director and the college of Eurojust can only be resolved by the legislative authority in the ongoing legislative procedure for a new Eurojust regulation [1]; believes that this future regulation should be adopted in line with the PIF directive [2] and the EPPO regulation [3]; urges the legislative authority to proceed with the necessary reforms contained in these proposals for new legislation;

[1] Proposal for a Regulation of the European Parliament and of the Council on the European Union Agency for Criminal Justice Cooperation (Eurojust) (COM(2013) 535, 2013/0256(COD)), dated 17 July 2013.

[2] Proposal for a Directive of the European Parliament and of the Council on the fight against fraud to the Union's financial interests by means of criminal law (COM(2012) 363, 2012/0193(COD)), dated 11 July 2012.

[3] Proposal for a Council Regulation on the establishment of the European Public Prosecutor's Office (COM(2013) 534, 2013/0255(APP)), dated 17 July 2013.

15. Acknowledges Eurojust's statement that in 2014 it decided to suspend the projects stemming from its organisational structure review; notes that the new Eurojust regulation could address the issues related to governance which led to the initiation of both projects in the past;

16. Welcomes the annual learning plan established in 2014 to cover the professional needs of staff as well as the establishment of a competency framework with the purpose of reflecting the core and leadership needs of Eurojust; notes that the work on the draft competence framework advanced in 2014 was to be completed and made available to all staff in 2015; calls on Eurojust to provide the discharge authority with an update on the implementation of the competence framework;

17. Calls on those Union institutions and agencies which have introduced codes of conduct, including the European Parliament, to step up their implementation measures, such as checks of declarations of financial interests;

18. Calls on Eurojust to enhance its procedures and practices aimed at safeguarding the financial interests of the Union and to actively contribute to a results-oriented discharge process;

19. Recalls that according to Article 41a of the decision on the strengthening of Eurojust [1], before 4 June 2014 the college of Eurojust is to commission an independent external evaluation of the implementation of this decision and of the activities carried out by Eurojust; welcomes the publication of the final report [2] and acknowledges its eight strategic recommendations;

20. Is of the opinion that further steps need to be taken both to tackle ethical issues relating to the political role of lobbies, their practices and their influence and to promote safeguards for integrity, in order to raise the level of transparency of lobbying activities; proposes that common rules governing the pursuit of lobbying activities within the Union institutions and agencies should be introduced;

21. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016 [3] on the performance, financial management and control of the agencies.

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[1] Council Decision 2009/426/JHA of 16 December 2008 on the strengthening of Eurojust and amending Decision 2002/187/JHA setting up Eurojust with a view to reinforcing the fight against serious crime (OJ L 138, 4.6.2009, p. 14).

[2] http://www.eurojust.europa.eu/doclibrary/Eurojust-framework/ejlegalframework/Evaluation%20of%20the%20implementation%20of%20the%20Eurojust%20Council%20Decision%20-%20Final%20Report/Evaluation%20of%20the%20implementation%20of%20the%20Eurojust%20Council%20Decision%20-%20Final%20Report.pdf

[3] Texts adopted of that date, P8_TA(2016)0159 (see page 447 of this Official Journal).

DECISION (EU) 2016/1569 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of Eurojust for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of Eurojust for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of Eurojust for the financial year 2014, together with Eurojust's reply ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to Eurojust in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0070/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime ([4]), and in particular Article 36 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0099/2016),

1. Notes that the final annual accounts of Eurojust are as annexed to the Court of Auditors' report;

2. Approves the closure of the accounts of Eurojust for the financial year 2014;

3. Instructs its President to forward this decision to the Administrative Director of Eurojust, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

([1]) OJ C 409, 9.12.2015, p. 315.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 63, 6.3.2002, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2016/1570 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the European Police Office (Europol) for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Police Office for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Police Office for the financial year 2014, together with the Office's reply ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Office in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0084/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Decision 2009/371/JHA of 6 April 2009 establishing the European Police Office (Europol) ([4]), and in particular Article 43 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0122/2016),

1. Grants the Director of the European Police Office discharge in respect of the implementation of the Office's budget for the financial year 2014;

2. Sets out its observations in the resolution below;

([1]) OJ C 409, 9.12.2015, p. 324.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 121, 15.5.2009, p. 37.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the European Police Office, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1571 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Police Office (Europol) for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Police Office for the financial year 2014,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0122/2016),

A. whereas, according to its financial statements, the final budget of the European Police Office (the Office) for the financial year 2014 was EUR 84 339 820, representing an increase of 2,20 % compared to 2013;

B. whereas the Court of Auditors (the Court), in its report on the annual accounts of the European Police Office for the financial year 2014 (the Court's report), has stated that it has obtained reasonable assurances that the Office's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction from the Court's report that the budget monitoring efforts during the financial year 2014 improved significantly and resulted in a high budget implementation rate of 99,70 %, indicating that commitments were made in a timely manner; takes note that the payment appropriations execution rate was 93 %, indicating an increase of 2,80 % compared to the previous year;

Commitments and carry-overs

2. Observes that the total amount of committed appropriations carried over to 2015 decreased in comparison to previous years and amounted to EUR 5 663 960 (6,72 % of total appropriations); takes note from the Court's report that the carry-overs were at EUR 1 900 000 (27 %) for Title II (administrative expenditure), representing a decrease of 14 % compared to the previous year; acknowledges that those carry-overs mainly related to modifications of the Office's headquarters opened in 2011;

3. Notes with concern from the Court's report that the cancellation rate of the committed appropriations carried forward from 2013 was high at 22 %, representing an increase of 13 % compared to the previous year; acknowledges that these cancellations mainly related to delays in IT projects provided by external suppliers in the area of document and asset management as well as in the exchange of police data; acknowledges furthermore that these delays did not affect operational business delivery as existing IT solutions continued to be in use for the relevant systems; notes that, despite the delivery delay caused by external contractors, the actual nominal increase of unused carry-overs was EUR 0,9 million at the end of 2014;

4. Calls on the Office in future to keep the level of committed appropriations carried over as low as possible, in order to comply more effectively with its duties of transparency and accountability;

Procurement and recruitment procedures

5. Ascertains that in 2014 the Office completed its organisation-wide review of the overall procurement process, with a view to refining the current internal organisational set-up; takes note that, as a result of the review, the Office established a 'Procurement' business area under the direct responsibility of the Deputy Director in charge of the Governance Department, leading to a centralised approach of key procurement stages as well as to the respective quality controls;

6. Acknowledges from the Office that the tender criteria for its ongoing procurement procedures are published on its website, together with an annual overview of the completed contracts; takes note that the Office is to publish the procurement overview for the financial year 2015 by the end of June 2016 as required by the Financial Regulation;

7. Asks the Office to apply strictly the measures pertaining to discretion and exclusion in public procurement, with proper background checks being carried out in every instance, and to apply the exclusion criteria so as to debar companies in the event of any conflict of interest, this being essential to protect the financial interests of the Union;

Prevention and management of conflicts of interest and transparency

8. Ascertains that the curricula vitae (CVs) and declarations on the independent discharge of duties and responsibilities of the Office's Director and Deputy Directors were published on the website of the Office; observes that the Management Board of the Office took note of the discharge authority's recommendations on the publication of CVs and declarations of interest of its Management Board members; calls on the Office and the members of its Management Board to make those documents available on its website as soon as they have been submitted to the Office;

9. Notes that in 2014 the Office published a new code of conduct, with guidelines on the management and prevention of conflicts of interest and 'revolving doors';

10. Calls on those Union institutions and agencies which have introduced codes of conduct, including Parliament, to step up their implementation measures, such as checks of declarations of financial interests;

11. Calls on the Office to pay special attention to the protection of whistle-blowers in the context of the soon-to-be-adopted Directive of the European Parliament and of the Council on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure;

12. Encourages the Office further to raise awareness of the conflict-of-interest policy among its staff, alongside ongoing awareness-raising activities and the inclusion of integrity and transparency as an obligatory item to be discussed during recruitment procedures and performance reviews;

13. Calls for an overall improvement in the prevention of, and the fight against, corruption through a holistic approach, commencing with better public access to documents and more stringent rules on conflicts of interest, the introduction or strengthening of transparency registers and the provision of sufficient resources for law enforcement measures, and also through improved cooperation among Member States and with relevant third countries;

14. Welcomes the provisions established by the Management Board of the Office on internal investigations and reminds the Office that it must adopt internal binding rules on whistle-blowers, according to Article 22c of the Staff Regulations, which came into force on 1 January 2014;

Internal controls

15. Takes note of the fact that the duties and responsibilities of the Internal Audit Capability (IAC) in the Office are performed by its Internal Audit Function (IAF); notes that in accordance with the audit planning endorsed by the Management Board of the Office, the IAF released a consultancy review in relation to the operational performance of the Office, resulting in five strategic themes which will be taken into account in its corporate planning and will provide key input into the Office's next multiannual strategy which will be finalised in 2016;

16. Acknowledges that the IAF supported an audit of the Office's Forensic Laboratory regarding the examination of euro currency banknotes, which is a key step to apply for a formal accreditation of the Office's Forensic Laboratory in this area;

Internal audit

17. Notes that in May 2014 the Management Board of the Office endorsed the strategic audit plan for the 2014-2016 period prepared by the Commission's Internal Audit Service (IAS); takes note that the IAS carried out an assurance audit on recruitment in September 2014, which confirmed the robustness of the Office's recruitment process; acknowledges that the IAS audit report highlighted that the Office's recruitment and selection procedures were sound and effective and that it found management reporting to be appropriate and timely; ascertains that the IAS identified three recommendations marked as 'Important'; acknowledges that the Office drafted an action plan in order to mitigate the identified issues, which was subsequently accepted by the IAS;

Other comments

18. Acknowledges that the Office reviewed its financial regulation ([1]) to bring it in line with the provisions contained in Commission Delegated Regulation (EU) No 1271/2013 ([2]); acknowledges furthermore that the Office applies the implementing rules of the Commission and should continue its efforts to ensure efficient and compliant budget implementation, especially concerning carry-overs in relation to administrative expenditure;

19. Notes that the Office made publicly available its Consolidated Annual Activity Report on its website;

20. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016 ([3]) on the performance, financial management and control of the agencies.

([1]) https://www.europol.europa.eu/sites/default/files/publications/decision_of_the_europol_management_board_on_the_adoption_of_the_financial_regulation_applicable_to_europol.pdf

([2]) 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 (OJ L 328, 7.12.2013, p. 42).

([3]) Texts adopted of that date, P8_TA(2016)0159 (see page 447 of this Official Journal).

DECISION (EU) 2016/1572 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the European Police Office (Europol) for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Police Office for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Police Office for the financial year 2014, together with the Office's reply ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Office in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0084/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Decision 2009/371/JHA of 6 April 2009 establishing the European Police Office (Europol) ([4]), and in particular Article 43 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0122/2016),

1. Notes that the final annual accounts of the European Police Office are as annexed to the Court of Auditors' report;

2. Approves the closure of the accounts of the European Police Office for the financial year 2014;

([1]) OJ C 409, 9.12.2015, p. 324.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 121, 15.5.2009, p. 37.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision to the Director of the European Police Office, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1573 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the European Union Agency for Fundamental Rights for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Fundamental Rights for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Union Agency for Fundamental Rights for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0064/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 168/2007 of 15 February 2007 establishing a European Union Agency for Fundamental Rights ([4]), and in particular Article 21 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0108/2016),

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 2014;

2. Sets out its observations in the resolution below;

([1]) OJ C 409, 9.12.2015, p. 334.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 53, 22.2.2007, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision, and the resolution 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1574 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Union Agency for Fundamental Rights for the financial year 2014

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 2014,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0108/2016),

A. whereas, according to its financial statements, the final budget of the European Union Agency for Fundamental Rights ('the Agency') for the financial year 2014 was EUR 21 229 000, representing a decrease of 0,56 % compared to 2013; whereas 99 % of the budget of the Agency derives from the Union budget;

B. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the Agency for the financial year 2014 ('the Court's report'), has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2014 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 2014 resulted in a budget implementation rate of 100 %, which is the same as the previous year, and that the payment appropriations execution rate was 69,45 %, representing a decrease of 0,82 % compared to the previous year; acknowledges that the high overall level of committed appropriations indicated that commitments were made in a timely manner;

Commitments and carry-overs

2. Notes that the level of committed appropriations carried over to 2015 was at 25 % for Title II (administrative expenditure) and at 75 % for Title III (operating expenditure); acknowledges from the Court that the carry-overs under Title II mainly relate to the planned purchase of IT goods and services for which payments were due in 2015; acknowledges, furthermore, that the carry-overs under Title III mainly reflect the multiannual nature of the Agency's operational projects where payments are made according to planned schedules;

3. Notes that the implementation rate of appropriations carried forward from 2013 to 2014 was at 97,68 % in 2014, with only 147 430 EUR having been cancelled, representing 2,32 % out of the total amount; notes, furthermore, that this low level of cancellations is well below the Agency's target;

Transfers

4. Notes that three budgetary transfers, made between budgetary titles and above 10 % of the approved budged, were approved by the Agency's Management Board in 2014; notes that these transfers amounted to EUR 947 932 and mainly related to the reallocation of the surplus under administrative expenditure, to operational projects or within operational expenditure;

Procurement and recruitment procedures

5. Notes from the Agency that, in order to improve the quality of tenders, all procurement procedures were subject to a supervisory review before the launch of calls for tender; takes note of the fact that, further to these reviews, corrective actions, such as modifications to the tender specifications, were taken where necessary;

6. Observes that the Agency introduced a new appraisal system as of 2014 as a result of the changes to the Staff Regulations introduced by Regulation (EU, Euratom) No 1023/2013 of the European Parliament and of the Council [1]; notes in particular that the Agency's appraisal reports now include an overall assessment on whether the jobholder's performance has been satisfactory; ascertains that training sessions were provided to staff on how to set specific, measurable, achievable, relevant and time-bound (SMART) objectives, robust performance indicators and how to write clear assessments;

7. Welcomes the fact that the Agency participates in the Commission's procurement procedures whenever possible; notes furthermore that the Agency launched shared procurement procedures with the European Union Agency for Network and Information Security (ENISA) for the development of intranet applications and with the European Institute for Gender Equality (EIGE) for the collection of data supporting the implementation of operational projects;

Prevention and management of conflicts of interests and transparency

8. Acknowledges that the Agency revised and adopted its harmonised rules for prevention of conflicts of interest concerning its Management Board and Scientific Committee at the end of 2014; notes, moreover, that the Agency developed and adopted guidelines for the prevention of conflicts of interest for its staff;

9. Notes from the Agency that it published the declarations of interest as well as the curricula vitae (CVs) of the members of its Management Board and Scientific Committee as well as of its management team;

10. Notes that the Agency applies the Commission's whistle-blowing guidelines as per the Decision of its Executive Board [2]; notes furthermore that its staff members are obliged to report facts pointing to possible illegal activity, including fraud or corruption, or to a serious failure to comply with their professional obligations; ascertains that the Agency raised awareness on this policy internally; acknowledges that the Agency will continue to apply the Commission's whistle-blowing guidelines until the Commission adopts a new policy on whistle-blowing, foreseen for 2016;

11. Notes with concern that the European Ombudsman concluded in complaint 178/2013/LP that the Agency committed maladministration; calls on the Agency to inform the discharge authority about a follow-up on the rulings handed down by the Civil Service Tribunal in 2015;

12. Encourages the Agency further to raise awareness of the conflict-of-interest policy among its staff, alongside ongoing awareness-raising activities and the inclusion of integrity and transparency as an obligatory item to be discussed during recruitment procedures and performance reviews;

13. Calls on the Agency to pay special attention to the protection of whistle-blowers in the context of the soon-to-be-adopted Directive of the European Parliament and of the Council on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure;

14. Calls on those Union institutions and agencies which have introduced codes of conduct, including Parliament, to step up their implementation measures, such as checks of declarations of financial interests;

Internal audit

15. Notes that no new audits were made by the Commission's Internal Audit Service (IAS) during 2014; notes furthermore that the Agency followed up on the two audits conducted in 2013 on human resources and contract management; ascertains that the Agency submitted action plans to address the IAS' recommendations, which were assessed favourably by the IAS; acknowledges from the Agency that in 2015 the IAS performed a follow-up audit which ended in a positive outcome with no open recommendations marked as 'Very important'; notes that all recommendations issued by the IAS before December 2013 were closed;

[1] Regulation (EU, Euratom) No 1023/2013 of the European Parliament and of the Council of 22 October 2013 amending the Staff Regulations of Officials of the European Union and the Conditions of Employment of Other Servants of the European Union (OJ L 287, 29.10.2013, p. 15).

[2] http://fra.europa.eu/sites/default/files/eb_decision_2012_04-whistleblowing_rules.pdf

Other comments

16. Notes from the Court's report that the amendment of the Staff Regulations in 2004, by Council Regulation (EC, Euratom) No 723/2004 ([1]), included provisions that future remuneration of officials recruited before 1 May 2004 should not be less than under the previous Staff Regulations; observes that the Court's audit revealed this was not complied with and, in the case of 10 of the 26 officials employed at the time, this led to an underpayment of EUR 45 892 for the period 2005-2014; acknowledges from the Agency that the calculation of salaries is externalised to the Commission's Paymaster's Office; notes that the Agency undertook necessary actions to remedy this issue;

17. Notes with satisfaction that the basic information about the Agency is provided on its website in all Union languages; notes that the Agency regularly posts information and updates, including interactive data visualisations, infographics, photos and videos, about its latest reports and other work on its social media channels;

18. Ascertains that an independent evaluation of the Agency was undertaken in 2012 to evaluate the effectiveness, efficiency, added value, utility, coordination and coherence of the Agency's work; notes that one of key priorities included in the Agency's Strategic plan 2013-2017, which is based on this evaluation, is to help enhance the Agency's contribution to processes at national level; takes note that the Agency is developing a stronger connection to the Member States as well as increasing its cooperation with national stakeholders in order to bring the Agency's evidence-based advice to the centre of national fundamental rights policy making and implementation;

19. Notes with satisfaction that in February 2014 the Agency launched a webpage for children as part of its website section on the rights of the child where children can find information on what their rights are, who decides on their rights, what the Agency does for children and links if they want to know more;

20. Calls on the Agency to enhance its procedures and practices aimed at safeguarding the financial interests of the Union and to actively contribute to a results-oriented discharge process;

21. Calls for an overall improvement in the prevention of, and the fight against, corruption through a holistic approach, commencing with better public access to documents and more stringent rules on conflicts of interest, the introduction or strengthening of transparency registers and the provision of sufficient resources for law enforcement measures, and also through improved cooperation among Member States and with relevant third countries;

22. States that the annual reports of the Agency could play an important role in compliance regarding transparency, accountability and integrity; calls on the Agency to include a standard chapter on these components in its annual report;

23. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016 ([2]) on the performance, financial management and control of the agencies.

([1]) Council Regulation (EC, Euratom) No 723/2004 of 22 March 2004 amending the Staff Regulations of officials of the European Communities and the Conditions of Employment of other servants of the European Communities (OJ L 124, 27.4.2004, p. 1).

([2]) Texts adopted of that date, P8_TA(2016)0159 (see page 447 of this Official Journal).

DECISION (EU) 2016/1575 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the European Union Agency for Fundamental Rights for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Fundamental Rights for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Union Agency for Fundamental Rights for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0064/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 168/2007 of 15 February 2007 establishing a European Union Agency for Fundamental Rights ([4]), and in particular Article 21 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0108/2016),

1. Notes that the final annual accounts of the European Union Agency for Fundamental Rights are as annexed to the Court of Auditors' report;

2. Approves the closure of the accounts of the European Union Agency for Fundamental Rights for the financial year 2014;

([1]) OJ C 409, 9.12.2015, p. 334.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 53, 22.2.2007, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision to the Director of the European Union Agency for Fundamental Rights, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1576 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0079/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 2007/2004 of 26 October 2004 establishing a European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union ([4]), and in particular Article 30 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0115/2016),

1. Grants the Executive Director of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union discharge in respect of the implementation of the Agency's budget for the financial year 2014;

([1]) OJ C 409, 9.12.2015, p. 342.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 349, 25.11.2004, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President	*The Secretary-General*
Martin SCHULZ	Klaus WELLE

RESOLUTION (EU) 2016/1577 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2014,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0115/2016),

A. whereas, according to its financial statements, the final budget of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union ('the Agency') for the financial year 2014 was EUR 97 945 077, representing an increase of 4,25 % compared to 2013;

B. whereas, according to its financial statements, the overall contribution of the Union to the Agency's budget for 2014 amounted to EUR 86 810 000, representing an increase of 1,53 % compared to 2013;

Comments on the legality and regularity of transactions

1. Acknowledges from the report of the Court of Auditors ('the Court') on the annual accounts of the Agency for the financial year 2014 ('the Court's report') that considerable improvements were noted in both *ex ante* and *ex post* verifications of expenditure claimed by cooperating countries under grant agreements; acknowledges from the Agency that it introduced in June 2013 a more comprehensive, risk-based system of *ex ante* controls, which include the requirement to submit selected supporting documents together with the request for final payment; notes, furthermore, that the system of *ex ante* controls is complemented by *ex post* controls carried out at the beneficiaries' location or in the form of a desk review, and that the payments not subject to *ex ante* controls are subject to *ex post* controls;

2. Observes that the Court finds that the documentation supporting the expenditure claimed by those countries is not always sufficient; takes note from the Court's report that the audit certificates, which would add further assurance on the legality and regularity of grant transactions, were not requested by the Agency; acknowledges from the Agency that such certificates were made in 2010; regrets, despite a briefing organised for the Agency's beneficiaries, that the audit certificates were not issued by independent audit bodies and the delay in receiving the final claim was significantly extended; calls on the Agency to fully explore the possibility of cooperation with the audit authorities set up under the External Border Fund and the Internal Security Fund and to report back to the discharge authority on the evaluation of such cooperation;

Budget and financial management

3. Notes that the budget monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 98,65 %, representing an increase of 0,9 % compared to 2013; notes, furthermore, that the payments appropriations execution rate was 68,79 %, representing an increase of 4,81 % compared to 2013;

Commitments and carryovers

4. Notes that the Agency reduced the overall level of committed appropriations carried over from 35 % in 2013 to 30 % in 2014; acknowledges that the multiannual nature of the Agency's operations and the heightened risk of unexpected events represent a particular challenge in respect of annual budget planning and implementation; notes that the level of carryovers was EUR 4 500 000 (36 %) for Title II (administrative expenditure) and related mainly to year-end purchases associated with the move to the Agency's new building in December 2014; takes note that the carryovers for Title III (operational expenditure) were EUR 29 200 000 (47 %) and resulted mainly from the multi-annual nature of the Agency's operations and the approval of an additional budget in October 2014 amounting to EUR 4 200 000;

5. Points out that the Agency's operational expenditure depends to a significant extent on the timely submission of reimbursement claims for grants by Member States; acknowledges that the time elapsing between the final date of the deployment of an officer, aircraft or vessel to a coordinated joint operation and the submission of the claim ranges on average between four and six months;

Procurement and recruitment procedures

6. Notes that out of 1 087 procurement procedures in 2014 there is public information on a very limited number of contracts awarded; urges the Agency to ensure transparency and to publish all its contracts plus the public procurement-related procedures;

Prevention and management of conflicts of interests and transparency

7. Acknowledges that the Agency developed and adopted rules governing the transparency and the possible conflicts of interests of its Management Board, staff and seconded national experts, in particular the 'Frontex Staff Code of Conduct', the 'Code of Conduct for all persons participating in Frontex activities', and the 'Code of Conduct for joint return operations coordinated by Frontex'; acknowledges, furthermore, that the Agency's Executive Director approved its 'Anti-fraud Strategy and Action Plan' in August 2015; notes that that anti-fraud strategy was drafted using both the guidelines for the agencies and those of the European Anti-Fraud Office;

8. Notes that the annual public statements of commitment were published on the Agency's website for the majority of members of its Management Board; takes note that the curricula vitae (CVs) of the Agency's Executive Director and Deputy Executive Director have been published on the Agency's website; calls for the publication of the declarations of interest of the Executive Director, the Deputy Executive Director and members of the Management Board; urges the Agency and the members of its Management Board to make the remaining unpublished statements available as soon as possible;

9. Takes note that the Agency created a draft set of whistleblowing rules which is expected to be adopted by the end of the first half of 2016; calls on the Agency to also take due account of the Ombudsman's recommendations on this matter; calls on the Agency not to further delay the adoption of those rules and to report to the discharge authority on the final adoption of those rules;

10. Encourages the Agency further to raise awareness of the conflict-of-interest policy among its staff, alongside ongoing awareness-raising activities and the inclusion of integrity and transparency as an obligatory item to be discussed during recruitment procedures and performance reviews;

11. Calls for an overall improvement in the prevention of, and the fight against, corruption through a holistic approach, commencing with better public access to documents and more stringent rules on conflicts of interest, the introduction or strengthening of transparency registers and the provision of sufficient resources for law-enforcement measures, and also through improved cooperation among Member States and with relevant third countries;

12. Calls on those Union institutions and agencies which have introduced codes of conduct, including Parliament, to step up their implementation measures, such as checks of declarations of financial interests;

13. Asks the Agency to apply strictly the measures pertaining to discretion and exclusion in public procurement, with proper background checks being carried out in every instance, and to apply the exclusion criteria so as to debar companies in the event of any conflict of interest, this being essential to protect the financial interests of the Union;

Internal audit

14. Observes that in 2014, the Commission's Internal Audit Service (IAS) carried out an audit on 'Stakeholder Relations and External Communication in Management of pooled resources', which showed the overall management of stakeholder relations and external communication as effectively and efficiently supporting the management of pooled resources; acknowledges from the Agency that it undertook improvement actions while the audit was still under way and that it has prepared the formal action plan to ensure the timely implementation of recommendations; notes, furthermore, that the IAS carried out an audit in the area of human resources which resulted in two recommendations marked 'Very important' and two recommendations marked 'Important';

Other comments

15. Takes note from the Court's report that there is a need to refine the calculation of contributions from the non-Union countries that are parties to the 'Schengen Agreement' (Switzerland, Liechtenstein, Iceland and Norway), in order to better reflect the related legal provisions [1]; acknowledges from the Agency that it will review the methodology for calculating the contributions from those countries and lay it down in a proper legal format; calls on the Agency to inform the discharge authority of the outcome of this review;

16. Takes note from the Court's report that the contributions to the Agency's budget from the United Kingdom and Ireland have remained stable for many years despite the considerably extended range of activities in which the United Kingdom and Ireland are involved; acknowledges from the Agency that its 'Management Board Working Group on budget and accounts' is reviewing this issue and is to submit to the Agency's Management Board a recommendation and way forward with regard to those contributions; calls on the Agency to inform the discharge authority of the outcome of the review;

17. Notes with concern from the Court's report that the high and constantly increasing number of grant agreements, as well as the magnitude of related expenditure to be verified and reimbursed by the Agency, indicates that a more efficient and cost-effective alternative funding mechanism could be used to finance Agency's operational activities; notes furthermore that in the past years the complexity and administrative burden of the current mechanisms has led to the Court not being able to assure the legality and regularity of the transactions; further notes that in 2015 there was a further increase in the magnitude of operations undertaken by the Agency and the new and specific tasks that it was mandated within the EU Regional Task Force; calls on the Agency to take into account, during the review and reform of its financing mechanisms, the concerns expressed above;

18. Acknowledges from the Agency that one of the recommendations made by its Management Board following the external evaluation of the Agency relates to the facilitation of financial management and calls for the limitation introduced by the Agency's founding regulation to be abandoned by mentioning grants; notes that contractual relationships between the Agency and the Member States' authorities could pave the way for more efficient and transparent financial management;

[1] Arrangement between the European Community, of the one part, and the Swiss Confederation and the Principality of Liechtenstein, of the other part, on the modalities of the participation by those States in the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (OJ L 243, 16.9.2010, p. 4); Arrangement between the European Community and the Republic of Iceland and the Kingdom of Norway on the modalities of the participation by those States in the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (OJ L 188, 20.7.2007, p. 19).

19. Notes that, when a Member State deploys officers and/or technical equipment to the Agency's coordinated operations, the Member State signs the Operational Plan drafted by the Agency and the host Member State, which clearly indicates the terms of the operational cooperation; recalls that no provision is laid down granting participating Member States the freedom to use different ways and means to achieve a given policy objective, as the grant instrument suggests, because the Operational Plan needs to be implemented in the manner agreed upon without deviation unless amended; points out that the new proposal for establishing a Border and Coast Guard ([1]) goes even further and that it proposes a proactive role for joint operations and return activities, which does not go hand in hand with the features of a grant as a financial instrument; urges the Commission to consider this when proposing founding regulations in future;

20. Notes that, although the Agency became operational as long ago as 2005 and has pursued its operations since then, it has only worked on the basis of correspondence and exchanges with the host Member State rather than on the basis of a comprehensive headquarters agreement between the Agency and the host Member State, which has never been signed; observes that such an agreement would further promote transparency in respect of the conditions under which the Agency and its staff operate; recalls that the requirement to establish a headquarters agreement was introduced in the Agency's amended regulation in 2011 ([2]); notes with concern that the negotiations are still ongoing with the government of the host Member State; urges the Agency and the government of the host Member State to conclude a headquarters agreement as soon as possible; requests that the Agency inform the discharge authority of the progress and outcome of these negotiations;

21. States that the annual report of the Agency could play an important role in compliance regarding transparency, accountability and integrity; calls on the Agency to include a standard chapter on these components in its annual report;

22. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016 ([3]) on the performance, financial management and control of the agencies.

([1]) Proposal for a Regulation of the European Parliament and of the Council on the European Border and Coast Guard (COM(2015) 671 final).

([2]) Article 15a introduced by Regulation (EU) No 1168/2011 of the European Parliament and of the Council of 25 October 2011 amending Council Regulation (EC) No 2007/2004 establishing a European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (OJ L 304, 22.11.2011, p. 1).

([3]) Texts adopted of that date, P8_TA(2016)0159 (see page 447 of this Official Journal).

DECISION (EU) 2016/1578 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0079/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 2007/2004 of 26 October 2004 establishing a European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union ([4]), and in particular Article 30 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0115/2016),

1. Notes that the final annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union are as annexed to the Court of Auditors' report;

([1]) OJ C 409, 9.12.2015, p. 342.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 349, 25.11.2004, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

2. Approves the closure of the accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2014;

3. Instructs its President to forward this decision to the Executive Director of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1579 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the European GNSS Agency for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European GNSS Agency for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European GNSS Agency for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0080/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 912/2010 of the European Parliament and of the Council of 22 September 2010 setting up the European GNSS Agency, repealing Council Regulation (EC) No 1321/2004 on the establishment of structures for the management of the European satellite radio navigation programmes and amending Regulation (EC) No 683/2008 of the European Parliament and of the Council ([4]), and in particular Article 14 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control (A8-0112/2016),

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 2014;

2. Sets out its observations in the resolution below;

([1]) OJ C 409, 9.12.2015, p. 353.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 276, 20.10.2010, p. 11.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision, and the resolution 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1580 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

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 2014

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 2014,

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

— having regard to the report of the Committee on Budgetary Control (A8-0112/2016),

A. whereas, according to its financial statements, the Union subsidy to the budget of the European GNSS Agency (the 'Agency') for the financial year 2014 was EUR 25 369 058, representing an increase of 81,55 % compared to 2013;

B. whereas the Court of Auditors ('the Court'), in its report on the Agency's annual accounts for the financial year 2014 (the 'Court's report'), states that it has obtained reasonable assurances that those annual accounts were reliable and that the underlying transactions were legal and regular;

Budget and financial management

1. Notes that the budget monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 99,84 %, as in 2013; notes furthermore that the payment appropriations execution rate was 63,16 %, representing a decrease of 17,37 % compared with the previous year;

Commitments and carry-overs

2. Notes that the level of carry-overs for committed appropriations for Title II (administrative expenditure) was at EUR 3 400 000 (54 %); observes that those carry-overs mainly concerned services provided to the Agency in 2014 for which invoices were not received until 2015, and a number of high-value IT contracts signed at the end of 2014 for which the IT projects were originally planned for 2015 but started in 2014 to utilise funds released from savings on other budget lines;

3. Acknowledges the efforts made by the Agency to reduce the level of carry-overs by committing the budget earlier in the year when possible and therefore enabling earlier payments; notes, furthermore, that the Agency is developing a new budget management tool designed to aid implementation, monitoring and reporting on core and delegated budget with the aim of improving the management of both commitments and payment appropriations; calls on the Agency to inform the discharge authority of the improvements made by introducing that tool;

Procurement and recruitment procedures

4. Notes that, according to the Court's report, with regard to the exploitation of the European Geostationary Navigation Overlay Service ('EGNOS'), the Agency awarded an eight-year service provision contract ('ESP contract') with an initial contract value of EUR 436 000 000; takes note of the fact that in 2014, following a direct negotiated procedure, the Agency amended the service contract for an amount of EUR 6 300 000 for the purchase and maintenance of 14 satellite signal receivers, 14 signal generators and other equipment relating to EGNOS; notes with concern that an arrangement between the contractor and its two subcontractors was set up, as under the initial contract, which led to an accumulation of overheads and profits, with only EUR 3 200 000 of the EUR 6 300 000 relating to direct costs, EUR 1 400 000 to overheads and other costs and EUR 1 700 000 to profits and remuneration of (sub)contractors;

5. Notes that, according to the Court's report, the ESP contract was awarded by means of a competitive tender and that it was chosen in order to secure service continuity requirement for 'safety-of-life' ('SoL') service based on a qualified and certified system; observes that the amendment of that contract must be considered to be an intrinsic and non-separable part of the ESP contract because it is necessary to secure the maintenance of the system as qualified and the delivery of the SoL service complying with the mandatory certification;

Prevention and management of conflicts of interest and transparency

6. Acknowledges that the Agency's Administrative Board adopted a policy on the prevention and management of conflicts of interests in September 2015; notes, furthermore, that the Agency published on its website the CVs and declarations of interests of its Executive Director and senior management; encourages the members of the Agency's administrative board to submit their declarations of interest for further publication on the Agency's website;

7. Underlines the need to enhance integrity and improve the ethical framework through better implementation of codes of conduct and ethical principles, so as to reinforce a common and effective culture of integrity;

8. States that the annual report of the Agency could play an important role in compliance regarding transparency, accountability and integrity; calls on the Agency to include a standard chapter on those components in its annual report;

Internal audit

9. Ascertains that the Agency reached an agreement with the Commission's Internal Audit Service on an action plan to enhance the procedure for handling of *ex ante* and *ex post* audits on grant management; observes that certain documentation aspects and the corresponding grant management manual need to be improved; calls on the Agency to report to the discharge authority on progress made in that regard;

Internal controls

10. Acknowledges that the Agency's overall compliance with the Internal Control Standards during the financial year 2014 was satisfactory; observes that efforts have been made in areas such as the antifraud strategy, conflicts of interest, risk management and Internal Audit Capability in order to remedy non-compliance; notes, furthermore, that the Agency is making progress in areas where it remains partially compliant, in particular with regard to business continuity and document management; invites the Agency to share with the discharge authority progress made in that regard;

Other comments

11. Notes that, according to the Court's report, the Agency has no insurance coverage for fixed tangible assets with a net book value of EUR 1 000 000; acknowledges that the Agency is currently analysing risks, value and criticality of each asset owned in order to assess the type of insurance which would suit its requirements; asks the Agency to update the discharge authority on the progress made;

12. Notes that the Agency shares its Internal Audit Capability with the European Chemicals Agency in order to create synergies and achieve cost-effectiveness;

13. Takes note of the fact that in 2014, in order to promote its work and to improve its visibility in the host Member State, the Agency organised an open day event at its headquarters in Prague, conferences, public exhibitions and regular public events in collaboration with the Commission;

14. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 28 April 2016 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted of that date, P8_TA(2016)0159 (see page 447 of this Official Journal).

DECISION (EU) 2016/1581 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the European GNSS Agency for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European GNSS Agency for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European GNSS Agency for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2014 (05584/2016 – C8-0080/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Regulation (EU) No 912/2010 of the European Parliament and of the Council of 22 September 2010 setting up the European GNSS Agency, repealing Council Regulation (EC) No 1321/2004 on the establishment of structures for the management of the European satellite radio navigation programmes and amending Regulation (EC) No 683/2008 of the European Parliament and of the Council ([4]), and in particular Article 14 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]), and in particular Article 108 thereof,

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

— having regard to the report of the Committee on Budgetary Control (A8-0112/2016),

1. Notes that the final annual accounts of the European GNSS Agency are as annexed to the Court of Auditors' report;

2. Approves the closure of the accounts of the European GNSS Agency for the financial year 2014;

([1]) OJ C 409, 9.12.2015, p. 353.
([2]) See footnote 1.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 276, 20.10.2010, p. 11.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

3. Instructs its President to forward this decision to the Executive Director of the European GNSS Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1582 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the Clean Sky Joint Undertaking for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Clean Sky Joint Undertaking for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the Clean Sky Joint Undertaking for the financial year 2014, together with the Joint Undertaking'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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2014 (05587/2016 – C8-0054/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 209 thereof,

— having regard to Council Regulation (EC) No 71/2008 of 20 December 2007 setting up the Clean Sky Joint Undertaking ([4]),

— 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 1(2) and Article 12 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([6]),

— 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 ([7]),

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

— having regard to the report of the Committee on Budgetary Control (A8-0094/2016),

1. Grants the Executive Director of the Clean Sky 2 Joint Undertaking discharge in respect of the implementation of the Clean Sky Joint Undertaking's budget for the financial year 2014;

2. Sets out its observations in the resolution below;

([1]) OJ C 422, 17.12.2015, p. 17.
([2]) OJ C 422, 17.12.2015, p. 19.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 30, 4.2.2008, p. 1.
([5]) OJ L 169, 7.6.2014, p. 77.
([6]) OJ L 357, 31.12.2002, p. 72.
([7]) OJ L 38, 7.2.2014, p. 2.

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
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1583 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Clean Sky Joint Undertaking for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the Clean Sky Joint Undertaking for the financial year 2014,

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

— having regard to the report of the Committee on Budgetary Control (A8-0094/2016),

A. whereas the Clean Sky Joint Undertaking ('the Joint Undertaking') started to work autonomously on 16 November 2009;

B. whereas, with the aim of finalising the research activities of the Seventh Framework Programme (FP7), Council Regulation (EU) No 558/2014 ([1]) replaced the Clean Sky Joint Undertaking by the Clean Sky 2 Joint Undertaking with effect from 27 June 2014, and extended the lifetime of the Joint Undertaking for the period up to 31 December 2024;

C. whereas the founding members of the Joint Undertaking are the European Union, represented by the European Commission, and industrial partners, such as the leaders of the 'Integrated Technology Demonstrators' (ITDs) for Clean Sky, together with their associate members, along with the Leaders and the Associates listed and the Core Partners selected in accordance with Regulation (EU) No 558/2014;

D. whereas the maximum contribution from the European Union to the Clean Sky JU is EUR 800 000 000 to be paid from the budget of the Seventh Framework Programme and to the Clean Sky 2 JU is EUR 1 755 000 000 to be paid from the budget of Horizon 2020, of which the proportion earmarked for running costs must not exceed EUR 39 000 000;

E. whereas the Members of the Clean Sky JU other than the Commission have to contribute 50 % of the running costs and should contribute to operational costs through in-kind contributions equal to the financial contribution of the Union;

F. whereas the Leaders and Core Partners of Clean Sky 2 JU have to contribute EUR 2 193 700 000 over the period of duration of the Joint Undertaking including contributions for Additional Activities of at least EUR 965 200 000 over the same period consisting of in-kind contribution and 50 % of the running costs in cash;

General

1. Notes that the Court of Auditors' report is based on too many general remarks to the detriment of viable, specific ones; therefore calls for an audit with a sharper focus on the annual financial performance, on the implementation status of multiannual projects (including a clear presentation of the implementation of the budget for the respective year and for previous years) and on the results and their implementation;

2. Notes that the Institutions and Bodies are required to produce each year a Report on Budgetary and Financial Management and that the information provided by the Joint Undertaking in this report lacked harmonisation and was often incomplete; guidance is required from the Commission as to the nature and content of the report;

3. Takes note that the 2016 Court of Auditors working programme includes a special report on performance audit of Joint Undertakings;

([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).

Budgetary and financial management

4. Notes that the Court of Auditors stated that the 2014 annual accounts of the Joint Undertaking fairly present, in all material respects, its financial position as of 31 December 2014, as well as the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Rules ([2]);

5. Notes that the Court of Auditors, in its report in the annual accounts of the Joint Undertaking ('the Court's report'), indicated that the transactions underlying the annual accounts were legal and regular in all material aspects ([3]);

6. Notes the lack of information regarding the *ex post* audits performed by Clean Sky JU and Clean Sky 2 JU; calls on the Court of Auditors to include in the future years' reports information regarding the number of *ex post* audits, the total amounts covered and the findings; notes that the Joint Undertaking's Annual Report includes such information;

7. Takes note that the Joint Undertaking's final budget for 2014 amounted to EUR 229 241 765, including EUR 27 640 836 of unused appropriations carried forward from 2013; notes furthermore that the Joint Undertaking implemented commitment appropriations of EUR 189 316 793 (82,58 %) and payment appropriations of EUR 153 567 377 (90,19 %) ([4]);

8. Notes that the programme of the Clean Sky JU funded under FP7 is still ongoing; takes note that those appropriations remain available till 2016 because of the Joint Undertaking's financial rules which allow it to re-enter its commitment and payment appropriations up to three years after they have been cancelled from the Joint Undertaking's budget; encourages the Joint Undertaking to conduct its budget planning carefully, taking into due account the parallel process;

9. Considers that those indicators (appropriations and commitments) do not ensure a real evaluation of performance because the Court's report is not providing a clear separation between FP7 and Horizon 2020 implementation-related information; calls on the Court of Auditors to include in the reports to come information regarding the execution of the budget under FP7 and separately, under Horizon 2020; notes that the Joint Undertaking's annual report is presenting such information;

10. Notes that the execution of budget allocated to FP7 (Title III) is 95,2 % for commitments (EUR 87 800 000 out of EUR 92 200 000) and 92,5 % for payments (EUR 112 900 000 out of EUR 122 200 000); execution of budget allocated to Horizon 2020 (Title IV) is 92,5 % for commitments (EUR 95 300 000 out of EUR 103 000 000) and 81,1 % for payments (EUR 20 500 000 out of EUR 25 000 000) ([5]); expects the Joint Undertaking to provide further clarification to the discharge authority on this issue;

11. Regrets the limited amount of information regarding in-kind/cash contributions provided by the Court's report; calls on the Court of Auditors to include, in the future reports, provisions regarding the evaluation procedure and the level of in-kind/cash paid contributions for FP7 and Horizon 2020, which should be presented separately;

12. Notes that private members can provide their in-kind contribution in two ways under the Horizon 2020 programme; notes that after the launch of the Clean Sky 2 JU programme the total of in-kind contributions was EUR 87 413 513; takes note furthermore that the validated in-kind contribution under the FP7 programme was EUR 448 424 340,47 ([6]) ([7]);

13. Notes from the Court's report that payment time limits were not always respected, especially in the area of Grant Agreements for Partners, which lead to penalties of EUR 41 000 in 2014; acknowledges the Joint Undertaking's effort to address this issue;

([2]) 2014 Court's report, p. 7.
([3]) See footnote 1.
([4]) Final accounts & Budgetary Implementation report of the Clean Sky 2 Joint Undertaking for the year 2014, p. 56.
([5]) 2014 Annual Activity Report, p. 149.
([6]) 2014 Annual Activity Report, p. 154.
([7]) Discharge 2014 - Report on the contributions provided by CSJU Members other than the Commission to the CS programmes under FP7 and H2020, p. 4.

Calls for proposals

14. Takes note that the Joint Undertaking launched the first call for proposals (where the allocation of budget for partners shall be at least 30 % of available operational EU funding together with calls for tender) in December 2014 ([8]);

15. Notes that in terms of volume of operational activities a total of 74 agreements have been signed in 2014 (64 signed Grant Agreements for Partners (GAP) and 10 Grant Agreements for Members (GAM) finalised) and 302 payments executed (276 for Partners and 26 for Members - covering individual payments to 201 beneficiaries) ([9]);

16. Points out that in June 2014 Clean Sky 2 JU took over the activity of Clean Sky JU; notes that the Court's report does not include clear information regarding the state of play of implementation of Clean Sky JU projects (level of payments, payments plan for the coming years);

Legal framework

17. Takes into consideration that the financial rules of the Clean Sky 2 Joint Undertaking were adopted on 3 July 2014 on the basis of the model financial regulation for public-private partnership bodies Internal audit function and the Commission's Internal Audit Service (IAS) and taking into account the requirements of Regulation (EU) No 558/2014 ([10]);

Internal control systems

18. Notes that, in the financial year 2014, the IAS finalised an audit of the financial aspects of grant management; based on that audit, the IAS issued two very important recommendations, to which the Joint Undertaking responded by implementing a dedicated action plan; notes that the recommendations were in connection with the *ex ante* validation guidelines and the approval process of project deliverables; notes that, by the end of 2014, the agreed actions have been implemented for both recommendations ([11]);

Conflicts of interest

19. Notes, from the Court's report, that the Joint Undertaking's procedures remain in force in the field of conflict of interest until the Commission develops a common template for all Joint Undertakings ([12]);

Monitoring and reporting

20. Notes, from the Court's report, that the Horizon 2020 legal framework requires specific monitoring on research results, based on quantitative and, where appropriate, qualitative evidence; in order to meet the requirements of Horizon 2020, the cooperation between the Joint Undertaking and the Commission is to be enhanced to improve the reporting and dissemination of research results ([13]); takes note that the Joint Undertaking has launched joint activities with the Commission services on the general approach to implement the Horizon 2020 guidelines and on dissemination of the research results and encourages the Joint Undertaking to further improve the cooperation with the Commission in this regard;

21. Welcomes the publication by the Joint Undertaking of the Report on the Socio-Economic Impact of the Clean Sky Activities;

22. Welcomes the signature of a memorandum of cooperation with SESAR Joint Undertaking, aimed at strengthening links and reinforcing synergies;

23. Welcomes the achievements, as early as 2014, of some of the important demonstrators of the Clean Sky Programme, under FP7 financing, such as the Large Engines Demonstrator.

([8]) Report on budgetary and financial management 2014, p. 10.
([9]) 2014 Annual Activity Report, p. 7.
([10]) 2014 Court's report, p. 8.
([11]) 2014 Annual Activity Report, p. 142.
([12]) 2014 Court's report, p. 10.
([13]) 2014 Court's report, p. 9.

DECISION (EU) 2016/1584 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the Clean Sky Joint Undertaking for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Clean Sky Joint Undertaking for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the Clean Sky Joint Undertaking for the financial year 2014, together with the Joint Undertaking'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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2014 (05587/2016 – C8-0054/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 209 thereof,

— having regard to Council Regulation (EC) No 71/2008 of 20 December 2007 setting up the Clean Sky Joint Undertaking ([4]),

— 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 1(2) and Article 12 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([6]),

— 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 ([7]),

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

— having regard to the report of the Committee on Budgetary Control (A8-0094/2016),

1. Approves the closure of the accounts of the Clean Sky Joint Undertaking for the financial year 2014;

([1]) OJ C 422, 17.12.2015, p. 17.
([2]) OJ C 422, 17.12.2015, p. 19.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 30, 4.2.2008, p. 1.
([5]) OJ L 169, 7.6.2014, p. 77.
([6]) OJ L 357, 31.12.2002, p. 72.
([7]) OJ L 38, 7.2.2014, p. 2.

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
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1585 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the ECSEL Joint Undertaking (formerly the ENIAC Joint Undertaking and the Artemis Joint Undertaking) for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the ECSEL Joint Undertaking (formerly the ENIAC Joint Undertaking and the Artemis Joint Undertaking) for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the ECSEL Joint Undertaking for the period 27 June to 31 December 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2014 (05587/2016 – C8-0059/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 209 thereof,

— having regard to Council Regulation (EC) No 72/2008 of 20 December 2007 setting up the ENIAC Joint Undertaking ([4]),

— having regard to Council Regulation (EC) No 74/2008 of 20 December 2007 on the establishment of the 'Artemis Joint Undertaking' to implement a Joint Technology Initiative in Embedded Computing Systems ([5]),

— having regard to Council Regulation (EU) No 561/2014 of 6 May 2014 establishing the ECSEL Joint Undertaking ([6]), and in particular Article 1(2) and Article 12 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([7]),

— 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 ([8]),

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

— having regard to the report of the Committee on Budgetary Control (A8-0119/2016),

1. Grants the Executive Director of the ECSEL Joint Undertaking (formerly the ENIAC Joint Undertaking and the Artemis Joint Undertaking) discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2014;

([1]) OJ C 422, 17.12.2015, p. 80.
([2]) OJ C 422, 17.12.2015, p. 81.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 30, 4.2.2008, p. 21.
([5]) OJ L 30, 4.2.2008, p. 52.
([6]) OJ L 169, 7.6.2014, p. 152.
([7]) OJ L 357, 31.12.2002, p. 72.
([8]) OJ L 38, 7.2.2014, p. 2.

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 (formerly the ENIAC Joint Undertaking and the Artemis Joint Undertaking), the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1586 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the ECSEL Joint Undertaking (formerly the ENIAC Joint Undertaking and the Artemis Joint Undertaking) for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the ECSEL Joint Undertaking (formerly the ENIAC Joint Undertaking and the Artemis Joint Undertaking) for the financial year 2014,

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

— having regard to the report of the Committee on Budgetary Control (A8-0119/2016),

A. whereas on 7 June 2014 the ECSEL Joint Undertaking (the 'Joint Undertaking') was established as a joint undertaking within the meaning of Article 187 of the Treaty on the Functioning of the European Union for the purpose of implementing the Joint Technology Initiative on Electronic Components and Systems for European Leadership for the period until 31 December 2024;

B. whereas the public-private partnership on electronic components and systems should combine the financial and technical means that are essential to master the complexity of the ever escalating pace of innovation in that area;

C. whereas, by Council Regulation (EU) No 561/2014 [1], the Joint Undertaking was established to replace and succeed the ENIAC Joint Undertaking ('ENIAC') and the Artemis Joint Undertaking ('Artemis');

D. whereas the members of the Joint Undertaking are the Union, the Member States, and the countries associated to Horizon 2020 on a voluntary basis, private member associations representing their constituent companies and other organisations active in the field of electronic components and systems in the Union; whereas the Joint Undertaking should be open to new members;

E. whereas in assessing the overall impact of the Joint Undertaking, investments from legal entities other than the Union and the States participating in the Joint Undertaking contributing to its objectives should be taken into account; whereas those overall investments are expected to amount to at least EUR 2 340 000 000;

F. whereas the contributions to the Joint Undertaking envisaged for the entire period of Horizon 2020 are EUR 1 184 874 000 from the Union, EUR 1 170 000 000 from the Joint Undertaking's participating states and EUR 1 657 500 000 from private members;

G. whereas the transition from ENIAC and Artemis to the Joint Undertaking should be aligned and synchronised with the transition from the Seventh Framework Programme [2] ('FP7') to Horizon 2020 to ensure the optimal use of the funding available for research;

General

1. Notes that the Court of Auditors (the 'Court'), in its report on the Joint Undertaking's annual accounts for the financial year 2014 (the 'Court's report') makes too many general, to the detriment of viable, specific, remarks; therefore calls for an audit with a more accentuated focus on the annual financial performance on the implementation status of multiannual projects, including a clear presentation of the implementation of the budget for the respective year and those for previous years, together with their results and implementation;

[1] Council Regulation (EU) No 561/2014 of 6 May 2014 establishing the ECSEL Joint Undertaking (OJ L 169, 7.6.2014, p. 152).
[2] Decision No 1982/2006/EC of the European Parliament and the Council of 18 December 2006 concerning the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013) (OJ L 412, 30.12.2006, p. 1).

2. Notes that the information provided in the Joint Undertaking's Report on Budgetary and Financial Management for the financial year 2014 lacked harmonisation and was often incomplete; notes that guidance is required from the Commission as to the nature and content of the report;

3. Takes note of the fact that the Court's 2016 work programme includes a special report on performance audit of joint undertakings;

Budgetary and financial management

4. Acknowledges the fact that, according to the Court's report, the Joint Undertaking's accounts for the period 27 June to 31 December 2014 present fairly, in all material respects, its financial position as at 31 December 2014 and the results of its operations and cash flows for the period then ended, in accordance with the provisions of its financial rules and the accounting rules adopted by the Commission's accounting officer;

5. Notes that the Joint Undertaking's final budget for the financial year 2014 included commitment appropriations of EUR 160 114 500 and payment appropriation of EUR 104 144 250;

6. Regrets the absence of information regarding in-kind and cash contribution; calls on the Court to include, in future reports, provisions regarding the evaluation procedure and level of in-kind and cash-paid contribution, separately, for FP7 and Horizon 2020;

7. Notes that the Joint Undertaking's programmes funded under FP7 are ongoing; encourages the Joint Undertaking to conduct its budget planning carefully, taking into due account the parallel process;

8. Acknowledges the fact that, according to the Joint Undertaking's annual accounts for the financial year 2014, practical arrangements have been put in place in order to implement the obligations provided for in the Joint Undertaking's administrative agreements by the introduction of the specific reporting form 'end-of-project certificate'; notes that the Joint Undertaking has introduced such a form to the National Funding Authorities ('NFAs');

9. Acknowledges the fact that the Joint Undertaking elaborated in 2014 a checklist including the essential elements of an assurance system and engaged in intensive exchanges with the NFAs to assess the assurance provided by the national systems; notes that the assessment has been completed for five contributors, representing 54,2 % of the grants awarded by the Joint Undertaking and that one more contributor, representing 18,9 % of the grants awarded by the Joint Undertaking, has been reviewed, although update on it was pending at the time of the audit;

10. Notes that the Joint Undertaking estimated the residual error rate at 0,73 %; observes, however, that the Joint Undertaking failed to convey how many transactions were involved to calculate such a rate and therefore, asks the Joint Undertaking to supply that information;

11. Points out that, despite all the above, the Court has issued a qualified opinion on the legality and regularity of the transactions underlying the annual accounts on the grounds that the administrative agreements signed with the NFAs regarding the audit of project cost claims do not include practical arrangements for *ex post* audits;

12. Notes that, according to the Court's report, the Joint Undertaking did not assess the quality of the audit reports received from the NFAs concerning the costs relating to completed projects; notes, furthermore, that, after an assessment of the audit strategies of three of the NFAs, it was not possible to conclude whether *ex post* audits are functioning effectively due to different methodologies used by NFAs which did not allow the Joint Undertaking to calculate either a weighted error rate or a residual error rate; notes that this technical difficulty does not, however, result in the Court's negative opinion, but understandably prevents it from confirming the legality and regularity of the transactions without formulating a reservation; notes also that the Joint Undertaking has confirmed that its extensive assessment of the national assurance systems concluded that they can provide a reasonable protection of the financial interests of its members;

13. Notes that the Joint Undertaking is of the opinion that national procedures provide reasonable assurance with regard to the legality and regularity of the underlying transactions in spite of several reports from different Union institutions, including the discharge authority; calls on the Joint Undertaking, following the assessment of the procedures applied by the NFAs, to invite the NFAs to produce a written statement that the implementation of the national procedures provides a reasonable assurance on the legality and regularity of transactions;

14. Notes that the Court's report includes a qualified opinion which is based on the lack of information necessary to calculate either a weighted error rate or a residual error rate following the *ex post* audits by the NFAs; invites the Court to collect additional and necessary documents and information, which the Joint Undertaking is not empowered to require, from the national audit bodies or the national competent departments in accordance with the provisions of Article 287(3) of the Treaty on the Functioning of the European Union; moreover, invites the Court to use those additional documents and that additional information as an alternative way to justify its opinion and to report to the discharge authority on its assessment of those additional elements;

15. Notes that a substantial amending budget increasing commitment appropriations to EUR 158 200 000 was implemented by the governing board by the end of the financial year; invites the Joint Undertaking to provide the discharge authority with detailed information on the criteria followed to execute such significant financial decision;

16. Acknowledges the fact that the implementation rate for operational commitment appropriations was 99,7 %; notes, however, that the commitment appropriations were signed at a global level and, therefore, no corresponding grant agreements had been signed yet; considers that, in the absence of a clear separation between FP7 and Horizon 2020 implementation-related information, those indicators do not ensure a real evaluation of performance; calls on the Court to include in future reports information regarding the execution of the budget under of FP7 and separately under Horizon 2020; asks the Joint Undertaking to inform the discharge authority about the state of play and any progress made in that regard;

17. Notes that no clear separation was made between FP7 and Horizon 2020 implementation-related information due to the fact that no contracts relating to the implementation of Horizon 2020 were signed by the end of year 2014 and thus no payments have been made; asks the Court to provide separate information on budgetary implementation for FP7 and Horizon 2020 in its report for 2015; calls on the Joint Undertaking to provide that information in its Report on Budgetary and Financial Management for 2015;

18. Supports the Joint Undertaking's initiative to collaborate with smaller contributors and to extend the coverage of grants assessment in order to include 90 % of the grants awarded; calls on the Joint Undertaking to continue its assessment in order to approach the 100 % coverage of the total grants and inform the discharge authority on the advancements realised in the financial year of 2015 and 2016;

19. Points out that the Joint Undertaking took over the activities of ENIAC and Artemis in June 2014; notes that there is not enough clear information regarding the status of implementation of the Joint Undertaking's projects (level of payments, payments plan for the next years);

20. Welcomes the Joint Undertaking assessment of the level of in-kind contributions; notes, however, the lack of sufficient information to be able to ascertain the accomplishment of the members' task with regards to FP7;

Legal framework

21. Reiterates its demand to the Court to present a complete and appropriate financial assessment of rights and obligations of the Joint Undertaking for the period until the Joint Undertaking started its activity [1];

[1] OJ L 255, 30.9.2015, p. 418; OJ L 255, 30.9.2015, p. 426.

Internal audit

22. Takes note of the fact that the Commission's internal audit service performed a risk assessment of the Joint Undertaking; points out that four items have been rated as 'high impact/high risk';

23. Requests that the Joint Undertaking provide the discharge authority with detailed information regarding risk management of indirect costs about concrete measures taken in the light of work with the Commission to find alternative mechanisms, as well as further possibilities to converge in accounting procedures in order to avoid the potential risk of double or triple book-keeping and reporting and the financial burden that this may cause;

24. Asks the Joint Undertaking to provide an update to the discharge authority on the adoption and implementation of the anti-fraud strategy;

25. Acknowledges the fact that the Joint Undertaking will implement an auditing strategy aligned with the standard Horizon 2020 procedures; requests that the Joint Undertaking submit a report to the discharge authority detailing the criteria followed to execute such a strategy as well as the grounds for and an assessment of the effectiveness of such a strategy;

Internal control systems

26. Notes that the Joint Undertaking's governing board has established an internal audit capability and has approved the relevant internal charter; notes, furthermore, that, according to the Joint Undertaking's annual accounts for the financial year 2014, two internal control standards have not been fully implemented yet and that some procedures are still to be updated;

Prevention and management of conflicts of interests and transparency

27. Notes with satisfaction that a comprehensive policy to prevent conflicts of interest has been adopted by the Joint Undertaking; recalls, however, that the declarations of conflict of interest of the member of the governing board have not been made publicly available;

Monitoring and reporting of research results

28. Welcomes the advancements realised by the Joint Undertaking in monitoring and reporting; notes, however, that more effort should be made to collaborate more closely with the Commission to meet the requirements of Horizon 2020 and to better contribute to the dissemination of FP7 results; notes, furthermore, that the Joint Undertaking should increase the systematic dissemination of the research results; requests that the Joint Undertaking take the necessary measures to comply with the above in the future and inform the discharge authority in that regard;

29. Welcomes the publication by the Joint Undertaking of the Report on the Socio-Economic Impact of ECSEL Joint Undertaking activities;

30. Recalls that the discharge authority has requested the Court to draw up a special report on the capacity of the joint undertakings, together with their private partners, to ensure added value and efficient execution of Union research, technological development and demonstration programmes ([1]).

([1]) Ibid.

DECISION (EU) 2016/1587 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the ECSEL Joint Undertaking (formerly the ENIAC Joint Undertaking and the Artemis Joint Undertaking) for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the ECSEL Joint Undertaking (formerly the ENIAC Joint Undertaking and the Artemis Joint Undertaking) for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the ECSEL Joint Undertaking for the period 27 June to 31 December 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2014 (05587/2016 – C8-0059/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 209 thereof,

— having regard to Council Regulation (EC) No 72/2008 of 20 December 2007 setting up the ENIAC Joint Undertaking ([4]),

— having regard to Council Regulation (EC) No 74/2008 of 20 December 2007 on the establishment of the 'Artemis Joint Undertaking' to implement a Joint Technology Initiative in Embedded Computing Systems ([5]),

— having regard to Council Regulation (EU) No 561/2014 of 6 May 2014 establishing the ECSEL Joint Undertaking ([6]), and in particular Article 1(2) and Article 12 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([7]),

— 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 ([8]),

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

— having regard to the report of the Committee on Budgetary Control (A8-0119/2016),

([1]) OJ C 422, 17.12.2015, p. 80.
([2]) OJ C 422, 17.12.2015, p. 81.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 30, 4.2.2008, p. 21.
([5]) OJ L 30, 4.2.2008, p. 52.
([6]) OJ L 169, 7.6.2014, p. 152.
([7]) OJ L 357, 31.12.2002, p. 72.
([8]) OJ L 38, 7.2.2014, p. 2.

1. Approves the closure of the accounts of the ECSEL Joint Undertaking (formerly the ENIAC Joint Undertaking and the Artemis Joint Undertaking) for the financial year 2014;

2. Instructs its President to forward this decision to the Executive Director of the ECSEL Joint Undertaking (formerly the ENIAC Joint Undertaking and the Artemis Joint Undertaking), the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1588 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2014 (05587/2016 – C8-0057/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 209 thereof,

— having regard to Council Regulation (EC) No 521/2008 of 30 May 2008 setting up the Fuel Cells and Hydrogen Joint Undertaking ([4]),

— 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 1(2) and Article 12 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([6]),

— 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 ([7]),

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

— having regard to the report of the Committee on Budgetary Control (A8-0083/2016),

1. Grants the Executive Director of the Fuel Cells and Hydrogen 2 Joint Undertaking discharge in respect of the implementation of the Fuel Cells and Hydrogen Joint Undertaking's budget for the financial year 2014;

2. Sets out its observations in the resolution below;

([1]) OJ C 422, 17.12.2015, p. 51.
([2]) OJ C 422, 17.12.2015, p. 53.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 153, 12.6.2008, p. 1.
([5]) OJ L 169, 7.6.2014, p. 108.
([6]) OJ L 357, 31.12.2002, p. 72.
([7]) OJ L 38, 7.2.2014, p. 2.

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
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1589 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2014,

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

— having regard to the report of the Committee on Budgetary Control (A8-0083/2016),

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 the period until 31 December 2017 to focus on developing market applications and thereby facilitating additional industrial efforts towards a rapid deployment of fuel cells and hydrogen technologies;

B. whereas Regulation (EC) No 521/2008 was amended by Council Regulation (EU) No 559/2014 ([2]);

C. 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 the period until 31 December 2024;

D. whereas the members of FCH are the Union, represented by the Commission, the Fuel Cell and Hydrogen Joint Technology Initiative Industry Grouping ('FCH Industry Grouping'), and the Research Grouping N.ERGHY ('N.ERGHY');

E. whereas the members of FCH2 are the Union, represented by the Commission, the New Energy World Industry Grouping ('NEW Industry Grouping') and the New European Research Grouping on Fuel Cells and Hydrogen AISBL ('Research Grouping');

F. whereas the maximum Union contribution for the entire period is EUR 470 000 000 to FCH and EUR 665 000 000 to FCH2, to be paid from the budget of the Seventh Framework Programme ('FP7') and Horizon 2020, as applicable, of which the proportion earmarked for running costs are not to exceed EUR 20 000 000 and EUR 38 000 000 respectively;

G. whereas the FCH Industry Grouping and N.ERGHY are, together, to contribute 50 % of the running costs of FCH; whereas N.ERGHY is to contribute one-twelfth of the running costs, and the FCH Industry Grouping and N.ERGHY both are to contribute to operational costs through in-kind contributions at least equal to the financial contribution of the Union;

H. whereas the NEW Industry Grouping and the Research Grouping members of FCH2 are to contribute, respectively, 43 % and 7 % of the running costs and both are to contribute to operational costs through in-kind contributions at least equal EUR 285 000 000;

General

1. Notes that the Court of Auditors (the 'Court'), in its 2014 report (the 'Court's report'), makes too many general, to the detriment of viable, specific remarks; therefore calls for an audit with a more accentuated focus on the annual financial performance, on the implementation status of multiannual projects, including a clear presentation of the implementation of the budget for the relevant year and for previous years, their results and their implementation;

([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).

2. Notes that the institutions and bodies are required to produce each year a report on budgetary and financial management and that the information provided by FCH and FCH2 in that report lack harmonisation and is often incomplete; notes that guidance is required from the Commission as to the nature and content of that report;

3. Takes note that the Court's 2016 work programme includes a special report on the performance audit of FCH and FCH2;

Budget and financial management

4. Notes that, according to the Court's report, FCH's 2014 annual accounts present fairly, in all material respects, its financial position on 31 December 2014 and the results of its operations and cash flows for the year then ended, in accordance with the provisions of its Financial Rules;

5. Notes the lack of information regarding the *ex post* audits performed by FCH and FCH2; calls on the Court to include in future reports information regarding the number of *ex post* audits, the total amounts covered and the findings;

6. Acknowledges from its 2014 Annual Activity Report that FCH2 continued the *ex post* audits with the launch of 22 new audits; welcomes the positive results, which mean that the residual error rate is below 2 %;

7. Notes that the FCH programmes which were funded from the FP7 are ongoing; takes note that those appropriations remain available until the end of 2016 because of FCH's financial rules which allow it to re-enter its commitment and payment appropriations up to three years after they have been cancelled from FCH's budget; encourages FCH to conduct its budget planning carefully, duly taking into account the parallel process;

8. Takes note of the fact that, according to its 2014 Annual Activity Report, FCH's final budget for the financial year 2014 included commitment appropriations of EUR 112 064 990 and payment appropriations of EUR 95 952 176;

9. Points out that, according to its 2014 Annual Activity Report, the budget execution by year end for all fund sources reached 98,48 % as regards commitment appropriations and 74,52 % in terms of payment executions; considers that, in the absence of a clear separation between FP7 and Horizon 2020 implementation-related information, those indicators do not assure a real evaluation of performance; calls on the Court to include in future reports information regarding, separately, the execution of the budget under FP7 and Horizon 2020;

10. Notes that, according to its 2014 Annual Activity Report, the execution of budget allocated to FP7 is 98,13 % for commitments (EUR 252 106 348,47 out of EUR 256 893 749,15) and 65,84 % for payments (EUR 44 981 766,61 out of EUR 68 309 937,03); notes that the execution of budget allocated to Horizon 2020 is 100 % for commitments (EUR 96 154 619,50 out of EUR 96 154 619,50) and 0 % for payments;

11. Regrets the absence of information regarding in-kind and cash contribution; calls on the Court to include in its future reports separate provisions regarding the evaluation procedure and level of in-kind and cash paid contribution for FP7 and for Horizon 2020;

12. Welcomes FCH's annual assessment of the level of in-kind contribution as well as the accomplishment of its members' tasks with regard to FP7;

Calls for proposals

13. Welcomes the fact that, according to its 2014 Annual Activity Report, in the signed grant agreements, 61 cost claims involving 551 beneficiaries related to FP7 were validated in 2014; points out that from January to December 2014, a reporting period ended for 71 projects;

14. Takes note of the fact that, according to the Court's report, FCH's FP7 programme consisted of 155 grant agreements resulting from seven annual calls organised over the years 2008 to 2013; takes note of the fact that, according to the Court's report, the first grant agreements under the Horizon 2020 programme were to be signed in 2015;

15. Welcomes FCH's efforts to have a clear estimation of the demand for fuel cells buses in Europe;

16. Points out that in May 2014 FCH2 took over the activity of FCH; notes that there is not enough clear information regarding the implementation status of FCH (level of payments, payments plan for the following years);

Legal Framework

17. Takes note of the fact that FCH2's financial rules were adopted on 30 June 2014 on the basis of the model financial regulation for public-private partnership bodies and taking into account the requirements of Regulation (EU) No 559/2014;

Internal control systems

18. Takes note of FCH2's Internal Audit Service Draft Limited Review Report on Use and Dissemination of Research results, which set new guidelines and templates for midterm review meetings with external reviewers;

Monitoring and reporting

19. Welcomes the fact that, according to the Court's report, FCH2 has, since 2011, published its Programme Review Report annually, aiming to estimate the achievements of the portfolio projects funded by FCH2 against their strategic objectives;

20. Welcomes the publication by FCH2 of the Report on the Socio-Economic Impact of FCH activities;

21. Welcomes the fact that, according to its 2014 Annual Activity Report, due to transition to FCH2, the main priorities for 2014 were revitalising the visual identity and redeveloping the website, as well as improving branding and visibility.

DECISION (EU) 2016/1590 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2014 (05587/2016 – C8-0057/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 209 thereof,

— having regard to Council Regulation (EC) No 521/2008 of 30 May 2008 setting up the Fuel Cells and Hydrogen Joint Undertaking ([4]),

— 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 1(2) and Article 12 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([6]),

— 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 ([7]),

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

— having regard to the report of the Committee on Budgetary Control (A8-0083/2016),

([1]) OJ C 422, 17.12.2015, p. 51.
([2]) OJ C 422, 17.12.2015, p. 53.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 153, 12.6.2008, p. 1.
([5]) OJ L 169, 7.6.2014, p. 108.
([6]) OJ L 357, 31.12.2002, p. 72.
([7]) OJ L 38, 7.2.2014, p. 2.

1. Approves the closure of the accounts of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2014;

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
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1591 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the Innovative Medicines Initiative 2 Joint Undertaking (formerly the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines) for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Innovative Medicines Initiative 2 Joint Undertaking (formerly the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines) for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the Innovative Medicines Initiative Joint Undertaking for the financial year 2014, together with the Joint Undertaking'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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2014 (05587/2016 – C8-0056/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 209 thereof,

— having regard to Council Regulation (EC) No 73/2008 of 20 December 2007 setting up the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines ([4]),

— having regard to Council Regulation (EC) No 557/2014 of 6 May 2014 establishing the Innovative Medicines Initiative 2 Joint Undertaking ([5]), and in particular Article 1(2) and Article 12 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([6]),

— 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 ([7]),

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

— having regard to the report of the Committee on Budgetary Control (A8-0081/2016),

([1]) OJ C 422, 17.12.2015, p. 61.
([2]) OJ C 422, 17.12.2015, p. 62.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 30, 4.2.2008, p. 38.
([5]) OJ L 169, 7.6.2014, p. 54.
([6]) OJ L 357, 31.12.2002, p. 72.
([7]) OJ L 38, 7.2.2014, p. 2.

1. Grants the Executive Director of the Innovative Medicines Initiative 2 Joint Undertaking (formerly the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines) discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2014;

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 (formerly the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines), the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1592 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

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 (formerly the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines) for the financial year 2014

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 (formerly the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines) for the financial year 2014,

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

— having regard to the report of the Committee on Budgetary Control (A8-0081/2016),

A. whereas the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines ('IMI Joint Undertaking') was set up in December 2007 for a period of 10 years to significantly improve the efficiency and effectiveness of the drug development process with the long-term aim that the pharmaceutical sector produces 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 ('IMI 2 Joint Undertaking') replaced the IMI Joint Undertaking in June 2014 with the aim of finalising research activities of the Seventh Framework Programme ('FP 7') and extended the lifetime of the Joint Undertaking until 31 December 2024,

C. whereas the Union, which is represented by the Commission, and the European Federation of Pharmaceutical Industries and Associations (EFPIA) are the founding members of the Joint Undertaking,

D. whereas the Joint Undertaking started to work autonomously on 16 November 2009,

E. whereas the maximum contribution for the period of 10 years from the Union to the IMI Joint Undertaking is EUR 1 000 000 000, to be paid from the budget of the FP 7 and the founding members are to contribute equally to the running costs, each with an amount not exceeding 4 % of the total Union contribution,

F. whereas the maximum contribution for the period of 10 years from the Union to the IMI 2 Joint Undertaking is EUR 1 638 000 000, to be paid from the budget of Horizon 2020 and the Members, other than the Commission, have to contribute 50 % of the running costs and should contribute to operational costs through cash or in-kind contributions, or both, equal to the financial contribution of the Union,

General remarks

1. Notes that the Court of Auditors' ('the Court') report is based on too many general remarks to the detriment of viable, specific ones; therefore calls for an audit with a more accentuated focus on the annual financial performance, the implementation status of multiannual projects (including a clear presentation of the implementation of the budget for the respective year and for previous years) and their the results and implementation;

2. Notes that the institutions and bodies are required to produce each year a Report on Budgetary and Financial Management and that the information provided by the Joint Undertaking in that report lacked harmonisation and was often incomplete; considers, in this respect, that guidance is required from the Commission as to the nature and content of the report;

[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).

3. Takes note that the 2016 Court's working programme includes a special report on performance audit of Joint Undertakings;

Budgetary and financial management

4. Notes that, in the Court's opinion, the Joint Undertaking's annual accounts present fairly, in all material respects, its financial position as on 31 December 2014 and the results of its operations and cash flows for the year then ended, in accordance with its financial rules and the accounting rules adopted by the Commission's accounting officer;

5. Notes the lack of information regarding the *ex post* audits performed by IMI Joint Undertaking and IMI 2 Joint Undertaking; calls on the Court to include in the future reports information regarding the number of *ex post* audits, the total amounts covered and the findings;

6. Notes the clean opinion of the Court on the legality and regularity of transactions underlying the annual accounts of the Joint Undertaking for the year 2014 and acknowledges that the Joint Undertaking has met the materiality threshold;

7. Notes from the Annual Activity Report that, by the end of 2014, four *ex post* reviews and audits of selected companies belonging to the EFPIA had been finalised and a further two reviews and audits were ongoing; those engagements cover the largest contributors of in-kind contributions to Joint Undertaking's projects, thereby ensuring extensive coverage of the programme;

8. Notes with concern that the performance of operational *ex ante* controls on the payment of project costs was insufficiently documented; the *ex ante* control performed by the Joint Undertaking's Scientific Project Officers (SPO) did not clearly identify and comment upon the status of the project (ongoing, ongoing subject to deficiencies, suspended/cancelled) and its deliverables (no reservations, reservations requiring clarification, major reservations); and payment was made without an official listing of deliverables accepted by the SPO and without any reference to the assessment of deliverables by the SPO; takes note that the Joint Undertaking has established an action plan to address auditors' observations and enhance *ex ante* control system;

9. Notes that the Joint Undertaking's 2014 annual budget included commitment appropriations amounting to EUR 223 000 000 and payment appropriations amounting to EUR 171 000 000; the overall implementation rate was 92,4 % (99,5 % for 2013) for commitment appropriations and 73,9 % (97,5 % for 2013) for payment appropriations;

10. Notes that in the case of operational activities, the implementation rate was 93 % for commitment appropriations and 74 % for payment appropriations; however, commitment appropriations were committed at a global level, meaning that no corresponding grant agreements have been signed by the end of 2014;

11. Considers that, in the absence of a clear separation between FP 7 and Horizon 2020 implementation-related information, these indicators do not ensure a real evaluation of performance; calls on the Court to set out in its future reports information regarding the execution of the budget under FP 7 and that of Horizon 2020 separately;

12. Takes note that the commitment appropriations and payment appropriations for the FP 7 and Horizon 2020 are not presented separately in the Annual Activity Report; takes note that in the context of operational budget execution, commitment appropriations presented in the Joint Undertaking's Annual Activity Report and Annual Accounts are broken down into FP 7 and Horizon 2020; calls on the Joint Undertaking to include more information on budget execution (commitment and payments) for FP 7 and Horizon 2020 programmes in the upcoming annual reports;

13. Regrets the lack of information regarding in-kind and cash contributions; calls on the Court to include, in its future reports, specific provisions regarding the evaluation procedure and the level of in-kind and cash contributions that are set out separately for FP 7 and Horizon 2020;

14. Notes that Joint Undertaking's programmes funded under FP 7 are still ongoing; takes note that these appropriations remain available until 2017 because of the Joint Undertaking's financial rules which allow Joint Undertaking to re-enter its commitment and payment appropriations up to three years after they have been cancelled from the Joint Undertaking's budget; encourages the Joint Undertaking to carefully conduct its budget planning, taking into due account the parallel process;

Calls for proposals

15. Welcomes the fact that the calls for proposals under the FP 7 for the 2008-2013 period resulted in 54 grant agreements totalling EUR 897 000 000, amounting to 93 % of the maximum Union contribution to the Joint Undertaking for research activities;

16. Notes that the involvement of the SMEs is increasing continuously, due to the promotion of their participation in its activities; by the end of 2014 SMEs accounted for 16 % (2013: 15 %) of all beneficiaries; moreover, the SMEs involved in the Joint Undertaking's projects received 15,8 % of the total budget; encourages the Joint Undertaking to continue this trend;

17. Points out that as IMI 2 Joint Undertaking took over the activity of IMI Joint Undertaking in June 2014, there is not enough clear information regarding the state of play of implementation of IMI Joint Undertaking 's projects (level of payments or payments plans for the next years);

Conflicts of interest

18. Notes that the policy governing conflicts of interest for the Executive Director and staff of the Joint Undertaking is publicly available on its website;

19. Welcomes the fact that the declaration of interests of the Executive Director was published on the Joint Undertaking's website; the names and the Curricula Vitae of the members of the Joint Undertaking's Governing Board, Scientific Committee and the names of the States Representatives Group are all publicly available via the website; encourages the Joint Undertaking to publish each Curriculum Vitae on the website;

Legal framework

20. Notes from the Court's report that the financial rules of the IMI 2 Joint Undertaking were adopted on 7 July 2014 on the basis of the model financial regulation for public-private partnership bodies;

Internal control systems

21. Notes from the Court's report that the Commission's Internal Audit Service (IAS) finalised an audit on monitoring and reporting operational performance and that all recommendations have been addressed by the Joint Undertaking;

22. Notes from the Court's report that two audits were completed in early 2015 — one on *ex ante* controls for operational expenditure and the other on risk assessment; the Joint Undertaking has addressed the recommendation on *ex ante* controls through an action plan that has been accepted by the IAS;

23. Welcomes the publication of a short analysis on Joint Undertaking's project outputs linked to socioeconomic impacts in February 2016; takes note that an extended analysis of socioeconomic impact is under preparation by external experts and should be published in May 2016 at the latest; calls on the Joint Undertaking to submit that report to the discharge authority.

DECISION (EU) 2016/1593 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the Innovative Medicines Initiative 2 Joint Undertaking (formerly the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines) for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Innovative Medicines Initiative 2 Joint Undertaking (formerly the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines) for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the Innovative Medicines Initiative Joint Undertaking for the financial year 2014, together with the Joint Undertaking'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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2014 (05587/2016 – C8-0056/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 209 thereof,

— having regard to Council Regulation (EC) No 73/2008 of 20 December 2007 setting up the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines ([4]),

— having regard to Council Regulation (EC) No 557/2014 of 6 May 2014 establishing the Innovative Medicines Initiative 2 Joint Undertaking ([5]), and in particular Article 1(2) and Article 12 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([6]),

— 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 ([7]),

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

— having regard to the report of the Committee on Budgetary Control (A8-0081/2016),

([1]) OJ C 422, 17.12.2015, p. 61.
([2]) OJ C 422, 17.12.2015, p. 62.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 30, 4.2.2008, p. 38.
([5]) OJ L 169, 7.6.2014, p. 54.
([6]) OJ L 357, 31.12.2002, p. 72.
([7]) OJ L 38, 7.2.2014, p. 2.

1. Approves the closure of the accounts of the Innovative Medicines Initiative 2 Joint Undertaking (formerly the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines) for the financial year 2014;

2. Instructs its President to forward this decision to the Executive Director of the Innovative Medicines Initiative 2 Joint Undertaking (formerly the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines), the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1594 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the SESAR Joint Undertaking for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the SESAR Joint Undertaking for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the SESAR Joint Undertaking for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2014 (05587/2016 – C8-0053/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 219/2007 of 27 February 2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR) ([4]), and in particular Article 4b thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0089/2016),

([1]) OJ C 422, 17.12.2015, p. 70.
([2]) OJ C 422, 17.12.2015, p. 72.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 64, 2.3.2007, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

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 2014;

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
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1595 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the SESAR Joint Undertaking for the financial year 2014

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 2014,

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0089/2016),

A. whereas the SESAR Joint Undertaking ('the Joint Undertaking') was set up in February 2007 to run the Single European Sky Air Traffic Management Research (SESAR) programme that aims to modernise traffic management in Europe,

B. whereas the SESAR 2 Joint Undertaking replaced the SESAR Joint Undertaking in June 2014 according to the adoption of Council Regulation (EU) No 721/2014 ([1]) and extended the lifetime of the Joint Undertaking for the period up to 31 December 2024,

C. whereas the SESAR projects divided into a 'definition phase' (2004-2007) held by Eurocontrol, a first 'development phase' (2008-2016), funded by the 2008-2013 programming period managed by the Joint Undertaking and a 'deployment phase' (2014-2020) running in parallel to the 'development phase'; whereas the deployment phase is expected to be led by industry and stakeholders for the large-scale production and implementation of the new air traffic management infrastructure,

D. whereas the Joint Undertaking started to work autonomously in 2007,

E. whereas the Joint Undertaking was designed as a public-private partnership with the Union and Eurocontrol as founding members,

F. whereas the budget for 2008-2016 developed phase of the SESAR project is EUR 2 100 000 000 and is to be provided in equal parts by the Union, Eurocontrol and the participating public and private partners,

General

1. Notes that the Court of Auditors' report is based on too many general remarks to the detriment of viable, specific ones; therefore calls for an audit with a sharper focus on the annual financial performance, on the implementation status of multiannual projects (including a clear presentation of the implementation of the budget for the respective year and for previous years) and on the results and their implementation;

2. Notes that the Institutions and Bodies are required to produce each year a Report on Budgetary and Financial Management and that the information provided by the Joint Undertaking in this report lacked harmonisation and was often incomplete; guidance is required from the Commission as to the nature and content of the report;

3. Takes note that the 2016 Court of Auditors working programme includes a special report on performance audit of Joint Undertakings;

([1]) Council Regulation (EU) No 721/2014 of 16 June 2014 amending Regulation (EC) No 219/2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR) as regards the extension of the Joint Undertaking until 2024 (OJ L 192, 1.7.2014, p. 1).

Budget and financial management

4. Notes from the Final Annual Accounts report that the Joint Undertaking's final budget for the financial year 2014 included commitment appropriations of EUR 13 119 600 and payment appropriations of EUR 121 942 760 ([1]);

5. Notes that the utilisation rate for commitment appropriations was 99,4 % (99,6 % in 2013); notes furthermore that the utilisation rate for payment appropriations was 79,8 % (94,4 % in 2013) ([2]);

6. Notes the deferral, from late 2014 to early 2015, of three payments out of 15 of the annual member costs claims; calls on the Joint Undertaking and its members to present cost claims in due time and to avoid deferrals, and to ensure that the financial management of its financial resources is at all times sound;

7. Notes that the Financial Rules of the Joint Undertaking for the 2014-2020 programming period were adopted on 25 June 2015 by the Administrative Board ([3]), pursuant to a Commission Implementing Decision adopted on 4 June 2015 authorising derogations in respect of the Financial Rules for the Joint Undertaking from Commission delegated Regulation (EU) No 1271/2013;

8. Points out that, by 31 December 2014, the Joint Undertaking development phase included project work by16 members (including Eurocontrol) on programme activities involving more than 100 private and public entities and subcontractors; welcomes the fact, that of the 369 SESAR programme projects falling under the fourth amendment to the Multilateral Framework Agreement (MFA), 348 (94 %) were being implemented or had been completed ([4]);

9. Takes into consideration that 100 % (EUR 556 million) of the Union and Eurocontrol co-financing contributions payable to the other 15 members (since 1 January 2014) under the fourth amendment to the MFA have been committed; notes furthermore that 66 % (EUR 369 million) were paid out by 31 December 2014, while the remaining 34 % (EUR 187 million) are expected to be paid by 31 December 2017 ([5]);

10. Notes the lack of information regarding the *ex post* audits performed by SESAR and SESAR2; calls on the Court of Auditors to include, in the future reports, information regarding the number of *ex post* audits, the total amounts covered and the findings;

11. Notes that the execution of the budget allocated to the Seventh Framework Programme (FP7) is 99,44 % for commitments (EUR 13 046 425 out of EUR 13 119 600) and 79,82 % for payments (EUR 97 328 996 out of EUR 121 942 760) ([6]); notes furthermore that figures were not available for commitment and payment appropriations allocated to Horizon 2020; considers that, in the absence of a clear separation between FP7 and Horizon 2020 related implementation information, those indicators (appropriations and commitments) do not ensure a real evaluation of performance; calls on the Joint Undertaking to provide the discharge authority with such information concerning the financial year 2014 and to include separately in the future years' reports information regarding the execution of the budget for FP7 and Horizon 2020;

12. Notes that the Joint Undertaking's programmes funded under FP7 are still ongoing; takes note that those appropriations remain available till 2016 because of the Joint Undertaking's financial rules which allow it to re-enter its commitment and payment appropriations up to three years after they have been cancelled from the Joint Undertaking's budget; encourages the Joint Undertaking to conduct its budget planning carefully, taking into due account the parallel process;

13. Regrets the limited amount of information regarding in-kind/cash contributions; calls on the Court of Auditors to include, in the reports to come, provisions regarding the evaluation procedure and the level of in-kind/cash paid contributions for FP7 and Horizon 2020, which should be presented separately;

([1]) ECA's report for financial year 2014, Annex I, p. 2.
([2]) ECA's report for financial year 2014, p. 7.
([3]) ECA's report for financial year 2014, p. 8.
([4]) ECA's report for financial year 2014, p. 7.
([5]) ECA's report for financial year 2014, p. 7.
([6]) SESAR Final accounts, p. 36.

Calls for proposals

14. Welcomes the fact that one of the major achievements in 2014 was the launch of a new project dealing with General Aviation and Rotocraft operations ([1]);

15. Points out that, in June 2014, SESAR2 took over the activity of SESAR; notes that there is not enough clear information regarding the implementation status of SESAR's projects (level of payments, payments plans for the next years);

Internal audit function and the Commission's Internal Audit Service

16. Takes note that the Joint Undertaking Internal Audit Capability carried out audits of human resources /recruitment and on the validation of Accrual Based Accounting Workflow authorisation and performed other assurance and consultancy services ([2]);

17. Takes note that the Internal Audit Service carried out an audit of risk management followed by a risk assessment; three recommendations (of which none was rated as 'Critical', but of which two were rated as 'Very Important' and one was rated as 'Important') were made as a result of the audit and were accepted; an action plan is currently being implemented ([3]);

18. Welcomes the signature of a memorandum of cooperation with Clean Sky2 Joint Undertaking, aimed at strengthening links and reinforcing synergies;

19. Regrets that the Joint Undertaking failed to publish a report on the socio-economic impact of its activities; calls on the Joint Undertaking to submit, to the discharge authority, the abovementioned report;

Risk Management

20. Acknowledges that during 2014, the Joint Undertaking performed two major reviews to re-assess the main programme risks and related mitigation actions; notes that the review resulted in a list of 33 Programme and Joint Undertaking risks, of which nine were considered 'top risks' owing to their criticality level; considers that a number of external factors in 2014 led to uncertainty in the future of the programme and to the identification of a higher number of risks than usual (uncertain economic forecasts, a new multiannual financial framework as well as organisational changes in the Joint Undertaking and in the DG of reference, etc.); welcomes the fact that specific remedial actions have been, or are being, implemented by the Joint Undertaking;

Role of the Joint Undertaking

21. Highlights the vital role of the Joint Undertaking in coordinating and implementing research into the SESAR project, which is a pillar project of the Single European Sky; notes also that 2014 marks the beginning of the deployment phase of the SESAR project; welcomes, in this regard, the establishment of a SESAR Deployment Manager to report on and to monitor the implementation of new operational solutions and technological improvements developed by SESAR, ensuring its effective deployment;

22. Encourages the Joint Undertaking and the Deployment Manager, in collaborating with Member States, to increase the number and quality of projects proposed under the Connecting Europe Facility (CEF) transport programme; recalls the position of the European Parliament during the budgetary procedure which is in favour of recovering the total amounts that were relocated from CEF to the European Fund for Strategic Investments.

([1]) Annual Activity Report, p. 33.
([2]) ECA's report for financial year 2014, p. 8.
([3]) Annual Activity Report, p. 119.

DECISION (EU) 2016/1596 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the SESAR Joint Undertaking for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the SESAR Joint Undertaking for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the SESAR Joint Undertaking for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2014 (05587/2016 – C8-0053/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Regulation (EC) No 219/2007 of 27 February 2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR) ([4]), and in particular Article 4b thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0089/2016),

([1]) OJ C 422, 17.12.2015, p. 70.
([2]) OJ C 422, 17.12.2015, p. 72.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 64, 2.3.2007, p. 1.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Approves the closure of the accounts of the SESAR Joint Undertaking for the financial year 2014;

2. Instructs its President to forward this decision to the Executive Director of the SESAR Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1597 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the Artemis Joint Undertaking for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Artemis Joint Undertaking for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the Artemis Joint Undertaking for the period 1 January to 26 June 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2014 (05587/2016 – C8-0055/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 209 thereof,

— having regard to Council Regulation (EC) No 74/2008 of 20 December 2007 on the establishment of the 'Artemis Joint Undertaking' to implement a Joint Technology Initiative in Embedded Computing Systems ([4]),

— having regard to Council Regulation (EU) No 561/2014 of 6 May 2014 establishing the ECSEL Joint Undertaking ([5]), and in particular Article 1(2) and Article 12 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([6]),

— 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 ([7]),

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

— having regard to the report of the Committee on Budgetary Control (A8-0092/2016),

([1]) OJ C 422, 17.12.2015, p. 9.
([2]) OJ C 422, 17.12.2015, p. 10.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 30, 4.2.2008, p. 52.
([5]) OJ L 169, 7.6.2014, p. 152.
([6]) OJ L 357, 31.12.2002, p. 72.
([7]) OJ L 38, 7.2.2014, p. 2.

1. Postpones its decision on granting the Executive Director of the ECSEL Joint Undertaking discharge in respect of the implementation of the Artemis Joint Undertaking's budget for the financial year 2014;

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
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1598 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Artemis Joint Undertaking for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the Artemis Joint Undertaking for the financial year 2014,

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

— having regard to the report of the Committee on Budgetary Control (A8-0092/2016),

A. whereas the Artemis Joint Undertaking (the 'Joint Undertaking') was set up in December 2007 for a period of 10 years to establish and implement a research agenda for the development of key technologies for embedded computing systems across different application areas in order to strengthen Union competitiveness and sustainability and to allow for the emergence of new markets and societal applications;

B. whereas the Joint Undertaking started to work autonomously in October 2009;

C. whereas the maximum contribution for the period of 10 years from the Union to the Joint Undertaking is EUR 420 000 000, to be paid from the budget of the Seventh Research Framework Programme;

D. whereas financial contributions from Artemis Member States should amount in total to at least 1,8 times of the Union's financial contribution and the in-kind contribution of research and development organisations participating in projects over the duration of the Joint Undertaking is to be equal to or greater than the contribution of public authorities;

E. whereas the Joint Undertaking and the ENIAC Joint Undertaking ('ENIAC') were merged to create the Electronic Components and Systems for European Leadership Joint Technology Initiative ('ECSEL JTI'), which started its activity in June 2014 and will run for 10 years;

Budgetary and financial management

1. Notes that the Joint Undertaking's accounts for the period 1 January 2014 to 26 June 2014 present fairly, in all material respects, its financial position as at 26 June 2014 and the results of its operations and cash flows for the period then ended, in accordance with the provisions of its financial rules and the accounting rules adopted by the Commission's accounting officer;

2. Is concerned that the Court of Auditors (the 'Court'), in its report on the Joint Undertaking's annual accounts for the financial year 2014 (the 'Court's report'), issued a qualified opinion regarding the regularity and legality of the underlying transactions on the grounds that the administrative agreements signed with the national funding authorities ('NFAs') regarding the audit of project cost claims do not include practical arrangements for *ex-post* audits;

3. Notes from the Court's report that the Joint Undertaking did not assess the quality of the audit reports received from the NFAs concerning the costs relating to completed projects; notes, furthermore, that, after an assessment of the audit strategies of three of the NFAs, it was not possible to conclude whether *ex-post* audits are functioning effectively due to different methodologies used by NFAs which did not allow the Joint Undertaking to calculate either a weighted error rate or a residual rate error; notes also that ECSEL JTI confirmed that its extensive assessment of the national assurance systems concluded that they can provide reasonable protection of the financial interests of the Joint Undertaking's members;

4. Calls on ECSEL JTI, following the assessment of the procedures applied by the NFAs, to invite the NFAs to produce evidence that the implementation of the national procedures provides a reasonable assurance on the legality and regularity of transactions;

5. Notes that the Court's report includes a qualified opinion which is based on the lack of information necessary to calculate either a weighted error rate or a residual error rate following the *ex-post* audits by NFAs; invites the Court to collect additional and necessary documents and information, which the Joint Undertaking is not empowered to require from the national audit bodies or the national competent departments, in accordance with Article 287(3) of the Treaty on the Functioning of the European Union; moreover, invites the Court to use that additional information as an alternative way to justify its opinion and to report to the discharge authority on its assessment of those additional elements;

6. Takes note of the fact that, according to the Court's report, the Joint Undertaking's final budget for the financial year 2014 included commitment appropriations of EUR 2 554 510 and payment appropriations of EUR 30 330 178 (operational);

7. Notes that the initial budget for 2014 included only commitment appropriations for running costs amounting to EUR 2 200 000 and that the budget did not include commitment appropriations for operational activities; notes, furthermore, that the utilisation rate for administrative commitment appropriations was 38 %; observes that, according to the Court's report, those appropriations are due to the merger of the Joint Undertaking and ENIAC in June 2014 and the fact that the budget was adopted for the whole of that year;

8. Reminds the Joint Undertaking of its obligation to respect the 1 to 1,8 ratio between the Union and the Member States' contributions; notes with dissatisfaction that the amount for the appropriations committed for the calls for proposals was EUR 198 000 000, representing 48 % of the total budget; observes, however, that, according to the Court's report, budget restrictions in the Member States impeded the commitment of the remaining part of the budget, representing 52 % of the total budget;

9. Notes the limited amount of information regarding in-kind and cash contribution; calls on the Court to include, in future reports, concrete provisions regarding the evaluation procedure and the level of in-kind and cash-paid contribution;

Legal framework

10. Is aware of the Joint Undertaking's merger in June 2014; nonetheless, is concerned that the Joint Undertaking did not amend its financial rules to comply with the new Financial Regulation [1] applicable to public-private partnership bodies that entered into force on 8 February 2014;

Internal audit

11. Notes that the Joint Undertaking did not amend its financial rules to include the provision of the Seventh Framework Programme Decision [2] referring to the powers of the Commission's Internal Auditor; acknowledges that this was due to the merger with ENIAC to form ECSEL JTI;

Internal control

12. Notes with concern that the Joint Undertaking took no action regarding certain internal control standards relating to information and financial reporting: in particular, evaluation of activities, assessment of the internal control systems and internal audit capability ('IAC'); observes that this was due to the impending merger; asks ECSEL JTI to inform the discharge authority of the measures taken and the advancements attained in this regard;

13. Notes with satisfaction that although the function of IAC was not set up at the time of the merger, it was established shortly thereafter, on 4 July 2014;

[1] 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 (OJ L 38, 7.2.2014, p. 2).

[2] Decision No 1982/2006/EC of the European Parliament and of the Council of 18 December 2006 concerning the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013) (OJ L 412, 30.12.2006, p. 1).

Prevention and management of conflicts of interest and transparency

14. Notes with concern from the Court's report that the Joint Undertaking did not have in place a comprehensive written procedure to deal with conflicts of interest at the time of the audit; acknowledges that ECSEL JTI's Governing Board adopted a comprehensive policy to prevent conflicts of interest;

15. Takes note of the fact that the 2016 Court's work programme includes a special report on performance audit of Joint Undertakings.

DECISION (EU) 2016/1599 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the Artemis Joint Undertaking for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Artemis Joint Undertaking for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the Artemis Joint Undertaking for the period 1 January to 26 June 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2014 (05587/2016 – C8-0055/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 209 thereof,

— having regard to Council Regulation (EC) No 74/2008 of 20 December 2007 on the establishment of the 'Artemis Joint Undertaking' to implement a Joint Technology Initiative in Embedded Computing Systems ([4]),

— having regard to Council Regulation (EU) No 561/2014 of 6 May 2014 establishing the ECSEL Joint Undertaking ([5]), and in particular Article 1(2) and Article 12 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([6]),

— 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 ([7]),

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

— having regard to the report of the Committee on Budgetary Control (A8-0092/2016),

([1]) OJ C 422, 17.12.2015, p. 9.
([2]) OJ C 422, 17.12.2015, p. 10.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 30, 4.2.2008, p. 52.
([5]) OJ L 169, 7.6.2014, p. 152.
([6]) OJ L 357, 31.12.2002, p. 72.
([7]) OJ L 38, 7.2.2014, p. 2.

1. Postpones the closure of the accounts of the Artemis Joint Undertaking for the financial year 2014;

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
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU) 2016/1600 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the ENIAC Joint Undertaking for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the ENIAC Joint Undertaking for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the ENIAC Joint Undertaking for the period 1 January to 26 June 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2014 (05587/2016 – C8-0058/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 209 thereof,

— having regard to Council Regulation (EC) No 72/2008 of 20 December 2007 setting up the ENIAC Joint Undertaking ([4]),

— having regard to Council Regulation (EU) No 561/2014 of 6 May 2014 establishing the ECSEL Joint Undertaking ([5]), and in particular Article 1(2) and Article 12 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([6]),

— 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 ([7]),

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

— having regard to the report of the Committee on Budgetary Control (A8-0113/2016),

([1]) OJ C 422, 17.12.2015, p. 25.
([2]) OJ C 422, 17.12.2015, p. 26.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 30, 4.2.2008, p. 21.
([5]) OJ L 169, 7.6.2014, p. 152.
([6]) OJ L 357, 31.12.2002, p. 72.
([7]) OJ L 38, 7.2.2014, p. 2.

1. Postpones its decision on granting the Executive Director of the ECSEL Joint Undertaking discharge in respect of the implementation of the ENIAC Joint Undertaking's budget for the financial year 2014;

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
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1601 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the ENIAC Joint Undertaking for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the ENIAC Joint Undertaking for the financial year 2014,

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

— having regard to the report of the Committee on Budgetary Control (A8-0113/2016),

A. whereas the ENIAC Joint Undertaking (the 'Joint Undertaking') was set up on 20 December 2007 for a period of 10 years to establish and implement a research agenda for the development of key competences for nanoelectronics across different application areas;

B. whereas the Joint Undertaking was granted financial autonomy in July 2010;

C. whereas the founding members of the Joint Undertaking are the Union, represented by the Commission, Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, the Netherlands, Poland, Portugal, Sweden and the United Kingdom, and the Association for European Nanoelectronics Activities ('AENEAS');

D. whereas the maximum contribution for the period of 10 years from the Union to the Joint Undertaking is EUR 450 000 000, to be paid from the budget of the Seventh Research Framework Programme;

E. whereas AENEAS is to make a maximum contribution of EUR 30 000 000 to the Joint Undertaking's running costs and the Member States are to make in-kind contributions to the running costs and to provide financial contributions of at least 1,8 times the Union contribution;

F. whereas the Joint Undertaking and the Artemis Joint Undertaking ('Artemis') were merged to create the Electronic Components and Systems for European leadership Joint Technology Initiative ('ECSEL JTI'), which started its activities in June 2014 and will run for 10 years;

Budgetary and financial management

1. Acknowledges the fact that the Joint Undertaking's accounts for the period 1 January 2014 to 26 June 2014 present fairly, in all material respects, its financial position as at 26 June 2014 and the results of its operations and cash flows for the period then ended, in accordance with the provisions of its financial rules and the accounting rules adopted by the Commission's accounting officer;

2. Is concerned that the Court of Auditors (the 'Court'), in its report on the annual accounts of the Joint Undertaking for the period 1 January to 26 June 2014 (the 'Court's report') issued a qualified opinion for the fourth consecutive year regarding the regularity and legality of the underlying transactions on the grounds that the administrative agreements signed with the national funding authorities (the 'NFAs') regarding audit of project cost claims do not include practical arrangements for *ex post* audits;

3. Notes that, according to the Court's report, the Joint Undertaking did not assess the quality of the audit reports received from the NFAs concerning the costs related to completed projects; notes, furthermore, that, after an assessment of the audit strategies of three of the NFAs, it was not possible to conclude whether *ex post* audits are functioning effectively due to different methodologies used by the NFAs which did not allow the Joint Undertaking to calculate either a weighted error rate or a residual rate error; notes also that ECSEL JTI confirmed that its extensive assessment of the national assurance systems concluded that they can provide reasonable protection of the financial interests of the Joint Undertakings' members;

4. Calls on the ECSEL JTI, following the assessment of the procedures applied by the NFAs, to invite the NFAs to produce evidence that the implementation of the national procedures provides a reasonable assurance on the legality and regularity of transactions;

5. Notes that the Court's report includes a qualified opinion which is based on the lack of information necessary to calculate either a weighted error rate or a residual error rate following the *ex post* audits by the NFAs; invites the Court to collect additional and necessary documents and information, which the Joint Undertaking is not empowered to require, from the national audit bodies or the national competent departments in accordance with the provisions of Article 287(3) of the Treaty on the Functioning of the European Union; moreover, invites the Court to use those additional documents and that additional information as an alternative way to justify its opinion and to report to the discharge authority on its assessment of those additional elements;

6. Takes note of the fact that, according to the Court's report, the Joint Undertaking's final budget for the financial year 2014 included commitment appropriations of EUR 2 356 000 and payment appropriations of EUR 76 500 250;

7. Notes that the initial budget for 2014 included only commitment appropriations for running costs amounting to EUR 2 300 000 and that the budget did not include commitment appropriations for operational activities; notes, furthermore, that the utilisation rate for administrative commitment appropriations was 43 %; observes that, according to the Court's report, those are due the merger of the Joint Undertaking and Artemis and to the fact that the budget was adopted for the whole year;

8. Notes that, according to the Court's report, the total amount foreseen for the calls for proposals was committed at the time of the merger;

9. Acknowledges that, according to the Joint Undertaking, national assurance procedures have been surveyed for countries receiving 54,2 % of the Joint Undertaking grants; supports its initiative to further increase the coverage; calls on ECSEL JTI to continue its assessment in order to approach the 100 % coverage of the total grants and inform the discharge authority on the advancements realised in the financial year of 2014;

10. Regrets the lack of information regarding in-kind and cash contribution; calls on the Court to include, in future reports, concrete provisions regarding the evaluation procedure and the level of in-kind and cash-paid contribution;

Internal audit

11. Ascertains that, according to the Joint Undertaking's annual accounts, the internal audit service did not produce new reports during the financial year of 2014, that the Joint Undertaking management took action upon all recommendations included in the previous reports, documented them and submitted them in the reporting system and that those actions concentrated in sustaining new procedures; invites the Joint Undertaking to share with the discharge authority the actions taken and the advancements made in that regard;

Internal control

12. Takes note of the fact that the internal audit capability ('IAC') required improvements in the document handling recommending in particular an electronic system;

13. Acknowledges the fact that, according to the Joint Undertaking's annual accounts, the IAC executed its approved work programme covering the legality and regularity of the administrative transactions as well as of the operational transactions executed in collaboration with the NFAs, the results being reported to the governing board and to the executive director; notes, furthermore, that opportunities for further improvement were highlighted; asks the Joint Undertaking to inform the discharge authority on the actions taken to address this issue;

14. Takes note of the fact that the 2016 Court of Auditors work programme includes a special report on performance audit of Joint Undertakings.

DECISION (EU) 2016/1602 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the ENIAC Joint Undertaking for the financial year 2014

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the ENIAC Joint Undertaking for the financial year 2014,

— having regard to the Court of Auditors' report on the annual accounts of the ENIAC Joint Undertaking for the period 1 January to 26 June 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2014 (05587/2016 – C8-0058/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 209 thereof,

— having regard to Council Regulation (EC) No 72/2008 of 20 December 2007 setting up the ENIAC Joint Undertaking ([4]),

— having regard to Council Regulation (EU) No 561/2014 of 6 May 2014 establishing the ECSEL Joint Undertaking ([5]), and in particular Article 1(2) and Article 12 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([6]),

— 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 ([7]),

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

— having regard to the report of the Committee on Budgetary Control (A8-0113/2016),

([1]) OJ C 422, 17.12.2015, p. 25.
([2]) OJ C 422, 17.12.2015, p. 26.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 30, 4.2.2008, p. 21.
([5]) OJ L 169, 7.6.2014, p. 152.
([6]) OJ L 357, 31.12.2002, p. 72.
([7]) OJ L 38, 7.2.2014, p. 2.

1. Postpones the closure of the accounts of the ENIAC Joint Undertaking for the financial year 2014;

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
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2016/1603 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

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 2014

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 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2014 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2014 (05587/2016 – C8-0052/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Decision 2007/198/Euratom of 27 March 2007 establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it ([4]), and in particular Article 5(3) thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

— having regard to the report of the Committee on Budgetary Control (A8-0097/2016),

([1]) OJ C 422, 17.12.2015, p. 33.
([2]) OJ C 422, 17.12.2015, p. 34.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 90, 30.3.2007, p. 58.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Postpones its decision on granting 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 2014;

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
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU, EURATOM) 2016/1604 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

with observations forming an integral part of the 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 2014

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 2014,

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

— having regard to the report of the Committee on Budgetary Control (A8-0097/2016),

A. whereas the European Joint Undertaking for ITER and the Development of Fusion Energy (the 'Joint Undertaking') was set up in March 2007 for a period of 35 years;

B. whereas the members of the Joint Undertaking are Euratom, represented by the Commission, the Member States of Euratom, and third countries which have concluded cooperation agreements with Euratom in the field of controlled nuclear fusion;

C. whereas the Joint Undertaking started to work autonomously on March 2008;

Budgetary and financial management

1. Notes that the Court of Auditors (the 'Court'), in its report on the Joint Undertaking's annual accounts for the financial year 2014 (the 'Court's report'), stated that the Joint Undertaking's annual accounts present fairly, in all material respects, its financial position as at 31 December 2014 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its financial rules;

2. Notes that the institutions and bodies are required to produce each year a report on budgetary and financial management and that the information provided by the Joint Undertaking in that report lacked harmonisation and was often incomplete; notes that guidance is required from the Commission as to the nature and content of that report;

3. Notes that the Court's report emphasised the fact that the Council conclusions adopted on 7 July 2010 ([1]) approved EUR 6 600 000 000 (in 2008 values) for the Joint Undertaking contribution to the ITER construction phase of the project; notes that that figure, which doubled the initial budgeted costs for this phase of the project, did not include EUR 663 000 000 proposed by the Commission in 2010 to cover potential contingencies; acknowledges that the ITER Organisation set up a Reserve Fund with the aim of providing a clearer mechanism that compensates the domestic agencies for design changes and provides incentives for the internal organisation to adopt solutions that minimise costs in an attempt to rectify the weakness identified by 2013 ITER Management Assessment ([2]); considers that the significant increase of the project costs may put in danger other programmes which are also financed by the Union budget and may be contradictory to the 'value-for-money' principle;

([1]) Council conclusions on ITER status of 7 July 2010 (ref. 11902/10).
([2]) Follow-up report 2013 Discharge.

4. Notes with concern that the complexity of the Joint Undertaking's activities implies that the amount of the contribution to the construction phase of the project by the Joint Undertaking is exposed to significant risks of increase; observes that those risks mainly result from changes in the scope of the project deliverables and delays in the current schedule which was considered to be unrealistic and that the release of a new ITER Organisation action plan, including scope, schedule and costs (the 'new ITER action plan'), by the Council of the ITER Organisation ('ITER Council'), planned for June 2015, was postponed until November 2015 and is now scheduled for mid-2016; notes, furthermore, that the delay for the construction phase of the project was estimated by the Joint Undertaking at the time of the audit to be at least 43 months; acknowledges that the Joint Undertaking is already adopting a stringent policy regarding the above and is refraining from proceeding with procurement actions until the specifications for contracts are sufficiently stable; notes, moreover, that the Joint Undertaking has reviewed the procurement schedules for all systems to ensure that the activity durations are correct and that the planned work is achievable given the available resources within the organisation ([1]);

5. Takes note of the fact that the latest estimate of the shortfall (negative contingency) until the finalisation of the construction phase, calculated by the Joint Undertaking in November 2014, was EUR 428 000 000 (2008 values); acknowledges that the Joint Undertaking is currently working on a more accurate and updated estimate through cost-containment measures and that cost control will continue to be a priority at global project management level under the leadership of the new Director-General of the ITER Organisation; points out that during the meeting of the Committee on Budgetary Control held on 22 February 2016 the Commission publically stated that it 'rejected' the proposal of the action plan made by the new Director-General of the ITER Organisation; notes, furthermore, that the Joint Undertaking has implemented a central system to manage costing data in order to maintain close control of the evolution of the budget and to monitor cost deviations on a regular basis ([2]);

6. Urges the new Director-General of the ITER Organisation to present publically the new ITER action plan; expects the new ITER action plan to avoid clearly any further delay or additional costs to the ITER Project;

7. Calls on the Joint Undertaking to participate actively in the new ITER action plan, which should include the schedule and scope of the project; expects the new ITER action plan to additionally include measures to tackle all observations acknowledged by the Court;

8. Acknowledges that the Joint Undertaking is still developing a central and uniform system to integrate all the operational data and to allow regular monitoring and controlling of estimates, costs and deviations; underlines the importance of having such a system in place; notes, moreover, that the Joint Undertaking has not updated the valuation of the contribution by the Joint Undertaking to the ITER Project beyond the finalisation of the construction phase; acknowledges that the Joint Undertaking has a fully operational system to control and monitor costs at the level of the procurement arrangement and at the level of the system, although it did not yet have in place at the time of the audit all the data at level 6 (contracts); acknowledges that the Joint Undertaking estimated costs concerning projects in the individual project teams rather than in a centralised and uniform manner; notes that the Joint Undertaking employs a number of data management tools to maintain and manage its operational and financial data integrated by a core integrated reporting system and that work is progressing to improve its system to manage cost data and deviations;

9. Ascertains that, due to the challenges currently faced by the ITER Project, the new Director-General of the ITER Organisation presented to the ITER Council an action plan including specific measures to address the main constraints that are currently affecting the development of the project; notes, furthermore, that, as regards the Joint Undertaking, its new acting director prepared an action plan for the Joint Undertaking which largely supports the ITER Organisation action plan; acknowledges that the Joint Undertaking's acting director presented the action plan to the Joint Undertaking's Governing Board in March 2015, when it was fully endorsed, and that the Joint Undertaking's action plan complements the ITER Organisation action plan in a number of respects and identifies further improvements in the Joint Undertaking's own operations; observes that at the time of the audit, the practical measures for the implementation of both action plans were still being established; notes, moreover, that since March 2015, those action plans have been implemented and closely followed by the ITER Organisation and the Joint Undertaking and that they are expected to bring improvements;

([1]) Ibid.
([2]) Ibid.

10. Notes that the ITER Council also approved a working schedule for the ITER Organisation for the years 2016 and 2017, together with a set of milestones to be reached in those years; requests the Joint Undertaking to present those milestones in a greater detail to the discharge authority;

11. Takes note of the fact that the final 2014 budget available for implementation included commitment appropriations of EUR 1 168 800 000 and payment appropriations of EUR 576 600 000; the utilisation rates for commitment and payment appropriations were 100 % and 88,5 % respectively; notes, however, that the implementation rate for payment appropriations with respect to the 2014 initial budget was 73 %;

12. Observes that regarding commitment appropriations, 23 % were implemented through direct individual commitments while the remaining 77 % were implemented through global commitments; observes that the low rate of implementation by individual commitment is explained by the overall slippage of the ITER Project and the multiple requests for change made by the ITER Organisation;

Prevention and management of conflicts of interest and transparency

13. Takes note of the fact that significant progress has been made and the majority of the CVs of the Governing Board and its subsidiary bodies members have been published on the Joint Undertaking's website; notes, moreover, that, in accordance with the rules of procedure of the Governing Board, those members who fail to publish their CVs are not able to access the Joint Undertaking's document management system containing the Governing Board documentation ([1]);

Host Agreement

14. Acknowledges that the Joint Undertaking welcomed the offer made by the Kingdom of Spain, which proposed new premises shared with a Spanish institution; observes, however, that an agreement was not reached because, after an analysis carried out by an independent external architect, the space available was found to be unsuitable ([2]); urges the Joint Undertaking to inform the discharge authority about the outcome of recent negotiations regarding a new contract in the existing host building;

Working conditions

15. Is deeply concerned that the Joint Undertaking has not yet adopted all rules implementing the Staff Regulations; notes with concern that the Joint Undertaking relied on two transitional measures in order to avoid a legal vacuum pending the formal adoption of outstanding implementing rules to the Staff Regulations; notes however that progress has been made in this regard; urges the Joint Undertaking to remediate to the situation urgently; calls on the Joint Undertaking to inform the discharge authority on further advancements and state of implementation ([3]);

Internal control systems

16. Notes that in 2014 the Joint Undertaking Internal Audit Capability ('IAC') performed a review of the monitoring of contract implementation and outlined the existence of important risk factors such as the immature design of some of the ITER activities, the large number of project change requests, the unrealistic project schedule and the delay in the implementation of activities; observes that it is difficult for the Joint Undertaking to mitigate some of those risks effectively, as they are attributable to the ITER Organisation; notes, furthermore, that the review also identified that stronger controls and changes to processes are needed, in particular in management and change control, financial management of contracts and the management of non-conformities;

17. Notes with concern from the Court's report that the Joint Undertaking's internal corporate risk management system identified ten new risks in 2014; notes that out of the 32 actions identified to address the six very high risks, 13 were implemented, nine were in progress, one was cancelled as obsolete, and nine had not been commenced at the time of the audit;

([1]) Ibid.
([2]) Ibid.
([3]) ITER AAR - p. 104 & Follow-up report 2013 Discharge.

18. Ascertains that the Commission's Internal Audit Service ('IAS') carried out a limited review of the contract management and pointed out that the Joint Undertaking is changing from an organisation which is mainly procurement-oriented to an organisation which mainly manages contracts; observes that the review concluded that the Joint Undertaking is progressing in establishing entity-wide controls to address the risks related to the implementation of the contracts; observes, however, that it also identified a certain number of areas where the controls in place are not mature enough yet, in particular as regards the management of contract amendments and contingencies;

Operational procurement contracts and grants

19. Acknowledges from the Court's report that negotiated procedures constituted 58 % of the 67 operational tendering procedures launched in 2014, and that there is room for improvement of the procurement procedures;

20. Expresses concerns about the fact that the Court's report found that, with one exception, the Joint Undertaking failed to provide the amount allocated to the different contracts from the EUR 6 600 000 000 capped budget at the time of launching the procedure and did not provide the value for the estimate at completion ('EAC') of those activities; reminds the Joint Undertaking that such information is essential to calculate the cost deviations from the capped budget; notes, furthermore, that in one case, the deviation of the awarded value of the contract over the cost baseline was 29 % and that that deviation was not reported in the evaluation committee report; urges the Joint Undertaking to be transparent and to strictly respect the sound financial management principles;

21. Notes with concern that the Court's report refers to deficiencies having been found in the assessment of the financial offers by the evaluation committee; observes that, in one case, neither the contract options, amounting to EUR 32 000 000, nor the additional costs to be incurred were taken into consideration in the assessment; notes that, in another case, the offers were not compared against the allocated value from the capped budget or against the cost baseline; points out that the evaluation committee reports did not state the EAC for those contracts in any of the procedures reviewed;

22. Notes that the performance of certain procurement procedures was affected by delays, and that in one procurement procedure, the Joint Undertaking had to include an unforeseen and unbudgeted activity in the 2014 work programme resulting in an additional contract of EUR 2 880 000; observes, that in one procurement procedure, the assessment of the technical award criteria provided by the evaluation committee in the evaluation committee report was too generic and the comments recorded were not sufficiently detailed to support the scores awarded; notes, furthermore, that in three procurement procedures, although it published the corresponding contract notices and carried out a number of pre-procurement activities, the Joint Undertaking did not advertise the contracts by means of a pre-information notice in order to increase visibility and competition, as advised by the Commission Vademecum on public procurement;

Overall control and monitoring of operational procurement contracts and grants

23. Acknowledges that the action plans adopted by the Joint Undertaking, in response to the internal audits on the financial circuits, grant management and expert contracts, were fully or mostly implemented by March 2015; notes, furthermore, that, out of 46 recommendations still in progress, the deadline for implementation of 29 recommendations was overdue concerning the actions plans adopted by the Joint Undertaking in response to the internal audits carried out;

24. Observes that *ex post* audits on grants were not concluded at the time of the Court's audit;

Legal framework

25. Notes from the Court's report that the Joint Undertaking has not yet amended its financial rules in order to reflect the changes brought by the new Financial Regulation [1] and the framework financial regulation for the bodies referred to in Article 208 of the new Financial Regulation [2]; acknowledges that the Joint Undertaking has taken measures and started a dialogue with the Commission in order to resolve that issue [3]; asks the Joint Undertaking to inform the discharge authority of the progress made in this regard;

[1] OJ L 298, 26.10.2012, p. 1.
[2] OJ L 328, 7.12.2013, p. 42.
[3] Follow-up report 2013 Discharge.

Intellectual property rights and industrial policy

26. Acknowledges that the Joint Undertaking considers the measures in place to be efficient to mitigate risks and to increase competition; notes that, regarding industrial policy, the Joint Undertaking implemented 24 out of the 32 actions foreseen by the end of the financial year 2014 ([1]);

27. Ascertains that the Joint Undertaking has taken measures regarding exclusive exploitation rights over intellectual property produced in fields outside fusion; notes, furthermore, that it was intended for the Joint Undertaking to develop definitions and methodologies to identify fusion applications; recalls the high importance of this matter; asks the Joint Undertaking to inform the discharge authority on the advancements achieved in this regard ([2]).

([1]) Ibid.
([2]) Ibid.

DECISION (EU, EURATOM) 2016/1605 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on the closure of the accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2014

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 2014,

— having regard to the Court of Auditors' report on the annual accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2014 (05587/2016 – C8-0052/2016),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([3]), and in particular Article 208 thereof,

— having regard to Council Decision 2007/198/Euratom of 27 March 2007 establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it ([4]), and in particular Article 5(3) thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ([5]),

— having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

— having regard to the report of the Committee on Budgetary Control (A8-0097/2016),

([1]) OJ C 422, 17.12.2015, p. 33.
([2]) OJ C 422, 17.12.2015, p. 34.
([3]) OJ L 298, 26.10.2012, p. 1.
([4]) OJ L 90, 30.3.2007, p. 58.
([5]) OJ L 357, 31.12.2002, p. 72.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Postpones the closure of the accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2014;

2. Instructs its President to forward this decision to the Director of the European Joint Undertaking for ITER and the Development of Fusion Energy, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2016/1606 OF THE EUROPEAN PARLIAMENT

of 28 April 2016

on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2014: 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 2014,

— having regard to the Commission's report on the follow-up to the discharge for the 2013 financial year (COM(2015) 505), and to the accompanying Commission staff working documents (SWD(2015) 194, SWD(2015) 195),

— having regard to the Court of Auditors' specific annual reports [1] on the annual accounts of the decentralised agencies for the financial year 2014,

— having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 [2], and in particular Article 208 thereof,

— having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities [3],

— 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 Rule 94 of and Annex V to its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control and the opinions of the Committee on Employment and Social Affairs and the Committee on Civil Liberties, Justice and Home Affairs (A8-0080/2016),

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

1. Reiterates the importance of the tasks performed by agencies and their direct impact on the daily lives of Union citizens; reiterates also the importance of the autonomy of the agencies, in particular of the regulatory agencies and those with the function of independent information collection; recalls that the main reason for establishing agencies was for the purpose of making independent technical or scientific assessments;

2. Notes from the Court of Auditors' summary of results from the Court's 2014 annual audits of the Union agencies and other bodies ('the Court's summary') that the agencies' 2014 budget amounted to some EUR 1,9 billion, representing a decrease of about 5 % compared to 2013 and about 1,4 % of the Union's general budget; points out that approximately 63 % (EUR 1,2 billion) comes from Union funding, whereas the rest is income from fees or other sources;

[1] OJ C 409, 9.12.2015, p. 1.
[2] OJ L 298, 26.10.2012, p. 1.
[3] OJ L 357, 31.12.2002, p. 72.
[4] OJ L 328, 7.12.2013, p. 42.

3. Takes note that the agencies employ 6 578 permanent and temporary officials representing an increase of 0,64 % compared with the previous year and 14 % of the total number of Union officials authorised under the general Union budget; notes furthermore that around 3 200 contract or seconded staff are working for the agencies; points out that the increase in staff is primarily concentrated in those agencies assigned with additional tasks, those with supervisory responsibility for the financial industry and the executive agencies with additional responsibilities under Horizon 2020 and other programmes;

Common approach and Commission's roadmap

4. Recalls that in July 2012, Parliament, the Council and the Commission adopted a common approach on decentralised agencies ('the Common Approach'), a political agreement concerning the future management and reform of the agencies; takes note that the Commission is responsible for the follow-up to this agreement;

5. Acknowledges the Commission's progress report on the implementation of the Common Approach as well as the efforts made jointly by the Commission and the decentralised agencies, which resulted in demonstrable progress; considers that this will ensure more balanced governance, improved efficiency and accountability and greater coherence; acknowledges furthermore from the Union agencies network ('the Network') that the agencies have advanced well in terms of implementation of the actions foreseen in the Common Approach, reaching a 99 % rate of completion of the agency-specific roadmap actions;

6. Welcomes in this regard the guidelines issued by the Commission in consultation with the agencies on performance indicators aiming to assess the results achieved by agencies' executive directors and the guidelines developed by the Commission for the adoption of the implementing rules of the agencies related to the employment of career staff; expects that they will help the agencies to streamline processes and thereby save time and resources;

Budget and financial management

7. Recalls that the principle of annuality is one of the three basic accounting principles, together with unity and balance, which are indispensable to ensuring the efficient implementation of the Union budget; takes note from the Court's summary that an elevated level of carry-overs of committed appropriations remains the most frequent issue of the budgetary and financial management affecting 28 agencies; points out, however, that carry-overs are often partly or fully justified by the multiannual nature of the agencies' operational programmes and do not necessarily indicate weaknesses in budget planning and implementation, nor are they always at odds with the budgetary principle of annuality; acknowledges the fact that the carry-overs resulting from these operational programmes are in many cases planned in advance by the agencies and communicated to the Court of Auditors, which facilitates the explicit distinction between planned and unplanned carry-overs;

8. Takes note that a high level of cancellations of carry-overs from previous years was noted by the Court of Auditors in eight cases; observes that such carry-overs indicate that the appropriations carried over were made on the basis of over-estimated needs or were otherwise not justified; urges these agencies to take action to avoid this issue in future; acknowledges from the Network that the level of cancellation is indicative of the extent to which the agencies have correctly anticipated their financial needs and is a better indicator of good budgetary planning than the level of carryovers; acknowledges from the Network that the agencies concerned have implemented various measures to improve their budgetary monitoring systems and address this issue;

9. Reminds the agencies that the Delegated Regulation (EU) No 1271/2013 (framework financial regulation) provides for a consolidated annual activity report (CAAR) which combines information from the annual activity reports, internal and external audit reports and financial reports to be sent by 1 July each year to the Commission, the Court of Auditors and the discharge authority; calls on the agencies which have not already done so to include detailed information on internal and external audits in their CAAR;

10. Notes from the Network that the practical implementation of the framework financial regulation by agencies poses in many cases challenges to efficient and simplified budget spending, in particular in the areas of procurement, multi-annual programming, indirect grant management and complicated documentation for the consolidation package of the accounts; calls on the Commission and the Network to further explore the possibility of simplifying the rules, taking into account the differing needs of the agencies;

11. Notes with satisfaction that the final accounts of all decentralised agencies present fairly, in all material respects, their financial position as at 31 December 2014 and the results of their operations and their cash flows for the year then ended, in accordance with the provisions of the applicable financial regulations and the accounting rules adopted by the Commission's accounting officer;

12. Notes with satisfaction that for all decentralised agencies, the transactions underlying the annual accounts for the year ended 31 December 2014 were legal and regular in all material respects;

13. Is concerned that certain agencies are partly financed by fees paid by industry, when these financial ties may affect their independence; calls upon all agencies to put in place measures to safeguard the independence of their internal and external activities;

Cooperation among agencies and with other institutions - shared services and synergies

14. Acknowledges from the Network that 93 % of the agencies stated that they share services with other agencies and institutions; notes that 75 % of the agencies have cooperation agreements, working arrangements and memoranda of understanding for cooperation with other agencies, institutions and Member States; takes note that general agreements are being implemented on an annual basis and with more concrete individual actions in the areas of administrative services and specific operational services; encourages agencies to pursue further shared services where this results in cost savings and increased efficiency; stresses that where services are shared, costs should be divided fairly between participating agencies or institutions in order to prevent one party being burdened by the entire service cost;

15. Suggests that Parliament, the Council and the Commission consider locating any new agencies that may become necessary in the future in close proximity to other agencies so that they may share services more easily;

16. Takes note of the Network's opinion regarding the merging of agencies; recalls the remit of the Inter-Institutional Working Group on decentralised agencies to consider efficiencies in this regard; encourages the Commission to initiate a long term impact analysis on the merging of decentralised agencies that operate in the same broad policy domain or perform similar tasks;

17. Welcomes the guidelines for inter-agency procurement procedures and for agencies' participation in Commission-led procurement procedures; acknowledges the benefits not only for agencies but also for the Commission to create synergies and pool procurement procedures within the framework of the Common Approach; regrets in this context that the Commission has plans to start charging administrative fees to the agencies for its services; reminds the Commission that the agencies are paid from the same Union budget and that these fees could result in lower participation in joint procurement procedures; calls on the Commission to reconsider the introduction of fees for agencies for procurement procedures led by the Commission;

Human resources management

18. Recalls that point 27 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management [1] calls for a progressive reduction of staff by 5 % in all institutions, bodies and agencies to be effected between 2013 and 2017; takes note of the fact that most agencies have already met or exceeded the 5 % reduction based on their respective 2012 establishment plans; recalls that the Commission started to implement the 5 % reduction in its 2013 establishment plan, basing the calculation on the level of posts in 2012; states that the Commission applied an additional levy of 5 % of staff to the agencies in order to create a redeployment pool from which it would allocate the posts to the agencies with new tasks entrusted to them or in a start-up phase; calls upon the Commission to run a SWOT analysis on the agencies' mandates and annual work programmes in order to come to an informed decision on which Agencies need more staff and which do not;

19. Reiterates the Parliament's position on the budgetary procedure that staff financed by fees paid by industry, and consequently not financed by the Union budget, should not be affected by the 1 % yearly cut applied by the Union; urges the Commission to treat the agencies financed primarily by the Union budget as a separate case and to put forward a specific framework for agencies financed mainly by industry, which should be in proportion to the services provided by the agency concerned;

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

20. Encourages all agencies to pursue gender balance in senior management positions; notes that in certain agencies the figures are particularly unsatisfactory; calls on the Network to provide the discharge authority with a detailed report on steps being taken to ensure gender balance in senior management across all decentralised agencies; in addition, urges Member States to pursue gender balance when appointing board members;

Conflicts of interest and transparency

21. Acknowledges from the Network that over 80 % of all decentralised agencies have an anti-fraud strategy in place; notes that of the four remaining agencies, three were set to develop and adopt an anti-fraud strategy during 2016 while the fourth, the European Police Office, applies the principles and standards defined in the Commission's anti-fraud strategy, together with a strong financial model entailing continuous *ex ante* and *ex post* verification activities; takes note that all adopted strategies take into account the European Anti-Fraud Office's methodology and guidance for anti-fraud strategies;

22. Acknowledges the agencies' view that the trust of Union citizens in Union institutions, agencies and bodies is of the highest importance; notes that the agencies have introduced a number of concrete measures and tools to address adequately the risks of actual and perceived conflicts of interest; calls on the agencies to consider a strategy on how to get closer to Union citizens; notes that all agencies have already adopted policies for the prevention and management of conflicts of interest, and that those policies are aligned with the Commission's guidelines on the prevention and management of conflicts of interest in EU decentralised agencies; notes that those policies include, inter alia, measures for detecting potential risks at an early stage, identification of best practice in other entities such as the Commission, other agencies and the European Anti-Fraud Office as well as conflicts of interest policies for staff and collaborators not covered by the Staff Regulations; invites the agencies to consider the advantages and disadvantages of having common regulations governing conflicts of interest;

23. Calls for an overall improvement in the prevention of, and the fight against, corruption in the public sector, and especially within the Union institutions and agencies, through a holistic approach, commencing with better public access to documents and more stringent rules on conflicts of interest, the introduction or strengthening of transparency registers and the provision of sufficient resources for law enforcement measures, and also through improved cooperation among Member States and with relevant third countries;

24. Notes with concern that some agencies are yet to adopt whistle-blowing guidelines; demands that all those Union institutions and agencies that have not yet done so urgently adopt internal rules on whistleblowing and take a common approach to their obligations, focusing on the protection of whistle-blowers; calls on the institutions and agencies to pay special attention to the protection of whistle-blowers in the context of the soon-to-be-adopted Directive of the European Parliament and of the Council on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure; calls on the Commission to promote legislation on a minimum level of protection for whistle-blowers in the Union; calls on the institutions and agencies to ensure that they not only formally oblige officials to report irregularities of all kinds but also lay down adequate protection for whistle-blowers; calls on the institutions and agencies to implement Article 22c of the Staff Regulations without delay;

25. Takes note from the Network that 16 agencies (52 %) use expert groups, scientific panels and committees and almost all of them take into account concerns raised by the European Ombudsman's own-initiative inquiry (OI/6/2014/NF) opened on 12 May 2014 into their staffing policies for these groups; urges those that do not already take into account these factors to do so, without delay; calls on the agencies to apply the new rules which should be adopted by the Commission on expert groups;

26. Ascertains that 29 agencies (over 90 %) have policies in place on the publication of the CVs and declarations of interest of their management board members, management staff and external and in-house experts; notes furthermore that 23 agencies (74 %) publish their CVs and declarations of interest on their websites; notes with concern that some of the agencies have issues publishing the CVs or declarations of interest of their management board members, as there is no mechanism which would oblige the management board members to provide these documents; urges the agencies' management board members who have not yet provided documents confirming the absence of conflicts of interest to submit these documents for publication on the respective agencies' websites without delay in order to increase transparency;

27. Requests that all Union institutions and agencies implement Article 16 of the Staff Regulations by publishing information about senior officials who have left the service and a list of conflicts of interest on an annual basis; requests that all Union institutions and agencies assess the compatibility of post-EU employment or the situation whereby civil servants and former Members of the European Parliament move from the public to the private sector (the 'revolving door' issue) and the possibility of a conflict of interest, and define clear cooling-off periods, which should cover at least the period for which transitional allowances are granted;

28. Underlines the need to enhance integrity and improve the ethical framework through better implementation of codes of conduct and ethical principles, so as to reinforce a common and effective culture of integrity for all Union institutions and agencies;

29. Calls on those Union institutions and agencies which have introduced codes of conduct, including Parliament, to step up their implementation measures, such as checks on declarations of financial interests;

30. Calls upon all agencies to use the framework to be created by the new Inter Institutional Agreement on a Mandatory Transparency Register and use it to guide their interaction with organisations and self-employed individuals engaged in Union policy-making and policy implementation in order to create more transparency around lobbying activities;

Performance

31. Notes that the principle of 'value for money' and 'EU added value' also holds for agencies, which should ensure that citizens are well informed of the results of the agencies' activities; notes that achieving results is important; emphasises that many agencies do not explicitly include in their annual reports information on the effectiveness and efficiency of their activities in an accountable manner; reiterates that it is important for the Network to become a member of the new Inter-institutional Working Group on Performance in order to reach a common understanding of performance-based and results-oriented budgeting principles, as well as to identify possible improvements to the performance models currently applied in the agencies; requests that the Court of Auditors provide an evaluation of the agencies' performance and results in time for the review of the 2016 Multiannual Financial Framework;

Communication and visibility

32. Takes note from the Network that nearly all agencies have included on their websites the statement that they are agencies of the Union, with the exception of the European Insurance and Occupational Pensions Authority, which states that it is an independent advisory body to the Parliament, the Council and the Commission; notes furthermore that 50 % of the agencies have published information on their website in all the Union languages, four agencies have offered information in 23 languages of the Union, 22 % offer information in at least two languages and 9 % of the agencies have websites available only in English, with some having plans to expand the availability to German; acknowledges furthermore that a full multilingual approach for all agencies is not currently feasible due to the need for additional resources; invites the agencies to consider using social media tools, surveys and focus groups to measure public awareness and assess ways to improve their communications strategy in future;

33. Acknowledges the Network's statement that the agencies are strongly committed to increasing their presence on social media; takes note that only a few agencies are not yet present on social media but that they are committed to engaging in such communication in the near future; observes that promotional activities through social media include reports, events, job opportunities and procurements; notes, moreover, that social media activities are integrated with other communication tools of the agencies;

34. Calls on the agencies to further strengthen their efforts and to improve their communication policies, to expand their visibility through different social media tools, in order to raise awareness of their activities and achievements and to ensure that citizens are well informed about their work;

Other comments

35. Notes that on the basis of the agencies' contributions, the Commission has elaborated guidelines with standard provisions for headquarter agreements between decentralised agencies and host Member States; notes that as of January 2016, four agencies are still in the negotiation process with their host Member State, compared with 10 agencies in the previous year; reiterates the importance of these agreements for agency operations and security; urges agencies and Member States which have not entered into a headquarters agreement to do so without further delay;

36. Draws attention to the importance of the social aspects of the agencies' headquarter agreement with their hosting country, such as the predictability of staff's social and living conditions (schooling fees, status questions, etc.);

37. Notes with concern that some agencies have dual seats, and regards it as essential that all dual seats which do not offer any operational added value should be done away with at the earliest opportunity;

38. Asks the Union institutions and bodies to apply strictly the measures pertaining to discretion and exclusion in public procurement, with proper background checks being carried out in every instance, and to apply the exclusion criteria so as to debar companies in the event of any conflict of interest, this being essential to protect the financial interests of the Union;

39. Reminds the Court of Auditors that the Parliament, the Council and the Commission agreed in paragraph 54 of the Common Approach that all aspects of outsourced external audits 'remain under the full responsibility of the [Court], which manages all administrative and procurement procedures required'; asks the Commission to confirm urgently that the Common Approach still applies; deeply regrets that the new audit approach involving private sector auditors resulted in an 85 % increase in administrative burden on the agencies, equating to more than 13 000 additional hours or an average of 3,5 full time equivalents (FTEs) compared with the previous audit managed by the Court of Auditors; regrets that the time spent on the procurement and administration of audit contracts created more than 1 400 man hours of additional work for the decentralised agencies, and that the total additional expenditure on external private sector audits in 2014 amounted to EUR 550 000; calls on the Court of Auditors to provide better guidance to private auditors so as significantly to reduce the augmented administrative burden;

40. Calls on all the Union institutions and agencies to enhance their procedures and practices aimed at safeguarding the financial interests of the Union and to actively contribute to a results-oriented discharge process;

41. Suggests that Parliament, the Council and the Commission consider merging smaller agencies which perform similar or interlinked tasks; argues that this would provide efficiency savings in the long term;

42. States that the annual reports of the Union institutions and agencies could play an important role in compliance regarding transparency, accountability and integrity; calls on the Union institutions and agencies to include a standard chapter on these components in their annual reports;

43. Notes the simultaneous publication of the roadmaps initiating the revision of the regulations establishing the three tripartite agencies of the Union, CEDEFOP, EU-OSHA and Eurofound; emphasises that the revisions should preserve the key roles of these highly reputable agencies and their tripartite nature, ensuring active participation of national authorities, trade unions and employer representatives in their governance and functioning;

44. Reaffirms that the discussion of the draft annual work programmes and the multiannual strategies of the agencies in Parliament's competent committees helps to ensure that the programmes and strategies reflect actual political priorities but stresses the need to align the Union's budgetary cycle with the EU 2020 Strategy so as to be able to monitor fully and comprehensively report on the performance of each of the agencies in the context of their contribution to achieving EU 2020 objectives;

45. Acknowledges the good practice of collaboration among the agencies in the areas of living and working conditions, vocational training and occupational safety and health, which maximise synergies and cooperation and enhance complementarity; also welcomes and encourages the continuation of the exchange of good practices between the Commission and the agencies;

46. Instructs its President to forward this resolution to the agencies subject to this discharge procedure, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

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