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★ **Decision (EU, Euratom) 2021/1683 of the European Parliament of 28 April 2021 on the closure of the accounts of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2019** 515

★ **Resolution (EU) 2021/1684 of the European Parliament of 29 April 2021 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2019** 517

★ **Resolution (EU) 2021/1685 of the European Parliament of 29 April 2021 on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2019: performance, financial management and control** 525

II

(Non-legislative acts)

DECISIONS

DECISION (EU, EURATOM) 2021/1535 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2019, Section III – Commission and executive agencies

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2019 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2019 (COM(2020) 0288 – C9-0220/2020) ([2]),

— having regard to the Commission's report on the follow-up to the discharge for the 2018 financial year (COM(2020) 0311), and to the complementing detailed replies,

— having regard to the Commission's 2019 Annual Management and Performance Report for the EU Budget (COM (2020)0265),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2019 (COM(2020)0268), and to the accompanying Commission staff working document (SWD(2020)0117),

— having regard to the Court of Auditors' annual report on the implementation of the budget for the financial year 2019, together with the institutions' replies ([3]), the Court of Auditors' report on the performance of the EU budget – Status at the end of 2019, together with the institutions' replies ([4]), and to the Court of Auditors' special reports,

— 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 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2019 (05792/2021 – C9-0037/2021),

— 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) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([6]), and in particular Articles 69, 260, 261 and 262 thereof,

([1]) OJ L 67, 7.3.2019, p. 1.
([2]) OJ C 384, 13.11.2020, p. 1.
([3]) OJ C 377, 9.11.2020, p. 13.
([4]) OJ C 381, 12.11.2020, p. 4.
([5]) OJ C 384, 13.11.2020, p. 180.
([6]) OJ L 193, 30.7.2018, p. 1.

— having regard to Rule 99 of and Annex V to its Rules of Procedure,

— having regard to the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on Employment and Social Affairs, the Committee on the Environment, Public Health and Food Safety, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Agriculture and Rural Development, the Committee on Culture and Education, the Committee on Civil Liberties, Justice and Home Affairs and the Committee on Women's Rights and Gender Equality,

— having regard to the report of the Committee on Budgetary Control (A9-0117/2021),

1. Grants the Commission discharge in respect of the implementation of the general budget of the European Union for the financial year 2019;

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 2019, Section III – Commission and executive agencies;

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

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1536 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the Education, Audiovisual and Culture Executive Agency (now European Education and Culture Executive Agency) for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2019 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2019 (COM(2020) 0288 – C9-0220/2020) ([2]),

— having regard to the final annual accounts of the Education, Audiovisual and Culture Executive Agency for the financial year 2019 ([3]),

— having regard to the Commission's report on the follow-up to the discharge for the 2018 financial year (COM(2020) 0311), and to the complementing detailed replies,

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2019 (COM(2020)0268), and to the accompanying Commission staff working document (SWD(2020)0117),

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' 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 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2019 (05792/2021 – C9-0037/2021),

— 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) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([6]), and in particular Articles 69, 260, 261 and 262 thereof,

— having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ([7]), and in particular Article 14(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 67, 7.3.2019, p. 1.
([2]) OJ C 384, 13.11.2020, p. 1.
([3]) OJ C 370, 3.11.2020, p. 10.
([4]) OJ C 351, 21.10.2020, p. 7.
([5]) OJ C 384, 13.11.2020, p. 180.
([6]) OJ L 193, 30.7.2018, 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 2013/776/EU of 18 December 2013 establishing the Education, Audiovisual and Culture Executive Agency and repealing Decision 2009/336/EC ([9]),

— having regard to Commission Implementing Decision (EU) 2021/173 of 12 February 2021 establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU ([10]),

— having regard to Rule 99 of and Annex V to its Rules of Procedure,

— having regard to the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on Employment and Social Affairs, the Committee on the Environment, Public Health and Food Safety, the Committee on Transport and Tourism, Committee on Regional Development, the Committee on Agriculture and Rural Development, the Committee on Culture and Education, the Committee on Civil Liberties, Justice and Home Affairs and the Committee on Women's Rights and Gender Equality,

— having regard to the report of the Committee on Budgetary Control (A9-0117/2021),

1. Grants the Director of the European Education and Culture Executive Agency discharge in respect of the implementation of the Agency's budget for the financial year 2019;

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 2019, Section III – Commission and executive agencies;

3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2019, Section III – Commission and the resolution forming an integral part of those decisions, to the Director of the European Education and Culture Executive Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([9]) OJ L 343, 19.12.2013, p. 46.
([10]) OJ L 50, 15.2.2021, p. 9.

DECISION (EU, EURATOM) 2021/1537 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the Executive Agency for Small and Medium-sized Enterprises (now European Innovation Council and SMEs Executive Agency) for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2019 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2019 (COM(2020) 0288 – C9-0220/2020) ([2]),

— having regard to the final annual accounts of the Executive Agency for Small and Medium-sized Enterprises for the financial year 2019 ([3]),

— having regard to the Commission's report on the follow-up to the discharge for the 2018 financial year (COM(2020) 0311), and to the complementing detailed replies,

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2019 (COM(2020)0268), and to the accompanying Commission staff working document (SWD(2020)0117),

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' 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 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2019 (05792/2021 – C9-0037/2021),

— 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) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([6]), and in particular Articles 69, 260, 261 and 262 thereof,

— having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ([7]), and in particular Article 14(3) thereof,

([1]) OJ L 67, 7.3.2019, p. 1.
([2]) OJ C 384, 13.11.2020, p. 1.
([3]) OJ C 370, 3.11.2020, p. 12.
([4]) OJ C 351, 21.10.2020, p. 7.
([5]) OJ C 384, 13.11.2020, p. 180.
([6]) OJ L 193, 30.7.2018, 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 ([8]), and in particular the first and second paragraphs of Article 66 thereof,

— having regard to Commission Implementing Decision 2013/771/EU of 17 December 2013 establishing the Executive Agency for Small and Medium-sized Enterprises and repealing Decisions 2004/20/EC and 2007/372/EC ([9]),

— having regard to Commission Implementing Decision (EU) 2021/173 of 12 February 2021 establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU ([10]),

— having regard to Rule 99 of and Annex V to its Rules of Procedure,

— having regard to the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on Employment and Social Affairs, the Committee on the Environment, Public Health and Food Safety, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Agriculture and Rural Development, the Committee on Culture and Education the Committee on Civil Liberties, Justice and Home Affairs and the Committee on Women's Rights and Gender Equality,

— having regard to the report of the Committee on Budgetary Control (A9-0117/2021),

1. Grants the Acting Director of the European Innovation Council and SMEs Executive Agency discharge in respect of the implementation of the Agency's budget for the financial year 2019;

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 2019, Section III – Commission and executive agencies;

3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2019, Section III – Commission and the resolution forming an integral part of those decisions, to the Acting Director of the European Innovation Council and SMEs Executive Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([8]) OJ L 297, 22.9.2004, p. 6.
([9]) OJ L 341, 18.12.2013, p. 73.
([10]) OJ L 50, 15.2.2021, p. 9.

DECISION (EU, EURATOM) 2021/1538 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the Consumers, Health, Agriculture and Food Executive Agency for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2019 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2019 (COM(2020) 0288 – C9-0220/2020) ([2]),

— having regard to the final annual accounts of the Consumers, Health, Agriculture and Food Executive Agency for the financial year 2019 ([3]),

— having regard to the Commission's report on the follow-up to the discharge for the 2018 financial year (COM(2020) 0311), and to the complementing detailed replies,

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2019 (COM(2020)0268), and to the accompanying Commission staff working document (SWD(2020)0117),

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' 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 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2019 (05792/2021 – C9-0037/2021),

— 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) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([6]), and in particular Articles 69, 260, 261 and 262 thereof,

— having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ([7]), and in particular Article 14(3) thereof,

([1]) OJ L 67, 7.3.2019, p. 1.
([2]) OJ C 384, 13.11.2020, p. 1.
([3]) OJ C 370, 3.11.2020, p. 7.
([4]) OJ C 351, 21.10.2020, p. 7.
([5]) OJ C 384, 13.11.2020, p. 180.
([6]) OJ L 193, 30.7.2018, 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 ([8]), and in particular the first and second paragraphs of Article 66 thereof,

— having regard to Commission Implementing Decision 2013/770/EU of 17 December 2013 establishing the Consumers, Health and Food Executive Agency and repealing Decision 2004/858/EC ([9]),

— having regard to Commission Implementing Decision 2014/927/EU of 17 December 2014 amending Implementing Decision 2013/770/EU in order to transform the Consumers, Health and Food Executive Agency into the Consumers, Health, Agriculture and Food Executive Agency ([10]),

— having regard to Commission Implementing Decision (EU) 2021/173 of 12 February 2021 establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU ([11]),

— having regard to Rule 99 of and Annex V to its Rules of Procedure,

— having regard to the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on Employment and Social Affairs, the Committee on the Environment, Public Health and Food Safety, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Agriculture and Rural Development, the Committee on Culture and Education, the Committee on Civil Liberties, Justice and Home Affairs and the Committee on Women's Rights and Gender Equality,

— having regard to the report of the Committee on Budgetary Control (A9-0117/2021),

1. Grants the Director of the Consumers, Health, Agriculture and Food Executive Agency discharge in respect of the implementation of the Agency's budget for the financial year 2019;

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 2019, Section III – Commission and executive agencies;

3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2019, Section III – Commission and the resolution forming an integral part of those decisions, to the Director of the Consumers, Health, Agriculture and Food Executive Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President — David Maria SASSOLI

The Secretary-General — Klaus WELLE

([8]) OJ L 297, 22.9.2004, p. 6.
([9]) OJ L 341, 18.12.2013, p. 69.
([10]) OJ L 363, 18.12.2014, p. 183.
([11]) OJ L 50, 15.2.2021, p. 9.

DECISION (EU, EURATOM) 2021/1539 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the European Research Council Executive Agency for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2019 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2019 (COM(2020) 0288 – C9-0220/2020) ([2]),

— having regard to the final annual accounts of the European Research Council Executive Agency for the financial year 2019 ([3]),

— having regard to the Commission's report on the follow-up to the discharge for the 2018 financial year (COM(2020) 0311), and to the complementing detailed replies,

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2019 (COM(2020)0268), and to the accompanying Commission staff working document (SWD(2020)0117),

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' 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 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2019 (05792/2021 – C9-0037/2021),

— 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) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([6]), and in particular Articles 69, 260, 261 and 262 thereof,

— having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ([7]), and in particular Article 14(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 67, 7.3.2019, p. 1.
([2]) OJ C 384, 13.11.2020, p. 1.
([3]) OJ C 370, 3.11.2020, p. 30.
([4]) OJ C 351, 21.10.2020, p. 7.
([5]) OJ C 384, 13.11.2020, p. 180.
([6]) OJ L 193, 30.7.2018, 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 2013/779/EU of 17 December 2013 establishing the European Research Council Executive Agency and repealing Decision 2008/37/EC ([9]),

— having regard to Commission Implementing Decision (EU) 2021/173 of 12 February 2021 establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU ([10]),

— having regard to Rule 99 of and Annex V to its Rules of Procedure,

— having regard to the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on Employment and Social Affairs, the Committee on the Environment, Public Health and Food Safety, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Agriculture and Rural Development, the Committee on Culture and Education, the Committee on Civil Liberties, Justice and Home Affairs and the Committee on Women's Rights and Gender Equality,

— having regard to the report of the Committee on Budgetary Control (A9-0117/2021),

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 2019;

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 2019, Section III – Commission and executive agencies;

3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2019, Section III – Commission and the resolution forming an integral part of those decisions, to the Director of the European Research Council Executive Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([9]) OJ L 346, 20.12.2013, p. 58.
([10]) OJ L 50, 15.2.2021, p. 9.

DECISION (EU, EURATOM) 2021/1540 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the Research Executive Agency (now European Research Executive Agency) for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2019 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2019 (COM(2020) 0288 – C9-0220/2020) ([2]),

— having regard to the final annual accounts of the Research Executive Agency for the financial year 2019 ([3]),

— having regard to the Commission's report on the follow-up to the discharge for the 2018 financial year (COM(2020) 0311), and to the complementing detailed replies,

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2019 (COM(2020)0268), and to the accompanying Commission staff working document (SWD(2020)0117),

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' 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 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2019 (05792/2021 – C9-0037/2021),

— 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) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([6]), and in particular Articles 69, 260, 261 and 262 thereof,

— having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ([7]), and in particular Article 14(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 67, 7.3.2019, p. 1.
([2]) OJ C 384, 13.11.2020, p. 1.
([3]) OJ C 370, 3.11.2020, p. 47.
([4]) OJ C 351, 21.10.2020, p. 7.
([5]) OJ C 384, 13.11.2020, p. 180.
([6]) OJ L 193, 30.7.2018, 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 ([9]),

— having regard to Commission Implementing Decision (EU) 2021/173 of 12 February 2021 establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU ([10]),

— having regard to Rule 99 of and Annex V to its Rules of Procedure,

— having regard to the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on Employment and Social Affairs, the Committee on the Environment, Public Health and Food Safety, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Agriculture and Rural Development, the Committee on Culture and Education, the Committee on Civil Liberties, Justice and Home Affairs and the Committee on Women's Rights and Gender Equality,

— having regard to the report of the Committee on Budgetary Control (A9-0117/2021),

1. Grants the Director of the European Research Executive Agency discharge in relation to the implementation of the Agency's budget for the financial year 2019;

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 2019, Section III – Commission and executive agencies;

3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2019, Section III – Commission and the resolution forming an integral part of those decisions, to the Director of the European 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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([9]) OJ L 346, 20.12.2013, p. 54.
([10]) OJ L 50, 15.2.2021, p. 9.

DECISION (EU, EURATOM) 2021/1541 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the Innovation and Networks Executive Agency (now European Climate, Infrastructure and Environment Executive Agency) for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2019 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2019 (COM(2020) 0288 – C9-0220/2020) ([2]),

— having regard to the final annual accounts of the Innovation and Networks Executive Agency for the financial year 2019 ([3]),

— having regard to the Commission's report on the follow-up to the discharge for the 2018 financial year (COM(2020) 0311), and to the complementing detailed replies,

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2019 (COM(2020)0268), and to the accompanying Commission staff working document (SWD(2020)0117),

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' 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 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2019 (05792/2021 – C9-0037/2021),

— 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) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([6]), and in particular Articles 69, 260, 261 and 262 thereof,

— having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ([7]), and in particular Article 14(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 67, 7.3.2019, p. 1.
([2]) OJ C 384, 13.11.2020, p. 1.
([3]) OJ C 370, 3.11.2020, p. 46.
([4]) OJ C 351, 21.10.2020, p. 7.
([5]) OJ C 384, 13.11.2020, p. 180.
([6]) OJ L 193, 30.7.2018, 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 ([9]),

— having regard to Commission Implementing Decision (EU) 2021/173 of 12 February 2021 establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU ([10]),

— having regard to Rule 99 of and Annex V to its Rules of Procedure,

— having regard to the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on Employment and Social Affairs, the Committee on the Environment, Public Health and Food Safety, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Agriculture and Rural Development, the Committee on Culture and Education, the Committee on Civil Liberties, Justice and Home Affairs and the Committee on Women's Rights and Gender Equality,

— having regard to the report of the Committee on Budgetary Control (A9-0117/2021),

1. Grants the Director of the European Climate, Infrastructure and Environment Executive Agency discharge in respect of the implementation of the Agency's budget for the financial year 2019;

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 2019, Section III – Commission and executive agencies;

3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2019, Section III – Commission and the resolution forming an integral part of those decisions, to the Director of the European Climate, Infrastructure and Environment Executive Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([9]) OJ L 352, 24.12.2013, p. 65.
([10]) OJ L 50, 15.2.2021, p. 9.

DECISION (EU, EURATOM) 2021/1542 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the general budget of the European Union for the financial year 2019, Section III – Commission

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2019 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2019 (COM(2020) 0288 – C9-0220/2020) ([2]),

— having regard to the Commission's report on the follow-up to the discharge for the 2018 financial year (COM(2020) 0311), and to the complementing detailed replies,

— having regard to the Commission's 2019 Annual Management and Performance Report for the EU Budget (COM(2020)0265),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2019 (COM(2020)0268), and to the accompanying Commission staff working document (SWD(2020)0117),

— having regard to the Court of Auditors' annual report on the implementation of the budget for the financial year 2019, together with the institutions' replies ([3]), the Court of Auditors' report on the performance of the EU budget - Status at the end of 2019, together with the institutions' replies ([4]), and to the Court of Auditors' special reports,

— 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 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2019 (05792/2021 – C9-0037/2021),

— 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) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([6]), and in particular Articles 69, 260, 261 and 262 thereof,

— having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ([7]), and in particular Article 14(2) and (3) thereof,

([1]) OJ L 67, 7.3.2019, p. 1.
([2]) OJ C 384, 13.11.2020, p. 180.
([3]) OJ C 377, 9.11.2020, p. 13.
([4]) OJ C 381, 12.11.2020, p. 4.
([5]) OJ C 384, 13.11.2020, p. 180.
([6]) OJ L 193, 30.7.2018, p. 1.
([7]) OJ L 11, 16.1.2003, p. 1.

— having regard to Rule 99 of and Annex V to its Rules of Procedure,

— having regard to the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on Employment and Social Affairs, the Committee on the Environment, Public Health and Food Safety, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Agriculture and Rural Development, the Committee on Culture and Education, the Committee on Civil Liberties, Justice and Home Affairs and the Committee on Women's Rights and Gender Equality,

— having regard to the report of the Committee on Budgetary Control (A9-0117/2021),

1. Approves the closure of the accounts of the general budget of the European Union for the financial year 2019;

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 2019, Section III – Commission and executive agencies;

3. Instructs its President to forward this decision to the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors and the European Investment Bank, and to the national parliaments and the national and regional audit institutions of the Member States, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1543 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 2019, 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 2019, 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 2019,

— having regard to Rule 99 of and Annex V to its Rules of Procedure,

— having regard to the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on Employment and Social Affairs, the Committee on the Environment, Public Health and Food Safety, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Agriculture and Rural Development, the Committee on Culture and Education, the Committee on Civil Liberties, Justice and Home Affairs and the Committee on Women's Rights and Gender Equality,

— having regard to the report of the Committee on Budgetary Control (A9-0117/2021),

A. whereas the Union budget is a significant instrument for achieving common policy objectives, and on average represents 1,0 % of EU gross national income or 2,1 % of the Member States' general government expenditure and total public spending in the Union;

B. whereas, when Parliament grants discharge to the Commission, it verifies and evaluates whether or not funds have been used correctly and policy goals have been achieved after internal and external audits, thus confirming the regularity and the performance in terms of value for money of the Commission's spending;

C. whereas the 2019 discharge procedure covers a year marked by political and institutional transition with elections to the European Parliament and a new legislature which commenced on 2 July 2019 and the appointment of a new Commission, which took office on 1 December 2019 and which set new political priorities such as the European Green Deal, an increasing focus on digitalising the Union and the protection of its values and of the money of Union taxpayers;

D. whereas the outbreak of the novel coronavirus (COVID-19) did not require any adjustments to the figures reported in the 2019 Union annual accounts; whereas, however, in 2020 and in the years to come, the COVID-19 outbreak will have a significant global impact, as well as having important implications for the Union budget, and whereas in this regard, we have to determine with particular attention whether the Commission has used the Union budget with efficiency and transparency, because as from 2020, the implementation of the Union's immediate response initiatives will affect the recognition, measurement or reclassification of multiple assets and liabilities in the financial statements of the Union;

E. whereas as a direct consequence of the outbreak of the novel coronavirus (COVID-19) the Committee on Budgetary Control could not organise or fully carry out all of its planned activities related to the usual controls of the Union institutions' spending, i.e. its fact finding missions, public hearings or workshops and therefore had to rely even more heavily on the work of the Court;

Political priorities

1. Highlights, with regard to the implementation of the Union budget, the importance of complying with the principle of sound financial management as enshrined in Article 317 of the Treaty on the Functioning of the European Union (TFEU), as well as the importance of achieving programmes priorities and objectives which contribute to strengthening European integration and creating an ever-closer Union;

2. Is concerned about the state of rule of law in certain Member States and the financial loss caused by such deficiencies; expects the Commission to employ all instruments at its disposal to suspend, reduce and restrict access to Union funding in such cases including the use of the Rule of Law Regulation; emphasises that respect for the rule of law is a precondition for sound financial management including the efficient and effective allocation and management of European funds; strongly welcomes in that regard the adoption of Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget; welcomes that the Commission has started its work on guidelines; stresses that the Court of Justice of the European Union (CJEU) has already unequivocally established in its judgement that statements contained in European Council Conclusions cannot prevail over or modify the text of the regulation;

3. Recalls that annulment of the regulation or part of it is only possible by the CJEU; urges the Commission, as 'Guardian of the Treaties' to apply the regulation from the date it entered into force and to start the rule of law mechanisms when it is necessary to ensure the protection of the Union's financial interests in all dimensions; underlines that the regulation entered into force on 1 January 2021; recalls that Parliament can hold the Commission to account with regard to its application of the regulation, including any unjustified delays, through an action for failure to act under Article 265 TFEU; recalls that this regulation, designed to protect Union funds, will have to be applied to all commitments and payments, while providing safeguards for final beneficiaries and recipients;

4. Deplores the fact that the implementation of the CAP and the Cohesion Policy in Member States contains in total 292 reporting systems, which makes the data fragmented and non-comparable, and prevents the effective use of AI and big data to control the funds; deplores the fact that deficiencies in the validity and comparability of data and reporting technologies with varying degrees of digitalisation continue to severely hamper a comprehensive overview over the distribution of Union funds and their efficient control; regrets that the detection of misuse, fraud and embezzlement of Union funds is mostly limited to incidental discoveries by the Commission and the European Court of Auditors (the 'Court') during their sample-based audits or investigations by OLAF;

5. Deplores the fact that none of the CAP and Cohesion policy reporting systems contains information on the ultimate beneficiaries, that disclosing this information is not legally required, and that not all information on beneficial owners of the companies is available in the national central registers of all Member States; emphasises that an interoperable IT system would not only allow for an earlier and more efficient detection of misuse, fraud, misappropriations, conflicts of interest, double-funding and other systemic problems but would also allow for a comprehensive overview of the true distribution of Union funds and potentially unintended concentrations in the hands of few oligarchic or even criminal ultimate beneficiaries; underlines that the lack of information about the ownership structures and beneficial owners of companies and groups of companies significantly contributes to the opaqueness of the current distribution of funds; emphasises again the crucial importance of comprehensive, reliable and comparable data for the efficient, effective and timely control of European spending and the protection of European tax-payers' money;

6. Recalls Parliament's call on the Commission to propose a regulation for the establishment of such an interoperable IT system allowing for uniform and standardised reporting in a timely manner by Member States' authorities in the area of shared management, particularly regarding CAP and cohesion funds, for an earlier detection of systemic errors and misuse as expressed in the discharge report for the Commission for the financial year 2018; underlines that such a system should be updated automatically with comparable and timely data to make the system capable of monitoring, controlling with the use of AI and big data; calls on the Commission to make the publication of all information on beneficial owners a legal requirement, as a prerequisite for the use of Union funds, as a matter of urgency;

7. Underlines the benefits such an interoperable and digital system would entail for the Member States' authorities with regard to the control and overview of national Parliaments and governments of the allocation, management and distribution of national taxpayers' money in the form of European funds; emphasises that the digitalisation of Union reporting, monitoring and audit is overdue and indispensable given the cross-border nature of misuse of funds, fraud, misappropriations, conflicts of interest, double-funding and other systemic problems; acknowledges proposals made by Parliament and the Commission during the negotiations about the Multiannual Financial Framework 2021-2027 (MFF), the Recovery and Resilience Facility (RRF), the Common Provisions Regulation (CPR) and the CAP;

8. Regrets the fact that the Council only reluctantly engaged in negotiations for viable compromises; regrets that different rules and reporting requirements were agreed in the different pieces of legislation; urges the Commission to propose a suitable provision for inclusion in the Financial Regulation without undue delay;

9. Recalls that the discharge report for 2018 called on the Commission to provide the discharge authority with a list of the total amount of payments to all companies belonging to the Agrofert Group across all Member States and a list of the 50 largest individual recipients (natural persons as beneficial owners of a company or of several companies) per Member State as well as a list of the 50 largest recipients (natural persons and legal persons as well as natural persons as owners of companies) of Union subsidies aggregated across all Member States; acknowledges repeated attempts by the Commission to compile such a list by requesting information from the Member States; strongly deplores that the Commission until the date of this resolution has not been able to provide the list as requested due to a lack of complete, reliable and comparable data provided by Member States; underlines that this illustrates and emphasises the pressing need for a digital, interoperable reporting and monitoring system for funds under shared management; urges the Commission to provide the list of the 50 largest individual ultimate beneficiaries as well as a comprehensive list of all subsidies received by all companies of the Agrofert Group under shared management in all Member States from 2014-2020 as requested without any further undue delay and urges the Member States to cooperate fully with the Commission by providing the data needed for the analysis and for compiling those lists;

10. Reiterates its call on the Commission to:

— remove any technical and legal barriers to the collection of data on company structures and beneficial ownership and establish measures to ensure a digital and interoperable, standardized collection of information on the recipients of Union funding, including on those ultimately benefitting, directly or indirectly, from Union funding and their beneficial owners;

— put in place the necessary digital systems and instruments for the compulsory use of all Member States, including but not limited to a single data-mining and risk-scoring tool allowing the Commission, OLAF and, where applicable, the EPPO to access and analyse such data on the recipients of Union funding (including their beneficial owners) for the purposes of control and audit, in order to enhance the protection of the Union budget and Next Generation EU against irregularities, fraud and conflicts of interest;

— continue attaching the highest importance to the sound financial management of the Union budget, in particular through putting in place multiannual control strategies designed to prevent, detect and correct errors, as well as to continue carefully monitoring the implementation of the Union budget and to take immediate steps to correct the errors and to recover the funds incorrectly spent by Member States, intermediaries or final beneficiaries;

11. Recalls that Commission established the early detection and exclusion system (EDES) based on Art. 135 in the Financial Regulation to reinforce the protection of the Union's financial interests, guarantee sound financial management and to ensure that those companies and beneficial owners cannot benefit from Union funds who have been convicted in relation to fraud, corruption or other criminal activities related to the use of Union funds, or against whom at least OLAF issued judicial recommendations to the criminal authorities of the Member States as of 1 January 2016; is of the opinion that this tool could help the Union institutions and national bodies to better fight and prevent corruption and fraud in the Member States; regrets that the database only lists a few economic operators (five as per February 2021); views this as a sign that EDES is not properly implemented;

12. Asks the Commission to consider the extension of the application of EDES to funds under shared management covering shared management beneficiaries, bodies implementing financial instruments and final recipients, when proposing the revision of the financial rules applicable to the general budget of the Union (Financial Regulation) with respect for the principles of proportionality and appropriateness; notes that legislative changes with respect to the exclusion from all Union funds across different spending modes of beneficiaries who are also registered under shared management would additionally entail the need to provide that Member States can directly access the Commission-owned system and insert information about beneficiaries under their own responsibility; urges Member States and the Commission to guarantee an increased interoperability of the existing, European and national, databases and data-mining tools; acknowledges that the EDPS sees no general data protection issues on establishing such interoperability, but the necessity for a clear legal basis;

13. Calls on the Commission to:

— report to the discharge authority on the reasons for why EDES only contains very limited entries;

— take the necessary action to improve the working, implementation and operability of EDES to ensure that all economic operators that fulfil the criteria of Art 136(1) (c) to (h) of the Financial Regulation are listed; calls further on the Commission to review the criteria with a view to decreasing their complexity and to increasing their applicability in practice;

— improve its use of this tool to connect the blacklist to OLAF and the EPPO and the national databases and create an automated system, which updates this database with reliable and timely information;

14. Considers, in line with the Commission's endeavour, that it is of the utmost importance to strike the right balance between low level of errors, fast payments, reasonable costs of controls and added value of the Union Budget;

15. Stresses the crucial role of Union policies and instruments for their realisation for reducing disparities between Member States and regions in the areas of cohesion, agriculture and rural development, research and innovations, home affairs and external relations, for promoting economic growth and employment, for combating poverty and social exclusion, and for upholding and promoting Union values, security and justice for its citizens within the Union and in the wider world;

16. Welcomes the fact that the Commission, as manager of the Union budget, appropriately tailors its common methodology to the specificities of the risk, control and management environments in the different spending areas, in order to effectively fulfil its reporting obligations and protect the Union Budget;

17. Points out that Article 61 of the Financial Regulation has provided since August 2018 for an enlarged definition of conflicts of interest; emphasises the Commission's responsibility to ensure that these provisions are implemented with due diligence across the Union, and all forms of conflicts of interest are tackled efficiently and effectively throughout the implementation of the Union budget; stresses the importance of available public information on final beneficiaries for all Union financial transfers, in order to prevent conflicts of interest in the implementation of Union budget;

18. Reiterates its call on the Commission to ensure proper evaluation of the preventive measures taken by the Member States to avoid conflicts of interest; welcomes, in this regard, the guidelines from the Commission 'Guidance on avoidance of conflicts of interest under the Financial Regulation', distributed to the Member States in August 2020, aiming to promote a uniform interpretation and application of rules concerning conflicts of interest and to raise awareness on the applicability of these rules, including in relation to shared management; calls on the Commission to make these Guidelines public and also share the information about the audits carried out on these issues and examples of good practice with both Member States' authorities and the Committee on Budgetary Control;

19. Is concerned about the possible narrow interpretation of the Article 61 of Regulation (EU, Euratom) 2018/1046 by the Czech Paying Agency (the State Agricultural Intervention Fund) who considers it non-applicable for the members of the Government; urges the Commission to provide its opinion on the interpretation of the said article regarding national Paying Agencies; calls on the Commission to ensure that Article 61 of Regulation (EU, Euratom) 2018/1046 is respected and implemented in the Czech Republic, and applied on all payments from the Union budget, including direct payments under the 1st pillar of CAP, and to monitor the independent functioning of Paying Agencies in this regard;

20. Recalls that a number of scandals surrounding the distribution and the misuse of the Union funds in countries such as Bulgaria, Czechia or Slovakia and Romania triggered massive public protests in recent months and years, with Union citizens looking to Union institutions, in particular the Commission, to ensure the end of such mismanagement of public money;

21. Welcomes the new corporate anti-fraud strategy, adopted by the Commission in April 2019, on OLAF's initiative, with the objective of enhancing the Commission's knowledge about fraud and its analytical capability to steer anti-fraud action, to ensure cooperation among departments and executive agencies in fighting fraud, and to strengthen the corporate oversight of the fight against fraud; calls on the Commission to prepare a follow-up report on the efficiency of its implementation and first results achieved and to report back to the discharge authority;

22. Stresses that, in view of the MFF and the Recovery and Resilience Facility, the financial resources of the Union should support the increasing priorities and responsibilities of the Union. The protection of the Union's financial interest is of utmost importance and that the strongest efforts are necessary at all levels in order to prevent, and to fight against fraud, corruption and misuse of Union funds; calls on the Commission to propose the provision of sufficient financial and human resources for the Court, OLAF and the EPPO and to continue providing them together with a strong political support, to execute their activities of audit, investigation and prosecution in the protection of the financial interest of the Union;

23. Notes at the same time that the increasing use of financial mechanisms to deliver Union policies in third countries alongside the Union budget risks undermining the accountability and transparency of Union action and spending; insists that the Commission ensures that the delivery of external aid is subject to the rule of law and respect for human rights in recipient countries; stresses, in particular, the need to guarantee that countries and third parties and/or natural persons that are allocated or linked to Union funds adhere to core democratic values, respect international human rights standards and subscribe to principles of non-violence;

24. Recalls that development and cooperation policy are intended to eradicate poverty and reduce inequality and that funds should reach only their intended beneficiaries;

25. Underlines that the creation of the European Public Prosecutor's Office (EPPO) marks a fundamental development in the protection of the Union's financial interests; reminds the Commission of the key role of the EPPO in protecting the Union recovery plan in the years to come; calls on all Member States to join the EPPO and nominate their Prosecutors on the basis of clear and transparent criteria;

26. Underlines the underfinancing and understaffing of the EPPO during its build-up phase, but welcomes the major increase in the EPPO's budget and staff in comparison with the initial proposal; reiterates Parliament's opposition to the reduction of staff in OLAF as a result of posts transferred to the EPPO leading to a cumulative reduction of 45 posts by 2023 for OLAF; calls on the Commission to increase capacity by reviewing the staffing situation concerning both the EPPO and OLAF as well as Eurojust; calls on the Commission and the budgetary authorities to ensure that the budgets of OLAF, the EPPO and Eurojust are increased in order for them to be able to fulfil their mission;

27. Notes with concern that in the period between January 2015 and December 2019 there was no decision taken by judicial authorities following OLAF's recommendation in 199 cases and only in 178 cases was any decision taken ([1]); calls the Member States to properly follow-up all recommendations by OLAF;

28. Endorses the recommendations from the Court's' annual report on the 2019 financial year and the Court's report on the performance of the Union budget and encourages strongly the Commission and other relevant parties to implement them as soon as possible while emphasising some of the most important and urgent recommendations below;

29. Is particularly concerned by the Court's repeated findings that the work of some national audit authorities or certifying bodies is considered too error-prone and therefore unreliable, which compromises the reliability of data for the Commission's Annual Management and Performance Report (AMPR); regrets that the Court cannot include an analysis for the underlying reasons for these persisting weaknesses in its work;

30. Regrets that the Commission could not contribute meaningful insights on the reasons nor on any country-specific differences between Member States' authorities; regrets that this lack of information on the underlying reasons for these persisting, systemic weaknesses in certain national audit authorities hinders the efficient and effective addressing and solving of these problems; calls on the Commission to conduct a thorough analysis of the underlying reasons and structural problems causing the persisting systemic weaknesses identified by the Court; asks the Commission to also include observations on best practice and based on this analysis to address clear, practical and readily implementable horizontal as well as country-specific recommendations to the national authorities as described in greater detail in the specific chapters of this resolution;

31. Calls on the Commission to pay increased attention and allocate increased staff and budget of the Commission to Member States, whose management and control systems are only partially or not reliable, where there is an increased risk of fraud and corruption related to funds and especially those Member States who did not join the European Public Prosecutor's Office;

32. Calls for the utilisation of Arachne to be made a pre-condition for the use of Union Funds by Member States;

([1]) https://ec.europa.eu/anti-fraud/sites/antifraud/files/olaf_report_2019_en.pdf

33. Underlines that the error rate calculated by the Court is a statistical summary providing a convenient single indicator of the legality and regularity of Union spending, however it does not provide a differentiated view of the different nature and graveness of errors flowing into it; acknowledges that the Court's methodology is based on international audit standards involving testing of a random sample of transaction and that a representative sample cannot be entirely risk-based; welcomes that the Court divides its samples into high-risk and low-risk transactions; appreciates that the Court already includes specific examples of the errors found; invites the Court to include even more detailed information with a view to providing in particular more geographical insight into country-specific problems;

34. Regrets the concentration of the majority of CAP direct payments in the hands of few recipients in some Member States, including where oligarch structures are created, undermining in particular small farmers and the rural communities;

35. Recalls the need for a fairer distribution of CAP funds ensuring that they are distributed in a such a manner that payments per hectare are on a reducing scale relative to the size of the holding/farm;

36. Is worried about the reported cases of land grabbing in some Member States and reiterates its call on the Commission to put in place an effective control system which would ensure that the only beneficiaries entitled to the CAP funds are those who farm the land and that they do not reach any beneficiaries who acquired the land by illegal or fraudulent means; in this regards reiterates its request for a specific complaint mechanism at Union level to support farmers or beneficiaries confronted, for example, with land-grabbing malpractices, misconduct of national authorities, pressure from criminal structures or organised crime, or persons who are subject to forced or slave labour, giving them the opportunity to swiftly lodge a complaint with the Commission, which the Commission should check as a matter of urgency ([2]).

37. Reiterates its concern that outstanding commitments have continued to grow, reaching a record-level EUR 298,0 billion at the end of 2019 (compared to EUR 281,2 billion in 2018); notes that the level of payment appropriations in the annual budgets has been noticeably lower than the MFF ceiling in recent years, which might lead to higher payment needs in the future; welcomes that the Commission included the estimated future payments in relation to the reinforcements proposed in 2020 as part of the Union coronavirus response in its proposal for the MFF Regulation; requests the Commission to closely monitor the implementation by Member States in the case of under-implementation and low absorption rates; welcomes the Commission's effort to introduce the n+2 rule for all expenditure areas, stressing the need for other perspective instruments to replace the n+3 rule; invites again the Commission to increase the technical support to national, regional or local authorities, including civil society organisations and citizens, in order to get better absorption rates ([3]);

38. Recalls the increasing gap between commitments and payments and the increase in the size of the Union budget (the Court's rapid case review, 'Outstanding commitments - a closer look') which poses a serious challenge for the discharge authority too; notes that the long-term Union budget increased from EUR 1 083 to 1 800 billion for 2021-2027, including the EU Recovery plan Next GenerationEU; calls on the Commission to monitor the implementation of the national recovery and resilience plans at regular intervals to ensure that the state aid rules are fulfilled and report to the discharge authority; stresses that a failure of this request could lead to a refusal of the Discharge procedure in 2020;

39. Points out that in recent years the level of payment appropriations in the annual budgets has been noticeably below the MFF ceiling, which might lead to higher payment needs in the future and risk putting the budget under pressure;

40. Regrets that the possibility of utilising the amounts of unused commitment appropriations and decommitted appropriations under the MFF to repay the debt incurred to fund the Recovery Plan was missed;

41. Draws attention to the fact that the main financial risks to which the Union budget was exposed to in 2019 were associated with financial operations in the form of loans covered directly by the Union budget (53,7 %), and financial operations covered by an EU guarantee fund (46,3 %); observes that, when including also the possible future payments relating to the EFSI (European Fund for Strategic Investments) guarantee, the amount of the total

([2]) Para 23 of the 2018 discharge resolution
([3]) Paragraph 17 of the 2018 discharge resolution

risk borne by the EU budget reached up to EUR 90,5 billion by the end of 2019; calls on the Commission to present a complete picture of the exposure of the EU budget in the annual 'Report on guarantees covered by the general budget', including the risk generated by the EFSI guarantee as well as all future financial operations concerned;

42. Points out that the Union has increasingly made use of financial instruments and budgetary guarantees provided to the EIB Group; recalls that at present, EIB Group operations that are not financed by the Union budget, but which serve the same Union objectives do not fall under the Court's audit mandate;

43. Notes that the Court wants to move towards the attestation approach; calls on the Court to continue with its own sampling checks in order to monitor individual transactions;

44. Is concerned that the current staffing situation is insufficient to cope with the increasing EU budget; stresses that an increase of the administrative capacities in the Court and the relevant secretariats in the European Parliament is indispensable; stresses if these requirements are not met it can lead to a refusal of the 2020 discharge;

45. Encourages the Court's to continue analysing the performance of the Union budget; notes that an appropriate assessment of the legality and regularity of Union action to improve accountability is the foundation for sound financial management; highlights that the indicators should evaluate the success of particular activities in a descriptive and objective manner without expressing any policy preferences; stresses the recommendation of the Court that the indicators need to be further elaborated and better balanced between input and output, and result and impact indicators; calls on the Commission to reduce the number of objectives and indicators to a specified set of relevant and appropriate outcome and impact indicators which best measure the results achieved in terms of effectiveness and Union added value of Union spending;

46. Endorses the reservations issued by the directors general of DG BUDG, RTD, AGRI, REGIO,EMPL, MARE, CLIMA, HOME, JUST, NEAR and REFORM in their Annual Activity Reports (AARs); is of the opinion that those reservations demonstrate that the control procedures put in place in the Commission and the Member States can only give the necessary guarantees concerning the legality and regularity of the underlying transactions in the corresponding policy areas if all necessary correction procedures are implemented successfully;

The Court's statement of assurance

47. Welcomes the fact that the Court finds the Union accounts for 2019 to be reliable, and that the Court concluded that revenue was free from material error in 2019;

48. Is concerned that, for the first time in four years, the Court has issued an adverse opinion on the legality and regularity of the expenditure underlying the accounts;

49. Observes, however, that the Court admits that the overall level of errors has remained relatively stable, at 2,7 % in 2019,compared with 2,6 % in 2018 and stresses the positive elements in Union spending, outlined by the Court, such as the development in natural resources and sustained results in administration;

50. Notes that the reasons given for the adverse opinion are as follows: on Union expenditure it is the conclusion of the Court that the level of errors mainly in reimbursement-based payments is pervasive, and that due to the way the Union budget is composed and evolves over time, high risk expenditure in 2019 represents more than half of the audited spending (53,1 %), in which the material error continues to be present at an estimated rate of 4,9 % (compared to 4,5 % in 2018 and 3,7 % in 2017);

51. Notes that the Court audited transactions worth a total of EUR 126,1 billion (out of EUR 159,1 billion of total Union spending), and that 'Natural resources' made up the largest share (47,2 %) of the Court's overall audit population, followed by 'Cohesion' (22,5 %) and 'Competitiveness' (13,2 %); reiterates its suggestion to the Court to consider both the share of the total Union expenditure and error related risk when deciding the division of the next audit share of population;

52. Notes that in 2019 the Court provided specific error rates for three MFF headings: 'Competitiveness' (4,0 %), 'Cohesion' (4,4 %), 'Natural resources' (1,9 %), while for 'Administration' the Court estimates the level of error to be below the materiality threshold; points out that the Court found the highest estimated level of error in spending under 'Economic, social and territorial cohesion' (4,4 %); with spending on 'Competitiveness for growth and jobs' reaching the worrying error rate of 4 % (compared to 2 % in 2018);

53. Acknowledges that the financial management of the Union budget has improved over time and that the error levels have decreased to ranges closer to the 2 % materiality threshold in recent years, except in some specific policy areas, such as for example competitiveness, which is mostly under direct management by the Commission, where the estimated error rate has doubled from to 2 % in 2018 to 4 % in 2019;

54. Notes that the Court did not estimate levels of error for areas of expenditure under MFF headings 3 'Security and citizenship' and 4 'Global Europe'; points out that the provision of error rates would allow comparability between financial years; in this regards regrets that the sample for chapter 7 and 8 is further reduced compared to last years (from 11 % in 2017 to 9,1 % in 2018 to 8,9 % in 2019 of the expenditures covered by the audit);

55. Calls on the Court to provide data on an error rate for payments for each expenditure area in its next annual report; requests the Court to extend its chapter on 'Administration' in order to have a more in-depth analysis on all institutions; invites the Court to implement as soon as possible Parliament's request for a specific independent annual report on the Union Institutions; welcomes the reflection of the Court on this regard and hope this will be reflected in the Court's strategy for the 2021-2025 period;

56. Regrets that the Court does not qualify the impact of the corrective measures on the overall level of error, but only on specific headings; points out that specific information on all MFF headings would be highly valuable information for the discharge authority's scrutiny; asks the Court to qualify the impact of the corrective measures on the overall level of error;

57. Draws attention to the fact that the general estimate of the level of error in the Union budget, as presented in the Court's Statement of Assurance, is neither a measure of fraud nor of inefficiency or waste, but it is an estimate of the money that should not have been paid out because it was not used in accordance with the applicable rules and regulations; notes that in 2019 the Court reported to OLAF 9 instances of suspected fraud found during its audits (also 9 in 2018), from which OLAF has opened 5 investigations and decided not to open an investigation in 4 cases;

58. Points to the fact that, as in previous years, eligibility errors (namely ineligible costs in costs claims and ineligible projects, activities or beneficiaries) in reimbursement-based payments, where expenditure is often subject to complex rules, were again the main contributors to the 2019 estimated level of error for high-risk expenditure at 74 % (compared to 68 % in 2018);

59. Welcomes the Court decision to raise the share of high risk expenditures in its sample, which are materially affected by an ever increasing error rate (4,9 % in 2019, versus 4,5 % in 2018 3,7 % in 2017); regrets that the error rate is not clearly quantified for the entitlement payments;

60. Regrets that the information and reports the Commission receives from Member States' authorities often lack the data on concrete results or include too optimistic assessments; takes note of the Court's observation that the Commission's particular role, as reflected in its methodology, and weaknesses in ex-post checks, which are a critical part of the control system, affects the Commission's estimates of errors;

61. Is very concerned that the errors detected are indicative of shortcomings regarding the regularity of expenditure declared by the managing authorities;

Budgetary and financial management

62. Notes that in 2019 the commitment appropriations available in the final budget were almost fully used (at a rate of 99,4 %), while the rate of use for payment appropriations was slightly lower (98,5 %);

63. Notes the adoption of three amending budgets in 2019, adding EUR 0,4 billion to commitment appropriations and EUR 0,3 billion to payment appropriations, which refer to the following:

(i) Amending Budget (AB) No1/2019 entered the surplus of EUR 1 802 988 329, resulting from the implementation of the budget year 2018, as revenue in the 2019 budget; this amount has reduced the annual GNI contributions for Member States;

(ii) Amending Budget (AB) No 2/2019 provided an additional EUR 100 million of commitment appropriations to Horizon2020 and Erasmus+ as decided by the European Parliament and the Council in their agreement on the budget 2019;

(iii) Amending Budget (AB) No 3/2019 entered the necessary commitment and payment appropriations for the mobilisation of the European Union Solidarity Fund (EUSF) amounting to EUR 293 551 794 which aimed to provide assistance to Romania, Italy and Austria following natural disasters that took place in these Member States in the course of 2018;

64. Acknowledges that, given the multi-annual nature of its expenditure and of its control strategies, the Commission may apply corrections until the closure of the funding programme; notes furthermore that while errors may be detected in a given year, they are corrected in the current or in subsequent years after the payment was made – up until the moment of closure; calls therefore on the Commission and Member States to continue exercising their corrective capacity, and the Commission to use the supervisory tools at its disposal, in line with its obligations under the different sectoral legal bases, in order to bring the real risk at closure ultimately well below 2 % and closer to 0 %;

65. Notes that in 2019 the corrective measures confirmed by the Commission amounted to EUR 1,5 billion (25 % higher than in 2018), relating mainly to errors affecting payments made in previous years.

66. Is deeply concerned at the fact that outstanding commitments have continued to grow, reaching EUR 298,0 billion at the end of 2019 (compared to EUR 281,2 billion in 2018); notes that the Court has identified the reasons for the continuing rise, such as the overall increase in the size of the Union budget over time; notes that the level of payment appropriations in the annual budgets has been noticeably lower than the MFF ceiling in recent years, which might lead to higher demands for payments in 2022 and 2023 and pose a serious risk to the liquidity of the Union budget; notes the commitment of the Commission to conduct a thorough analysis of the payment appropriations needed until the end of the year during the global transfer exercise in order to make a proposal to the budgetary authority if reinforcements are needed; calls on the Commission to reduce current and prevent further outstanding commitments, to further improve its financial forecasts and, where necessary, to assist countries to find eligible projects, especially those with clear European added-value, in order to accelerate the absorption rate;

67. Notes with concern that according to the Court, the overall absorption rate of ESIF (European Structural Investment Funds) was lower than in the corresponding year of the previous MFF, as by the end of 2019, out of the total ESIF allocations for the current MFF (EUR 465 billion), only 40 % had been paid out to Member States (compared with 46 % by the end of 2012); notes the Commission's explanation that the slower absorption rate is partly related to the late adoption of the Common Provisions Regulation (CPR), the time needed for authorities to set up an effective delivery programme and compliance systems, and the changes introduced in the regulations in the 2014-2020 programming period, such as the high level of annual prefinancing and the new rule for automatic decommitments (n+3); notes that overall the speed of absorption in 2019 stayed almost exactly the same as in 2018; is concerned by the low level of absorption rates;

68. Recalls that the absorption rate expresses the extent to which Union funds allocated to Member States have been spent on eligible projects, which is one of the preconditions and indications of effective future absorption; stresses, in this regards, that since the end of 2018 the project selection rate remains ahead of the same reference period in 2007-2013; emphasises, furthermore, that by end June 2020, nearly all (99,2 %) the EUR 350 billion in total cost were allocated to nearly 515 000 projects;

69. Regrets that greater technical assistance is not being put in place to increase the absorption rate in many States and also make it possible to reduce the backlog of outstanding commitments (RAL);

70. Notes that by the start of 2019, after the current MFF had been in place for five years, approximately 17 % only of the total ESI funding committed through Financial Instruments under Shared Management (FISMs) had reached its final recipient; notes, however, that by mid-September 2020 the 42 % of amounts allocated to financial instruments were made available for investments and, furthermore, that 59 % of the available capital for FISMs had reached final recipients; recalls here the repeated scepticism expressed by Parliament over the strong support from the Commission for the financial instruments;

71. Regrets that the annual report for 2019 on the FISMs was published after the deadline defined in the relevant Regulation ([4]); shares the view of the Court that the relevance of the Commission's reporting on FISMs is reduced because its annual report on FISMs is published too late;

([4]) Article 46 of Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 (OJ L 347, 20.12.2013, p. 320)

72. Is concerned that, as in previous years, substantial amounts of unused annual ESIF pre-financing, due mainly to delays in implementation, was returned to the Union budget (EUR 7,7 billion in 2019), as assigned revenue; points out that EUR 5,0 billion of that amount was used to make payments on claims from Member States over and above the approved budget for the year under the relevant ESIF budget lines, which has prevented them from being cancelled;

73. Acknowledges that shared management is instrumental for the implementation of the ESIF which in turn relies upon an efficient administrative collaboration between the Commission and the Member States; underlines the Court's observation that the risk of error is high for expenditure subject to complex rules; welcomes the substantial improvements in this regard over the last ten years due inter alia to the Commission's efforts and the recommendations of both the Court and Parliament; encourages the Commission to move towards simplification and performance orientation;

74. Stresses the fact that the main financial risks to which the Union budget was exposed in 2019 were associated with financial operations in form of loans covered directly by the Union budget (53,7 %), and financial operations covered by an Union guarantee fund (46,3 %); observes with regret that the amount of total risk reported by the Commission does not include EFSI related operations, therefore it does not reflect the real financial exposition of the Union budget; highlights, that, when adding the possible future payments relating to the EFSI (European Fund for Strategic Investments) guarantee, the amount of the total risk borne by the Union budget reached EUR 90,5 billion by the end of 2019;

75. Points out that the Union has increasingly made use of financial instruments and budgetary guarantees provided to the EIB Group; recalls that at present, EIB Group operations that are not financed by the Union budget, but which serve the same Union objectives, do not come under the Court's audit mandate; points out that this means that the Court is unable to provide a complete overview of the links between EIB Group operations and the Union budget; requests that a Memorandum of Understanding be agreed between the EIB and Parliament to improve Parliament's access to EIB documents and data related to strategic orientation and financing policies in order to strengthen the Bank's accountability;

76. Recalls that Art. 287 (3) TFEU defines the Court's audit powers in relation to the EIB; recalls that the Court is competent to audit the EIB's activity in managing Union expenditure and revenue; recalls that the Audit Committee is competent to audit the EIB's share capital according to Art. 12 of Protocol 5 (Statute of the EIB); recalls that Art 308 (3) TFEU allows the Council to amend the Protocol on the Statute of the EIB by simple decision without a full Treaty revision; emphasises the increased importance under the new MFF of Union guarantees and other financial instruments managed by the EIB; calls therefore on the Council to amend Art. 12 of Protocol 5 to give the Court a role in auditing the EIB's share capital; notes that the current tripartite agreement between the Commission, the EIB and the Court concerning audits of operations which are financed or backed by the Union budget expired in 2020; strongly calls on the Commission, the Court and the EIB to enhance the role of the Court and further strengthen its auditing powers regarding activities of the EIB in the renewal of the tripartite agreement governing the rules of engagement; supports the request made by the Court to audit the EIB's non-Union budget related operations; and calls on the Court to draw up recommendations on the results of the EIB's external lending activities;

77. Notes that monetary policy brought about a fall in the long-term interest rate used to value employee benefit obligations (discount rate), which became negative for the first time, leading to a significant increase of EUR 17,2 billion in the year-end liability of the Union budget; expects this trend to continue as the ECB further pursues its course of accommodative monetary policies and asks that proper precaution be taken;

78. Stresses the importance of strictly monitoring the possible risk of corruption and fraud in connection with large-scale infrastructural projects; calls for thorough and independent ex-ante and ex-post assessments of projects to be financed;

79. Urges the Commission to encourage Member States to improve both the quality and number of controls and to share best practices in combating fraud;

Recommendations

80. Calls on Commission to:

— closely follow payment needs, prepare possible scenarios with concrete solutions keeping in mind that the Union is not allowed to run on budgetary deficit and take action, within its institutional remit, with a view to ensuring the availability of payment appropriations taking into account the risk of insufficient payment appropriations and the extraordinary needs arising from the COVID-19 pandemic;

— continue producing an annual report on the FISMs, including at the level of individual financial instruments, in the next MFF;

— present a complete picture of the exposure of the Union budget in the annual 'Report on guarantees covered by the general budget', including the risk generated by the EFSI guarantee as well as by all future related financial operations;

— re-assess, in the context of the COVID-19 crisis, whether the existing mechanisms to mitigate the exposure of the Union budget to risk are sufficient and appropriate and review the target provisioning rates of the guarantee funds covering the guarantees granted from the Union budget;

— present annual reports on how persistent low, ultra-low and negative interest rates could affect the Union budget;

81. Requests the Council together with the European Parliament to:

— call on the EIB to enable the Court each year to audit the regularity as well as the performance aspects of financing activity which does not fall under a specific Union mandate. This could be ensured in parallel with the renewal of the tripartite agreement;

Performance of the Union budget

82. Welcomes the Court's first separate and full report on the performance of the Union budget – Status at the end of 2019 and encourages the Court to continue to produce and develop this report further in the coming years; reiterates its opinion that a stronger focus on performance is needed without reducing current levels of scrutiny on compliance and conformity; emphasises that performance findings should not lead to generalisations but rather country-specific recommendations; notes that appropriate risk analyses and recommendations for action to Union policymakers are an important basis for political decision-making; considers that the indicators should evaluate the success of particular activities in a descriptive and objective manner without expressing any policy preferences; calls on the Court to focus the performance assessments on achieving European added value and an efficient use of Union tax money;

83. Stresses that the aim of performance information is to provide an indication as to whether Union policies and programmes are achieving their objectives efficiently and effectively; suggests that, if improvements are needed, performance information should be used to inform the process of designing necessary corrective measures, and their implementation be continuously monitored; underlines that the performance of Union funds and policies is very difficult to measure and requires different definitions and targeted indicators for the various spending areas and funds; is of the opinion that key performance indicators should measure comprehensively the results of programmes using an analytical method without indicating policy preferences; agrees with the findings of the Court that overall indicators need to be further improved and a better balance found between input and output, and result and impact indicators; asks the Commission to streamline performance reporting by reducing the number of objectives and indicators to a smaller set of relevant and appropriate outcome and impact indicators which best measure the results achieved in terms of efficiency, economy and effectiveness and Union added value of Union spending;

84. Underlines that the Court finds that the Commission has satisfactory procedures for the production of its annual management and performance report and programmes performance overview; agrees with the Court that the Commission should continue to report on programme performance after the end of an MFF period for at least as long as substantial amounts of payments related to a given MFF period are being made;

85. Welcomes the Court's observation that the Commission has started making systemic performance assessments and analysis leading to conclusions on the achieving of the programmes' objectives; notes with satisfaction that the Court considers this as a significant positive step towards clearer, more transparent and comprehensive annual reporting on programme performance;

86. Strongly encourages the Commission to continue to improve the reliability and accessibility of performance information as a vital tool for assessing the success of programmes; this should include the dissemination of lessons learnt from the Regulatory Scrutiny Board, especially those concerning design and methodology;

87. Is concerned about the Court's assessment that the monitoring data from Member States, on which the Commission AMPR and the programmes statements are based, is not fully reliable;

88. Strongly supports the recommendation that the Commission should improve explanations concerning the determination of targets and supporting data. Targets should be specific and ambitious, but realistic and at the same time measurable on the basis of reliable data. Emphasises, at the same time, that result and impact indicators are better suited for performance measurement and allow for a broader impact assessment than input and output indicators;

89. Welcomes the fact that the Commission documents the indicator data as well as the indicator baselines, milestones and targets that measure progress on programmes' general and specific objectives in the Annual Programme Statements; calls on the Commission to ensure that these indicator baselines, milestones and targets that could not have been accomplished without EU-funding and which represent EU added value concentrate on achieving such EU added value;

90. Calls on the Commission to include in its performance reports greater analysis of the effectiveness and economy (cost-effectiveness) of programmes when information becomes available, more systematic analysis of the significant external factors affecting programme performance; clear assessments of all the performance indicators reported on as regards whether they are on track to meet their targets; clear and balanced assessments of performance, covering all programme objectives in appropriate detail; urges the Commission to take these measures for the next discharge 2020 due to all programmes adopted in the context of the COVID-19 crisis;

91. Underlines that according to the Financial Regulation, sound financial management implies effectiveness, efficiency and economy, and that the Commission and the Member States should ensure a focus on all three elements; further notes that the International Audit Guidelines on performance now also include elements such as Equality, Environment and Ethics, and calls on the Commission to broaden its assessments by also looking into these areas;

92. Notes that the Court assessed whether programmes in all main areas of the EU budget were 'on track' to meet their objectives:

93. Competitiveness: Welcomes the fact that, for the EU's Horizon 2020 research programme, there are no indications that performance is at risk, and examples of successful projects are plentiful; welcomes the fact that, according to the Court, the programme provides Union added value through its uniqueness and pan-European character;

94. Cohesion: Regrets that although the Commission and Member States had already revised the initial 2014-2020 targets, just over a third of indicators for the European Regional Development Fund (ERDF) and Cohesion Fund (CF) show timely progress. Before the outbreak of the COVID-19 crisis, most employment and education targets were likely to have been met by 2020, but progress on R&D, poverty and social inclusion lagged behind; regrets that in this policy area, the Commission's own performance data indicates that the programmes fall short of initial expectations;

95. Natural resources: Regrets that a key weakness is that the performance indicators for the 2014-2020 period are not based on a detailed intervention logic for providing CAP financial support. For example, direct payments to farmers have reduced farmers' income volatility, but they are not targeted at helping farmers achieve a fair standard of living; regrets that CAP measures are found to have an insufficient impact in addressing climate change;

96. Security and citizenship: Notes that the Commission's reporting does not indicate whether the Asylum, Migration and Integration Fund is progressing well towards its objective, but the information available points to its relevance and Union added value; notes that for integration and legal migration, indicators show its achievements in a positive light, also because long-term impacts (such as differences between migrants' and Union nationals' job prospects) cannot yet be assessed;

97. Global Europe: Notes that the Commission does not provide enough information for a robust performance assessment of two funding instruments, i.e. one for cooperation with developing countries and the other for relations with the Union's southern and eastern neighbours; welcomes that the indicators nevertheless reveal a positive trend for poverty reduction, education, gender equality and human development, and expresses its concern about the worsening trend for consolidating democracy, rule of law and political stability;

Annual management and performance report

98. Notes that, according to the Commission, the total amount of commitment appropriations implemented in 2019 amounted to EUR 161 billion: with EUR 81 billion allocated to Heading 1, split between Heading 1a 'Competitiveness for growth and jobs' (14 % of the total budget) and Heading 1b 'Economic, social and territorial cohesion' (35 % of the total budget), EUR 59 billion to Heading 2 'Sustainable growth: natural resources' (37 % of the total budget), EUR 4 billion to Heading 3 'Security and citizenship', EUR 12 billion to Heading 4 'Global Europe', and EUR 6 billion on the Commission's 'administrative expenditure' under Heading 5;

99. Notes that Commission reported in its 2019 AMPR a risk at payment of 2,1 %, which is within the range of the Court's estimated level of error; notes that for the three most significant spending areas (MFF Heading 1a: competiveness; 1b: economy, social and territorial cohesion and Heading 2: natural resources), the Commission's own estimates of the level of error are within the Court's ranges;

100. Notes that in 2019, the expenditure from the Union budget amounted to EUR 147 billion, distributed over more than 240 000 payments; points out that 71 % of the budget was implemented under shared management, and the remainder was either spent directly by the Commission (22 %) or indirectly in cooperation with entrusted entities (7 %);

101. Notes the Commission's estimate that, in 2019, climate-related expenditure amounted to EUR 35 billion, equal to 21 % of the Union budget, and that cumulatively over the 2014-2020 period the Union budget will have contributed EUR 211 billion, equal to 19,8 % of total spending, to climate objectives, which falls slightly short of the initial target of 20 % due to lower contributions during the first years of the period; calls on the Commission to do its best to boost climate-related expenditure for the 2014-2020 period with a view to a much more ambitious targets for the 2021 –2028 period;

102. Notes that 11 of the Commission's 50 directors-general issued a qualified declaration in their Annual Activity Reports for 2019, with a total of 18 reservations (compared to 40 reservations by 20 departments in 2018); points out that for 17 reservations, the Commission applied a new 'de minimis' rule, and that these reservations were no longer considered meaningful by the Commission;

103. Notes that, according to the Commission, the corrective measures confirmed amounted to EUR 1,5 billion in 2019 (25 % higher than in 2018); points to the fact that some Member States have seen much more substantive correction amounts than others; calls on the Commission to adopt its audit sample to include these countries in their regular checks on a more frequent basis;

104. Observes that, for 2019, the Commission's estimate for the overall risk at closure was at 0,7 % (compared to 0,8 % in 2018) of the relevant expenditure; notes that due to the higher risk at payment in relation to cohesion spending, the overall risk at payment estimated by the Commission was higher than in previous years, at 2,1 % for 2019 (compared to 1,7 % in 2018), but as the estimated future corrections were also higher (1,4 %, compared to 0,9 % in 2018), the Commission arrived at a stable risk at closure, and with an estimate of risk at closure of less than 2 %, the Commission considered that its multiannual control systems ensured effective protection of the Union budget; points out furthermore that in the Commission's own estimate, the expenditure with risk at payment above the materiality threshold was very high at EUR 67 billion;

105. Observes that the Commission considered that its multiannual control systems ensured effective protection of the Union budget; notes that the Commission subdivides its portfolio for 2019 into lower-risk and higher-risk strata, using criteria recognised also by the Court and related to the nature of the funding, notably the difference between rather complex reimbursement-based schemes (higher risk expenditure with risk at payment above 2 %) and less error-prone entitlement-based payments (lower risk expenditure with risk at payment below 2 %); points out furthermore that the Commission estimates that the higher risk expenditure stands at EUR 67 billion (46 %), thus affecting a smaller part of the budget than the lower risk expenditure, which stands at EUR 80 billion (54 %); urges the Commission to adopt an ambitious action plan with measures allowing the significantly lowering of these risks;

106. Requests the Commission make sure that the AMPR is fully reliable and not based on projections;

107. Regrets in particular that the Court had to report again concerns about the reliability of the AMPR in the Cohesion areas, because of shortcomings of the audit authorities work and the issues identified regarding the residual error rates reported in the DG EMPL and DG REGIO AARs;

108. Expresses disagreement with the Commission's evaluation of its methodology in calculating the error rate; despite acknowledging that the risks at payments used in the AMPR by the Commission is the closest to the Court's estimate of level of error, it is to be noted that important elements mean that the error rate by the Court and the Commission hugely differs; therefore reiterates its request to quickly align its methodology to the one used by the Court and to provide the budgetary control authority with only one error rate corresponding to the risk at payment (error rate at payment); calls on the Commission to disclose separately an estimate of the future corrections (residual error rate); urges the Commission to apply a coherent terminology across all DGs when reporting on these two estimates;

109. Calls on the Commission to take the necessary measures to obtain reliable data from the Member States concerning the error rate at payment; calls on the Commission to make appropriate adjustments in a timely manner if deficiencies are detected in Member States' controls;

110. Observes with concern that, with regard to the Commission's own estimate of risk at payment, the Court has highlighted certain issues presented in the text below for specific MFF headings and urges the Commission to respond to these findings with concrete actions:

— 'Competitiveness': ex-post audits did not mainly cover payments or clearings made in the statement of assurance year under review, and were not always found to be reliable;

— 'Natural resources': the Member State control reflected in the control statistics did not capture all errors, and adjustments by the Commission were necessary, while the Commission adjustments were generally based on flat rates, and there were limitations in the reliability of the results of the certification bodies' work;

— 'Cohesion': the audit authorities' checks were not always reliable;

— 'Global Europe': there was an insufficient number of on-the-spot checks in the countries where projects are implemented, insufficient coverage of relevant aspects of procurement procedures, a broad scope for estimating the impact of individual errors, and a lack of substantive own-testing for transactions already checked by others; calls on the Court to improve number of random checks with a risk-based approach so that its reports on error rates pay more attention to areas where problems are most likely to arise;

111. Notes the Court's conclusion that the Commission's performance reporting is becoming more balanced and that both the AMPR and the programme statements complement their reporting on programme achievements including information on lagging behind areas and persisting challenges for programmes;

112. Encourages the Commission and the Court to accelerate the discharge process to N+1;

113. Calls on the Commission to continue promoting a better gender balance and gender budgeting approach in the allocated funds;

Revenue

114. Notes that total revenue for 2019 amounted to EUR 163,9 billion;

115. Recalls that most revenue (88 %) comes from the three categories of own resources:

— Gross national income-based (GNI-based) own resource account for 64 % of Union revenue, balancing the Union budget after revenue from all other sources has been calculated (each Member State contributes proportionally, according to its GNI);

— Traditional own resources (TOR) account for 13 % of Union revenue, comprising customs duties on imports collected by the Member States (the Union budget receives 80 % of the total amount, Member States retain the remaining 20 % to cover collection costs);

— Value added tax-based (VAT-based) own resource accounts for 11 % of Union revenue (contributions under this own resource are calculated using a uniform rate applied to Member States' harmonised VAT assessment bases);

116. Welcomes that the Commission's work on the Union's financial programming and budget initiated before and throughout 2019 led to the introduction of a legally binding timetable, of new Union-wide streams of revenue, or 'own resources' intended to repay common European borrowing; recalls the predominance of the Gross National Incomes (GNI) contributions in the Union budget; stresses that new own resources come at a reduction of the share of national GNI-based contributions in the financing of the Union's annual budget and do not therefore contribute to an overall increase of the Union budget; urges the Commission to propose a diversification of its revenue sources to ensure the Union becomes truly independent vis-a-vis Member States' contributions while significantly increasing the budget for Union programmes;

117. Notes that revenue also includes amounts received from other sources (the most significant being contributions and refunds connected with Union agreements and programmes (8 % of Union revenue), such as revenue relating to the clearance of the EAGF and EAFRD, and the participation of non-Union countries in research programmes);

118. Welcome the Court decision to assess Union action taken to reduce the custom gap, which may affect the amounts of duties established by Member States, and mitigate the risk that TOR are not complete, within the examination of internal control systems

119. Is concerned about weaknesses identified by the Court in the Member States' collection of TOR, in particular in the management of established duties not yet collected by national authorities; notes that in the Member States visited by the Court there are particular delays in notifying customs debts, late enforcement of the recovery of such debts, and insufficient documentation to confirm the correctness of duties booked in the accounts;

120. Takes note of shortcomings in the Member States' management of duties not yet collected, as reported in 15 of the 27 TOR inspection reports issued in 2019 by the Commission; is of the opinion that the findings in 10 of these 15 reports that were classified as systematic in nature should be made available to the members of Parliament's appropriate committees;

121. Notes with concern that the Commission's TOR inspections and the Court's work highlighted two main weaknesses in Member State's controls to reduce the custom gap; points to the considerable loss of Union revenue and urges the Commission and the Council to address these issues with great urgency:

— lack of Union-wide harmonisation of the performance of customs controls for mitigating the risk of undervalued imports throughout the Customs Union, and

— inability of Member States to identify the riskiest economic operators at Union level for post-release audits;

122. Notes, with concern that in its examination of internal control systems both within the Commission and in the Member States, the Court found shortcomings in individual categories of own resources; is concerned that, according to the Commission's assessment, 24 of the 28 Member States had partially satisfactory or unsatisfactory control strategies for targeting the undervaluation risks, leading the Court to identify important weaknesses in Member States' controls to reduce the customs gap;

123. Points with great concern to the fact that action to identify and select the riskiest importers for post-release audits is limited across the Customs Union because there is no Union-wide accessible database covering all imports effected by economic operators;

124. Acknowledges, however, that the Commission has made important steps to help identifying the riskiest economic operators at Union level for post-release audits, with the flagging of transactions considered to pose financial risk under the Financial Risk Criteria and the update of the Customs Audit Guide;

125. Welcomes that the Commission works closely with Member States to find solutions to identify importers operating in Member States other than where they are headquartered; calls on it to make further progress once a Union-wide database covering all imports is fully available.

126. Notes that of the total VAT reservations that had kept the VAT base calculation open for a period dating back 10 or more years and total TOR points that had remained open for more than five years from the time of the Commission's inspection, only 15 % of VAT reservations and 34 % of TOR open points were long-outstanding;

127. Points out that of eight long-outstanding VAT reservations set by the Commission and examined by the Court, five of them were related to infringement procedures against Member States on the grounds of possible non-compliance with the VAT Directive;

128. Notes with satisfaction that the Commission is improving its risk assessment for the planning of the inspections and continues to strive to close long outstanding open points rapidly, depending also on Member States' cooperation;

129. Notes with concern that 54 long-outstanding TOR open points verified by the Court out of 122 revealed that the Commission's follow-up and closing of such points took excessive time, showing weaknesses in the follow-up of TOR shortcomings detected in Member States; urges the Commission to establish a follow-up system prioritising TOR open points according to significance (either in terms of financial impact, or of systemic significance in the case of non-financial shortcomings) and report back to the discharge authority;

130. Recalls that within the GNI multiannual verification cycle, the Commission examines whether the procedures Member States use to compile their national accounts comply with ESA 2010, and whether GNI data are comparable, reliable and exhaustive; takes note that the closure of the verification cycle gave rise to new, more specific reservations, such as a reservation allowing the GNI data of all Member States to be revised to incorporate a more accurate estimation of the research and development (R&D) assets of multinational companies, an estimation that is complicated by globalisation and the fact that such assets are easily shifted across borders (the Commission, together with Member States, will continue up until September 2022 to assess whether the R&D assets of multinational companies are properly valued in the Member States' national accounts);

131. Is deeply concerned by the non-quantifiable reservation maintained for 2019 by DG BUDG, stating that the undervaluation fraud partly moved to other Member States, affecting the collection of TOR to an extent pending final quantification; notes that the Commission has carried out inspections on undervaluation in all Member States and checked how Member States are organised to address issues of undervaluation, particularly concerning textiles and shoes from China; notes that the Member Sates' financial responsibility for losses of TOR has been explicitly addressed during these inspections and the corresponding reports; notes that the Commission will follow up and hold Member States financially responsible for TOR any potential losses incurred; is concerned that provisional calculations indicate that the TOR losses in 2019 would reach 1 % of the 2019 TOR justifying a reservation in the 2019 AAR; asks the Commission to promptly inform the discharge authority about the findings and consequences of its inspections and quantification calculations once finalised;

132. Notes that, for the fourth year in a row, the directorate-general for Budgets (DG BUDG) issued a reservation on the value of TOR collected by the United Kingdom, due to that country's failure to make available to the Union budget evaded customs duties on textiles and footwear imports, while the scope of undervaluation fraud had extended further to Member States, which results in further potential TOR losses;

133. Notes that according the 2019 AAR by DG BUDG, UK has as of 12 October 2017 started implementing the measures recommended by the Commission, which led to a dramatic reduction of TOR losses in 2018 (error rate below 1 %);

134. Deplores the fact that the UK still refuses to make available to the EU budget the TOR amounts lost during the period 2011 - 2017 amounting to EUR 2,679 billion (gross); notes that the UK authorities provided the Commission with a formal reply received on 11 February 2019; notes that after analysing the UK's reply, the Commission referred the case to the CJEU on 7 March 2019; notes that the UK lodged its defence on 24 June 2019, followed by the Commission's reply on 29 August 2019 and a rejoinder by the UK of 20 December 2019; notes, from the written answers of the Commission for the hearing in CONT on 11 January 2021, that the oral hearing took place on 8 December 2020 and while the date of the final judgment is fully under the discretion of the Court, the Commission does not expect a ruling before summer 2021; notes with satisfaction that the UK's withdrawal from the Union has no adverse effect on the recovery of the claimed amounts as they relate to imports before the end of the transition period;

135. Notes that, according to the Commission, in 2019 there were EUR 3 billion higher Gross National Income (GNI) based revenue following adjustments made for past amounts (mostly for 2012-2017) as GNI bases were updated with real data;

Recommendations

136. Calls on the Commission to:

— provide Member States with regular support in selecting the riskiest importers for post-release audits by:

a. collecting and analysing relevant import data at Union level, and sharing the results of its analysis with Member States;

b. once Surveillance III becomes operational, providing guidance on how to carry out data analysis within this new system;

— revise its procedures by:

a. establishing a system for monitoring TOR open points based on quantitative and qualitative criteria that rank shortcomings detected in Member States in order of priority;

b. setting deadlines for Member States to address such shortcomings, and for follow-up actions, including the calculation of late-payment interest and the recovery of amounts to be made available to the Union budget;

c. simplifying the procedure, including the documentation required for access to funding, without neglecting the principles of audit and monitoring;

Competitiveness for growth and jobs

137. Notes that payments for sub-heading 1a 'Competitiveness for growth and jobs' amounted to EUR 21,7 billion and were disbursed through the following programmes and policies:

— 'Research', up to 55,2 % of the sub-heading budget or EUR 11,9 billion;

— 'Education, Training, Youth and Sport', up to 13,2 % of the sub-heading budget or EUR 2,8 billion;

— 'Transport and energy', up to 11,3 % of the sub-heading budget or EUR 2,5 billion;

— 'Space', up to 7,6 % of the sub-heading budget or EUR 1,7 billion;

— 'Other actions and programmes', up to 12,7 % of the sub-heading budget or EUR 2,8 billion;

138. Notes that the principal Commission programmes are Horizon 2020 (H2020) and the Seventh Framework Programme for Research and Technological Development (FP7) ([5]) for research and innovation, Erasmus+ for education, training, youth and sport, Galileo, EGNOS, ITER and CEF as large infrastructure projects, EFSI as guarantee fund;

139. Takes into account that most spending on these programmes is directly managed by the Commission, including through Executive Agencies, and takes the form of grants to public or private beneficiaries participating in projects; takes note that Erasmus+ expenditure is mostly managed by national agencies on behalf of the Commission (amounting to around 80 % of grants);

140. Points out that the performance of research and innovation policy is difficult to assess as there is a considerable time-lag between funding of projects and results and impacts which have yet to materialise; notes furthermore that reporting in this field is mainly focused on positive achievements instead of critical assessment of results and impact, which may not provide for a realistic picture of the performance as a whole; notes that research as a discipline involves risks as regard the results and a successful outcome cannot always be guaranteed;

141. Is concerned that a high percentage (in some Member States up to 25 %) of funds from the operational programmes destined for the support of SMEs in entrepreneurship and innovations are being paid to large companies instead. Asks the Commission to develop stronger control mechanisms regarding the declarations of applicants for EU funding, as the Supreme Audit Office found that in the period 2014 – 2020, the authorities relied solely on statutory self-declarations about ownership, size and indebtedness of the companies;

([5]) For the years of 2007-2013

142. Notes that in 2019, EUR 4 973 million in commitment appropriations and EUR 2 725 million in payment appropriations was available for mobility and transport policies of which EUR 4 422 million in commitment appropriations and EUR 2 058 million in payment appropriations authorised for European Transport Policy (06 02) and Horizon 2020 - Research and innovation related to transport (06 03) were managed by the Innovation and Networks Executive Agency (INEA);

143. Reiterates its support for the addition of a pillar of military mobility to TEN-T policy increasing our capacities to react to emergency situations with the adoption of the Action Plan in March 2018; regrets that the proposal by the Commission and Parliament to include a new envelope dedicated to military mobility needs of EUR 6,5 billion under the CEF budget for 2021-2027 has been drastically reduced;

144. Welcomes the launch of the 2019 CEF Transport Multi-Annual Work Programme call with a budget of EUR 1,4 billion and a focus on the completion of the nine core network corridors by 2030;

145. Welcomes the launch in 2019 of the 'Greening the blue' project that aims at reducing emissions and producing more efficient propulsion systems with a foldable windsail solution; notes that it was funded by the European Maritime and Fisheries Fund;

146. Recalls that, in 2019, the total available budget in commitment appropriations for the Union programmes and actions under the policy portfolio of the directorate-general for Education, Youth, Sport and Culture (DG EAC) amounted to approximatively EUR 5,66 billion (a 20 % increase compared to 2018) and considers that the results of the assessment of DG EAC's financial management for 2019 are satisfactory overall; notes that DG EAC's overall risk at payment for 2019 represents EUR 24,88 million out of EUR 2 147,18 million total expenditure;

147. Acknowledges that the implementation of the Erasmus+ programme in 2019 was largely successful and that most result indicators, such as the number of mobility placements, surpassed the respective targets of the Commission for that year; notes that, due to its delayed launch, low take-up among financial institutions and a lack of awareness among students, only one single Student loan guarantee facility transaction could be completed in 2019 and welcomes the decision not to include the facility in the successor Erasmus+ programme for the period beyond 31 December 2020; welcomes the 20 % increase in pupil mobility and urges that physical mobility remain the main element of the Erasmus+ programme instead of virtual mobility; stresses the importance of continuing to support vocational education and training and work-based learning as a means to enhance social inclusion;

148. Is worried about reported instances of potential beneficiaries of Union funding under the Erasmus+ programme being obliged to follow national rules that are not in line with Union principles; stresses that the Commission should monitor the situation closely and take appropriate action if necessary;

149. Points out that in 2019, numerous young people signed up to the European Solidarity Corps and were deployed, showing their great interest in getting involved in solidarity work across Europe; is concerned about the discrepancy between the number of applications (191 000) and the number of actual placements (34 500); regrets that the take-up of traineeships and jobs under the European Solidarity Corps programme has been very low, with only 72 deployments between 2018 and 2020, representing less than 1 % of total deployments; stresses the need to introduce a more balanced rate of deployments, in order to ensure that the European Solidarity Corps can truly offer a wealth of opportunities for young people;

150. Calls on the Commission and the Education, Audiovisual and Culture Executive Agency to reduce bureaucratic burden by simplifying and adapting application processes to the target audiences in order to improve the accessibility of the programmes under their management; stresses that better synergies and cooperation with DG EAC are needed to achieve a streamlined application, evaluation and management processes, which would improve the quality and variety of applications;

Court findings

151. Finds it worrying that of the 130 transactions examined, 51 (39 %) contained errors;

152. Is deeply concerned that based on the 28 errors the Court has quantified, it estimated the level of error for 2019 at 4,0 %, a considerable increase compared to 2018 when the estimated level of error was 2 %; recalls that this figure is close to the rates the Court found in 2015, 2016 and 2017;

153. Underlines that FP7 and H2020 spending remains higher-risk and the main source of errors, meanwhile the Court found quantifiable errors relating to ineligible costs in 24 of the 80 research and innovation transactions in the sample (3 out of 10 under FP7 and 21 out of 70 under H2020, representing 78 % of the Court's estimated level of error for this sub-heading in 2019);

154. Points with great concern to the fact that 60 % of errors was made up by 'ineligible direct personnel costs'; underlines that despite efforts at simplification of the rules for declaring personnel costs under H2020, their calculation remains a major source of error in the cost claims; supports the opinion of the Court that the methodology for calculating personnel costs has become more complex in some aspects under H2020 and this has increased the risk of error (of the 24 transactions affected by quantifiable errors 23 involved incorrect application of the methodology for calculating personnel costs);

155. Regrets that complex application rules and lengthy procedures are major hurdles in particular for SMEs, start-ups and first-time applicant that lack significant resources and experience with these application procedures;

156. Notes with concern that 'unlawful / discriminatory selection / award criteria' accounted for 16 % of errors, and that 'ineligible other direct costs (VAT, travel, equipment)' accounted for 15 % of errors;

157. Takes into account that in the case of other programmes and activities the Court detected quantifiable errors in 4 of the 50 transactions in the sample (the errors concerned projects under the Erasmus+ and CEF programmes);

158. Notes with concern that the Court found weaknesses in the Commission's documentation of the audit work done, sampling consistency and reporting, as well as in the quality of the audit procedures in some of the files reviewed; points out that the Court found, inter alia, ineligible amounts that the auditors had not detected because of insufficient testing in their audit (mainly in respect of personnel costs), erroneous interpretation of the double-ceiling rule, and errors in the underlying calculation of personnel costs that had not been detected; in that connection supports the recommendations from the Court to improve the situation;

159. Draws attention to the fact that 22 of the research projects the Court audited had been conducted in currencies other than the euro, meanwhile the exchange rate applied in ten of these projects was not the one stipulated in the rules (the financial effect of such errors is not in itself material, but their frequency demonstrates a lack of awareness of the rules); calls on the Commission to work together with Member States to pay a greater attention to this issue;

160. Stresses that if the Commission made proper use of all the information at its disposal, the estimated level of error for this sub-heading would have been 1,1 percentage points lower;

161. Notes with concerns that SMEs are more error-prone than other beneficiaries since more than half the quantifiable errors found (17 out of 28) involved funding for private beneficiaries, even though the transactions in question accounted for just 42 (32 %) of the 130 transactions in the sample (SMEs made up 12 % of the sample but accounted for 21 % of the quantifiable errors); underlines that this reflects their lack of resources and familiarity with the complex eligibility rules;

162. Notes that research expenditure reimbursements based on claims submitted for costs incurred by the beneficiaries; notes that these claims are often subject to complex rules and can lead to errors as may be observed in the cases referred to by the Court;

163. Considers therefore that reducing the error rate depends on a continuous simplification effort; welcomes the Court's acknowledgement of the Commission's efforts to simplify the administrative and financial requirements of Horizon 2020;

164. Acknowledges, to this end, that in the last stages of its implementation of Horizon 2020, the Commission is making wider use of simplified cost options such as lump sum funding strengthening its communication with beneficiaries and constantly improving its control mechanisms; welcomes the fact that the Horizon Europe Programme will take these a step further, building on the experience acquired in Horizon 2020;

165. Notes the Commission's introduction of a sound system of ex-ante controls, which includes detailed automated checklists, written guidance and continuous training with the objective of reducing administrative burden allowing beneficiaries to focus on achieving their goals;

166. Regrets the lake of concrete data on up take of projects awarded Seals of Excellence by ERDF programmes; notes that the Commission has only partial information based on voluntary reporting from managing authorities and such schemes remains at the discretion of each county; calls on the Commission to work with the Member States under the new MFF, to improve programmes monitoring systems and to better capture this kind of information;

167. Takes note of Commission's assessment that the Connecting Europe Facility (CEF) presents a low risk of error; requests however that the Commission, together with the Court and OLAF, closely monitor the Union's transport projects in order to prevent fraud, as public investment in infrastructure is particularly vulnerable in this regard; considers this essential also to ensure the highest safety standards for users;

168. Recalls that in its Special Report No 5/2017 ('Youth unemployment – have EU policies made a difference?'), the Court found that, while some progress had been made in implementing the Youth Guarantee, and while some results had been achieved, the situation fell short of the initial expectations raised at the launch of the Youth Guarantee;

169. Recalls that in its Special Report No 22/2018 ('Mobility under Erasmus+'), the Court found that the VET-strand in the Erasmus+ programme could be further improved as the inclusion of VET brings the programme closer to a greater variety of citizens;

170. Takes note of the Special Report No 14/2016 ('EU policy initiatives and financial support for Roma integration') according to which significant progress has been made in the last decade when it comes to Roma integration, however, obstacles still remain on the ground; regrets in this context that 'best practices' criteria contributing to successful Roma inclusion were not always applied and monitoring performance was difficult; recalls that the lack of robust and comprehensive data on Roma is a problem for evidence-based policy-making at Union and national level; deplores the fact that this situation might remain unchanged unless swift action is taken;

Recommendations

171. Calls on the Commission to:

— to further simplify rules and procedures, provide practical and pragmatic guidance, including information and training sessions, particularly for new applicants and improve its assistance for SMEs, start-ups and other first-time applicants to level the playing field among applicants with varying level of experience and resources;

— enhance its information campaign regarding H2020 funding rules on the calculation and on the declaration of personnel costs, paying specific attention to the main types of error followed by carrying out targeted checks on their compliance with the rules;

— remind all H2020 beneficiaries of the rules for the calculation and declaration of personnel costs, paying specific attention to the main types of error;

— further simplify the rules on personnel costs under the next Research Framework Programme (Horizon Europe);

— address for H2020 the observations that arose following the Court's review of the ex post audits with regard to documentation, sampling consistency and the quality of audit procedures; as well as for the third round of contracted out audits, take appropriate measures to ensure that the auditors are fully aware of the H2020 rules, and verify the quality of their work;

— address the acute problem of geographical un-balance (concentration) of the majority of H2020 funds awarded to beneficiaries in few most-developed Member States by tackling the source of the problem in less developed countries, i.e. by supporting the research, industry - universities cooperation, universities' cooperation with - governments in public policy-making, the establishment of new university programmes, academia excellence, etc.;

Performance: Horizon 2020

172. Points out that in the context of specific objective 5 'Europe's industrial leadership through research, technological development, demonstration and innovation in a number of enabling and industrial technologies' the programme statement shows that the programme is not on track to achieve its target with regard to patent applications, meanwhile the programme statement also gives information on patents awarded, which is a better measure for performance, but no targets or milestones are given;

173. Underlines that in context of the indicator for specific objective 5 'share of participating firms introducing innovations new to the company or the market' the programme statement mentions neither milestones nor a target for this indicator; therefore, it cannot be used to assess whether the programme is on track; calls on the Commission to update the programme statement so that it will include specific and measurable targets to allow for an assessment of efficiency and effectiveness;

174. Points out that in the context of specific objective 8 'improving the lifelong health and wellbeing of all' the value for the target is mentioned under the heading for the year 2020, but it should actually be understood to be attained '[…] when the last actions financed under Horizon 2020 will be finished', meanwhile the programme statement mentions that '[t]argets are for whole Societal challenges pillar (Specific objectives: 8-14) and not per each individual specific objective', thereby rendering the comparison between actual value and target value meaningless;

175. Takes note of the Court Conclusions on the Performance of Horizon 2020, in particular:

— The information available is too limited to be able to fully assess the performance of Horizon 2020 at the end of 2019; nevertheless there is no indication that performance is at risk and examples of successful projects are plentiful;

— In contrast to effectiveness, information on the programme's relevance, coherence and EU added value is available to a considerable degree. There is a strong case that Horizon 2020 is relevant, as it is addressing the needs it is supposed to address;

— The AMPR addresses the performance of Heading 1a only in a very general manner;

176. Regrets the difference in investment in research and innovation across Member States and regrets that this means that researchers benefit to differing extents from the Horizon 2020 across Member States; recalls that this reflects the differences in national expenditure on research and development; encourages Member States to improve the governance of their national research and innovation systems, to incentivise and support the participation in international collaboration of their national research organisations; calls on the Commission to contribute to spreading excellence by encouraging collaboration between national research organisations and top European research organisations, provide technical support and create additional programmes that aim at fostering excellence;

177. Calls on the Commission to:

— better communicate with applicants and beneficiaries (establish better procedures and controls with regard to the performance of the helpdesk functions, and in particular of RES, and raise awareness of the tools through which beneficiaries can report inconsistent treatment during the application process or during the implementation of their projects; resolve the remaining technical issues affecting the Participant Portal, improve its design, navigation and search function);

— intensify testing of lump sums (to analyse and report on the outcome of the calls already launched under Horizon 2020 as soon as the first results are available; launch new pilot initiatives on a larger scale to identify the most suitable types of project, assess possible drawbacks and design appropriate remedies);

— explore greater use of two-stage proposal evaluations (to identify a greater number of topics where the use of two-stage proposal evaluations could reduce the administrative burden for unsuccessful applicants, while ensuring the shortest possible time to award a grant if speed in reaching the market is critical);

— evaluate whether the projects designed by the Commission and (co-) financed from the EU budget in relation to the 2010-2020 European Disability Strategy have fulfilled the requirements set out in the corresponding UN convention (the UNCRPD) regarding persons with disabilities with particular focus on the projects of the Horizon 2020 Program;

— ensure that during the design and implementation stages of projects, the additionally incurred costs of persons with disabilities are fully covered by the grants, and to guarantee that the adequate monitoring arrangements are in place and that their fulfilment is safeguarded;

— re-examine remuneration conditions for expert evaluators (to update the daily remuneration rate and reassess the time needed for experts to carry out reliable evaluations of project proposals);

— stabilise rules and guidance for participants (to maintain continuity in the rules for participation between Framework Programmes wherever possible; minimise adjustments to the guidance during implementation of the Framework Programme; simplify time-sheets to avoid unnecessary reporting of effort by work package; explore the possibility of more widely accepting the usual cost accounting practices, notably for personnel costs);

— improve the quality of outsourced ex-post audits (improve its mechanisms for examining the quality of outsourced ex post audits, and speed up such audits);

— further simplify tools, administration and guidance for SMEs (in such a way that they impose a minimal burden on SMEs, and especially on start-ups without the resources and staff to deal with their complexity);

Performance: the European Fund for Strategic Investments (EFSI)

178. Recalls that the general objective of EFSI is 'Supporting growth-enhancing investments in line with Union priorities'; while the specific objective is 'Increasing the volume of EIB Group financing and investment operations in priority areas';

179. Observes that, according to the Court, EFSI is on track to reach its targets, and in particular, the main target to mobilise EUR 500 billion of investment;

180. Is concerned that the performance information available provides details on mobilised investments of approved operations, number of approved projects, multiplier effects and Member States coverage, but none of the five indicators follow-up the risk level or penetration of the key areas outlined in the general objective;

181. Points out that the indicators do not measure the progress of the specific objective as such, which is to increase EIB volumes, in particular with regard to riskier operations;

182. Recalls that EFSI had been effective in raising finance to support substantial additional investments but had overstated in some cases the extent to which EFSI had actually led to additional investment in the real economy (the evaluation of EFSI and Court's Special Report [6]) have also highlighted that the entire volume of financing cannot be attributed only to EFSI);

183. Regrets that the Commission has not properly assessed the risk of a 'Dead weight' of financing in cases where the needed investment could have been financed from other sources without involvement of EFSI funds;

184. Notes that the reported estimate of investment mobilised does not take account of the fact that some EFSI operations replaced other EIB operations and Union financial instruments or the fact that a part of the EFSI support went to projects that could have been financed from other sources, albeit on different terms;

185. Stresses that according to the EIB EFSI report 2019, the bulk of EFSI transactions are so-called 'special activities', which by definition carry a higher risk than normal EIB operations (the volume of new such activities signed in 2019 was EUR 15 billion, around 25 % of total EIB lending that year, whereas the pre-EFSI level was below 10 %);

186. Underlines that the Commission independent evaluation noted that a range of new, riskier products had been introduced since EFSI was launched, for example equity and risk- sharing instruments with financial intermediaries under IIW;

187. Observes that the Commission and the EIB have missed the opportunity to use the EFSI funds to further promote a shift from investments in big-scale infrastructure projects to smaller, modern, more sustainable projects while mostly trying to revamp the EU's economic growth with little consideration about the future potential of these investments; points to some good examples of such investments in smaller –scale projects the EIB supported outside the Union;

188. Take notes of the Court evaluation that EFSI reinforced some Union programme but temporary overlapped with others;

[6] Court's Special Report No 03/2019 'European Fund for Strategic Investments: Action needed to make EFSI a full success', paragraph 81.

189. Is concerned about geographical distribution (at the end of 2019, the Union-15 accounted for 80 % of signed operations which exceeds their economic weight in the Union as measured by GDP and gross fixed capital formation whereas Union-13 only received 10 %, the remainder went to the 'other' category, in particular to multi-country projects);

190. Recalls the need EIB to provide clear and accessible information on the economic, social and environmental impact and added value achieved by EFSI funded projects; stresses that the additionally assessment of all EFSI-supported projects should be duly documented;

191. Calls on the Commission and EIB to:

— review the use of higher-risk EIB products under EFSI (for EFSI operations with NPBIs, the EIB should look for opportunities to increase the use of a wider variety of subordinated debt finance, where duly justified; this would help ensure that EFSI financing is complementary to the financing provided by the NPBIs; the EIB should also promote the use of appropriate risk-sharing products for all NPBIs, especially those that are currently under-represented in EFSI operations); commission a study of risks of the medium-term and long-term risk-profile of higher-risk EIB products under EFSI;

— strongly encourage complementarity between Union financial instruments and Union budgetary guarantees (in the context of the new MFF programmes, the Commission should propose that the Union financial instruments are coherent and complementary in terms of the respective policy objectives to be achieved, so as to avoid competition between instruments);

— improve the assessment of whether potential EFSI projects could have been financed from other sources, such as in the case of the so-called loss due to the 'Deadweight', (the EIB should assess at the appraisal stage of the project the likely replacement of other sources of finance. The EIB should use this information in assessing the eligibility of EFSI operations.);

— estimate better the investment mobilized (the EFSI multiplier calculation methodology developed jointly by the Commission and the EIB should take proportionate measures to the effect that cases where the EIB supports an investment both directly and indirectly through different EFSI operations are identified and corrected in a timely manner, so as to avoid double counting);

— improve the geographical spread of EFSI supported investment (the Commission and EIB should, through the EFSI Steering Board assess the root causes of the observed geographical spread and provide recommendations for actions to be taken in the remaining EFSI implementation period. The EFSI Steering Board should assess the effect of the measures taken);

Economic, social and territorial cohesion

192. Notes that payments for sub-heading 1b 'Economic, social and territorial cohesion' amounted to EUR 53,8 billion and were disbursed through the following programmes and policies:

— 'ERDF and other regional operations', up to 54.9 % of the subheading budget or EUR 29,6 billion;

— 'Cohesion Fund', up to 16,4 % of the subheading budget or EUR 8,8 billion;

— 'European Social Fund', up to 25,9 % of the subheading budget or EUR 13,9 billion;

— 'Other programmes', up 2,8 % of the subheading budget or EUR 1,5 billion;

193. Recalls the important role of the spending under MFF heading 1b 'economic, social and territorial cohesion', which focuses on reducing development disparities between the different Member States and regions of the Union and strengthening all regions' competitiveness

194. Recalls that under the sub-heading Economic, social and territorial cohesion', Member States generally submit multiannual operational programmes (OPs) at the beginning of each programming period for the entire duration of an MFF; after the Commission has given approval, responsibility for implementing an OP is shared between the Commission (DG Regional and Urban Policy (DG REGIO) and DG Employment, Social Affairs and Inclusion (DG EMPL)) and the Member States;

195. Notes that preventive measures undertaken by DG REGIO in 2019 brought positive results and there was no necessity of suspending ERDF and CF payments in 2019 since the programme authorities applied the required remedial action plans on time and interruptions for 16 payments amounting EUR 1,1 billion (out of 20 amounting to EUR 1,2 billion) were waived; notes furthermore that DG REGIO was able to close 12 out of 19 warning letters for corrective measures for cases of system deficiencies due to the implementation of the necessary exit points;

196. Welcomes the positive follow up undertaken by the Commission to implement the Court's recommendation from 2018 Annual Report and the commencement of drafting of Closure Guidelines which aim to ensure that proper closure arrangements for the 2014-2020 period will be available in due time and in any case well before the closure in 2025;

197. Notes with satisfaction that, following the adoption of the new Commission Anti-Fraud Strategy on 29 April 2019, DG EMPL has performed a fraud-risk-analysis and reviewed and updated jointly with DG REGIO and DG MARE the 'Joint Anti-Fraud Strategy' as well as its direct management anti-fraud strategy; takes note that DG EMPL has continued to contribute to the development of the risk scoring tool Arachne helping the national authorities, among others, to identify the risk of fraud;

198. Notes that the total number of on-going OLAF investigations concerning EMPL's fields of activity and all programming periods put together amounts to 20 cases related to the ESF, 1 case regarding FEAD and 2 cases related to direct expenditure at the end of 2019, the main areas of (potential) fraud in these cases being non-compliance with the principles of sound financial management, overpricing and non-respect of procurement rules and procedures;

199. Welcomes the fact that in 2019, the follow-up to 10 OLAF reports was completed, whereby through various means and forms the Union budget was protected with the recovery of almost EUR 55,3 million;

Monitoring and control systems: storing and recording of data and digitalisation of reporting

200. Recalls the interinstitutional agreement between the European Parliament and the Council; to enhance the protection of the Union budget and Next Generation EU against irregularities including fraud; calls for the introduction of standardised measures to collect, compare and aggregate information and figures on the final beneficiaries of Union funding, for the purposes of control and audit;

201. Notes that the collection of data on those ultimately benefitting, directly or indirectly, from Union funding under shared management and for projects and reforms supported by the Recovery and Resiliency Facility, including data on beneficial owners of the recipients of the funding, is necessary to ensure effective controls and audits. The rules related to the collection and processing of such data should comply with applicable data protection rules.

202. Takes note that the Court is in the process of analysing in an ongoing audit the relevance, reliability and consistency of the annual level of expenditure under 'Economic, social and territorial cohesion' which the Commission calculates as a result of its audits, and awaits the conclusions of that audit;

Court findings

203. Finds it deeply concerning that on basis of the 236 transactions examined, 29 errors had not been detected by audit authorities and 64 errors had previously been found by audit authorities and corrections applied by programme authorities (amounting to a total of EUR 334 million for both programming periods taken together), the Court estimates the level of error to be 4,4 %;

204. Is disappointed that it has not proved possible to decrease the error rate to the 3 % level recorded in 2017, despite the simplification measures provided for in the Omnibus Regulation; is convinced that efforts should be made in this regard during the next programming period;

205. Notes that the risk at closure was estimated at 1,1 % (1,3 % in 2018), and the risk at payment increased from 1,7 % in 2018 to a range between 2,2 - 3,1 % in 2019 for this expenditure area according to the Commission's Annual Management and Performance Report and in the Annual Activity Reports of the concerned directorates-general, which is within the error range calculated by the Court;

206. Notes that for ERDF the risk at payment increased from 2 % in 2018 to a range between 2,7 - 3,8 % in 2019, and for ESF, the risk at payment was estimated in the range of 1,7 - 2,4 %; points out that the Commission found that ineligible expenditure, public procurement irregularities and audit trail issues are the main sources of audit findings and irregularities identified in this policy field;

207. Takes note that in its Annual activity report for 2019, DG EMPL reported a KPI (1,7 % residual total error rate) below the 2 % materiality threshold and that it also reported 'a maximum rate' (up to 2,4 %) which would allow the taking i into account of possible further errors in expenditure on operations that were not included in the Commission's audits; furthermore takes note that the Court considers the 'maximum rate' to be more suitable, because it takes account of the potential impact of ongoing audit work;

208. Notes that audit authorities had reported 64 quantifiable errors in the assurance/closure packages for the 236 transactions the Court sampled, these errors concerned ineligible costs (39), public procurement (24) and missing supporting documentation (one error);

209. Notes with concern that the majority of the errors are related to three main categories:

— 55 % of errors were made up by 'Ineligible projects': there were five ERDF projects, from the 2014-2020 programming period, for which aid was granted to beneficiaries or operations that did not meet the eligibility conditions set out in the applicable regulation and OPs;

— 24 % of errors were made up by 'Infringements of internal market rules' (such as infringements of state aid rules - 9 % and serious on-compliance with public procurement rules - 15 %);

— 12 % of errors were made up by 'Ineligible expenditure';

210. Notes that the Court continued to find a high number of errors in relation to public procurement, state aid rules and grant award procedures, mainly in 'Cohesion' and 'Natural resources'; notes that these errors contributed 20 % to the Court's estimated level of error for high-risk expenditure (2018: 16 %), for this reason, the Commission should identify ways to reduce errors;

211. Stresses that complex rules contribute to a higher risk of error; acknowledges the Commission's efforts to continuously work on simplifying rules and increase the use of simpler delivery mechanisms such as simplified cost options;

212. Is of the opinion that the level of error estimated by the Court for 2019 expenditure in this area should be assessed in the context of the multiannual nature of the programmes, in which case further corrections should be exercised at a later stage which could lead to a significant reduction of the risk at the programme closure; invites the Court to produce a report with an estimated error rate after the closure of the 2007-2013 Cohesion Policy programmes;

213. Welcomes the fact that the Commission has elaborated a Public Procurement Action Plan, updated several times since 2014;

214. Notes with concern that the most common error affecting ESF expenditure is the absence of essential supporting documentation; notes, furthermore, that in 2019 the Court identified one ESF project that infringed the Union's state aid rules;

215. Notes with concern the Court's annual report concerning the financial year 2019, as it would point out, that most of the errors in expenses of programmes under shared management have their origins in errors in audits by national audit authorities; welcomes therefore the creation of technical assistance programmes by the European Commission for collaboration with managing bodies, training programmes and deepening the figures of National Experts programmes as a tool to increase the knowledge of the instruments and avoid aforementioned errors; points out in this context the necessary monitoring of the European Commission's Anti-Fraud Strategy as well as the provision of support and assistance to Member States in the implementation of anti-fraud measures, including the analysis of irregularities reported by Member States in the ESI Funds, as any kind of fraud in relation to Union funding should be eliminated in order to consolidate citizens' trust in Union spending and in the Union institutions;

216. Notes with concern that despite many irregularities which national audit authorities have already reported for the projects the Court examines, many errors still go undetected or uncorrected by any internal controls at an earlier stage; recommends, on the basis of the Court's findings and conclusions for 2019, that the Commission analyses the main sources of undetected errors and develops the necessary measures together with the audit authorities to improve the reliability of reported residual rates;

217. Is concerned about the weaknesses found while assessing the work of 18 out of 116 audit authorities in the Member States covered by the Court's sample, which currently limit the reliance that can be placed on that work (the recalculated rate was above the 2 % materiality threshold in nine out of 20 assurance packages for the 2014-2020 period; notes the Court observation that the Commission arrived at similar results for eight of these packages and adjusted the residual error rates to a figure above 2 %); regrets that the Court cannot include an analysis for the reasons for these persisting weaknesses in its work; regrets that neither the Commission could

contribute meaningful insights on the reasons and any country-specific differences between Member States' authorities; regrets that this lack of information on the underlying reasons for these persisting, systemic weaknesses in certain national audit authorities hinders the efficient and effective addressing and solving of these problems;

218. Notes that for 120 of the sampled transactions (55 %), the Court was able draw conclusions on the basis of its review of audit authorities' work; is deeply concerned that the Court identified shortcomings with the scope, quality and/or documentation of that work in 100 transactions (45 %), which required the Court to re-perform the corresponding audit procedures;

219. Stresses that in 2019, the Commission carried out 26 compliance audits (14 by DG REGIO and 12 by DG EMPL) in 11 Member States and concluded in its draft reports on all these compliance audits that the residual error rates reported in the audit authorities' annual control reports for the 2017/2018 accounting year were underestimated (the Commission therefore increased those rates);

220. Notes that 13 of the compliance audits (5 by DG REGIO and 8 by DG EMPL) were final by May 2020, but for half of these audits, therefore, the residual rates were not yet final;

221. Welcomes that as from 2020, the Commission intends to include, in the structured discussion with the concerned audit authorities, a detailed analysis of the additional errors found by Union audits, with recorded actions by the audit authorities to address the non-detection of these errors;

222. Shares the Court's welcoming of the Commission's and audit authorities' joint initiative and coordinated efforts to improve the documentation of audit authorities work and the elaboration of a 'Reflection paper on audit documentation' in December 2019, which, although not mandatory, represents a first step in improving the way audit authorities perform and document their work;

223. Welcomes efforts to simplify requirements for project managers and management authorities in the Member States under the 2021-2027 programming period of the Common Provisions Regulation and the MFF-related funds; underlines that the key to solving this issue is through simpler national eligibility rules which might help reduce the administrative burden and the likelihood of error, thereby ensuring a high level of transparency; urges wider use of simplified cost options which the Court also considers to be a great relief for applicants and they facilitate control; shares the Court's conclusions stating that the change in the rules for the implementation of European Structural and Investment (ESI) Funds should further accelerate the implementation process; points out that there is a need for an improvement of the audit working methods at the national level; invites the Commission, in a structured dialogue with Member States, to analyse administrative practices and procedures to eliminate inefficiencies and to disseminate examples of effective administrative practices and procedures to all competent authorities;

224. Notes from DG EMPL's Annual activity report for 2019 that DG EMPL had reasonable assurance and concluded that the management and control systems of the operational programmes worked as intended in 2019 with the exception of 29 ESF/YEI and 1 FEAD programmes which presented material deficiencies of some key elements of the systems;

225. Notes with satisfaction, from DG EMPL's Annual activity report 2019, that DG EMPL has undertaken the necessary follow-up actions in relation to all Statement of Assurance 2015-2018 recommendations reported by the Court, and that by the end of March 2020, there were no open Court recommendations;

226. Points out that in practice, most of the reservations stated in the 2019 AARs were mainly based on the error rates for the 2018/2019 accounts, which had not yet been accepted, therefore both DGs reported that the 2018/2019 error rates would not be confirmed before at least the 2020 AARs;

227. Believes that EU financial interests and money from all its taxpayers are being targeted by organised crime and calls on the Commission to take necessary measures against criminal networks that are laying their hands on Union funding;

228. Reiterates its dissatisfaction about the different use of methodologies by the Court and the Commission when establishing their respective opinion on the legality and regularity of financial transactions

229. Regrets that the Commission is not respecting the deadlines set in the relevant Regulation ([7]) when it comes to the publication of the annual report on 'Financial instruments under the ESI Funds'; reiterates Parliament's request to publish the report by October in order to include its findings in the discharge procedure; expect the Commission to respond positively to this specific request in order to increase transparency;

Court's Review 04/2020 EU action to tackle the issue of plastic waste

230. Notes that while not an audit report, this review examined the Union's approach to the issue of land-based plastic waste as set out in the 2018 Plastics Strategy;

231. Is concerned by the Court's observations that the Union's legal framework to tackle waste crime is marked by shortcomings consisting of lack of data on contaminated sites as well as on sanctions and prosecution rates, difficulties in determining which behaviour constitutes environmental crime due to legal uncertainties such as the definition of waste versus end-of-waste, failure of Union legal acts to address the growing involvement of organised criminal groups in environmental crime, which is then associated with other crimes such as money laundering, absence of harmonised Union rules on the mix of sanctions (administrative/criminal/civil), lack of specialised police forces, prosecutors' offices and judges to deal with environmental crime;

232. Notes that chemical recycling can encompass many different technologies, which are not yet a technologically or economically feasible waste treatment option while landfilling is set to be dramatically reduced; is of the opinion that recycling capacities need to be drastically increased to improve the technological and economic feasibility of recycling; is convinced that increasing the capacity of legal disposal of plastics waste for producers of plastic packaging to meet their obligation under the EPR schemes will have a positive impact on the problem of illegal waste trafficking and other waste crimes;

233. Welcomes the own resource based on non-recycled plastic packaging waste as a good instrument to incentivise Member States to improve recycling; highlights in this regard the need for proper reporting;

Serious irregularities and misuse of funds in member states

234. Regrets that the correlation between EGF cost per assisted worker and the reintegration rate is very weak or non-existent. For example, in Spain the cost/worker is 2 422,74 EUR and the reintegration rate is 48 %, while in Finland the cost is 2 289,81 per person and the rate of reintegration is 83 %. The integration rates and the costs greatly vary by Member States, however, it is impossible to conclude the higher amounts spent per capita would translate into higher reintegration rates. Asks the Commission to carefully analyse and address this discrepancy;

235. Considers that the EU Youth Guarantee falls short of expectations; calls on the Commission to ensure that programmes designed to help young people do not raise expectations which cannot be fulfilled; insists that the Commission should manage expectations by setting realistic and achievable objectives and targets;

236. Notes that in 2019, DG EMPL issued 16 warning letters, in which significant deficiencies in the management and control system have been identified. 12 decisions to interrupt payment deadlines have been taken (4 for Italy, 3 for Hungary, 2 for the UK and France and 1 for Spain) and one decision has been taken to suspend payments (UK-Scotland);

237. Notes that significant reservations were issued for Italy (15 reservations, amounting to EUR 50,26 million) and France (9 reservations, amounting to EUR 47,95 million). In the case of Italy this was mainly due to the to a systemic deficiency in public procurements resulting from the wrong transposition of the public procurement directive by the national legislation, while in France the regional control bodies did not have enough time to finalise their audits of operations within the deadline in the case of 5 programmes;

238. Notes that the total amount of financial corrections performed for the accounting year 2018-2019 by the Member States was EUR 3,41 billion, of which 912 million fell on Hungary, 578 million on Spain, 368 million on Slovakia and 236 million on Poland. As regards financial corrections reported cumulatively since the beginning of the period 2014-2020 by the Member States the total amount was 6,10 billion, of which 2,15 billion fell on Hungary, 668 million on Spain, 647 million on Poland and 459 million on Slovakia;

([7]) Article 46 of Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 (OJ L 347, 20.12.2013, p. 320)

239. Notes with concern that the directorate-general for Regional and Urban Policy (DG REGIO), in its 2019 Annual Activity Report, had to issue two reservations concerning 67 programmes ERDF/CF in the 2014-2020 programming period, and 9 ERDF/CF and one IPA-CBC programmes in the 2007-2013 programming period; points out that serious deficiencies in the management and control systems led to a risk to expenditure estimated above 10 % for the Multiannual Framework 2014-2020; welcomes that the updated Financial regulation has further clarified the concept of conflicts of interest under shared management;

240. Is concerned that the directorate-general for Employment (DG EMPL), in its 2019 Annual Activity Report, had to issue a reservation concerning the ESF / Youth Employment Initiative (YEI) and Fund for European Aid to the Most Deprived(FEAD) (30 programmes in ESF / YEI and FEAD) 2014-2020 period; notes since the two DGs stated in their Annual Activity Reports that no reservations are made where the confirmed residual error rate for the previous accounting year was above 2 % because additional financial corrections would be applied in the future, the Commission's reservations are mostly based on provisional rates and might not necessarily cover all material risks;

241. Is particularly worried about reports that the Commission finalised an auditing procedure which has confirmed a serious breach of conflict of interest legislation in the Czech Republic;

242. Notes with concern reports that the DG REGIO audit report identified three grants under ERDF that breached Czech law and the EU's common provisions regulation for the ERDF; is worried that a conflict of interest was identified in the management of the disbursement of the European Structural Funds;

243. Expects the Commission to inform Parliament and the Committee on Budgetary Control on the Czech government response to the recommendations included in the report; is appalled by the fact that more than 2 years after the start of the Commission's audits, the situation around the alleged conflict of interest of Czech Prime Minister Andrej Babiš remains unsolved; urges the Commission to strengthen its efforts to comprehensively and quickly resolve the procedure, publish the audit report as soon as possible, report back to Parliament on its conclusions and where necessary suspend and/or retrieve misused funding; recalls Parliament resolution on the conflict of interest of the Czech Prime Minister of 19 June 2020, which states that if the conflict of interest of Mr. Babis is confirmed, it should either be resolved or he should resign from public duty ([8]);

Recommendations

244. Calls on the Commission to:

— conduct a thorough analysis of the underlying reasons and potential structural problems causing the persisting systemic weaknesses detected by the Court in its audits every year and pay special attention to any potential country-specific differences; asks the Commission to also include observations on best practice in national authorities with low levels of errors and whose work is deemed reliable by the Court; asks the Commission to conduct this analysis in close cooperation with the Court and actively involve national authorities both regarding the problem description and potential solutions;

— share the results of this analysis with the Court, the discharge authority and Member States;

— based on this analysis, address clear, practical and readily implementable horizontal as well as country-specific recommendations to the national authorities; asks the Commission to establish a structured dialogue with the national authorities and the Court to continuously work on capacity building and exchange of best practice to improve the reliability of national audit authorities' work; keep the discharge authority informed about the progress of this dialogue;

— clarify promptly eligibility conditions (including by defining what is meant by 'physically completed' and/or 'fully implemented' operations, in order to help Member States to verify that operations comply with Article 65(6) of the CPR and avoid the non-detection of ineligible operations);

— take action to increase the reliability of the residual rates reported by audit authorities (analyse the main sources of undetected errors and develop the necessary measures together with audit authorities to improve the reliability of reported residual rates);

— provide Parliament with an annual report setting out in detail the contribution of each budget item to the climate mainstreaming target and to biodiversity spending, in order to facilitate their monitoring;

([8]) https://www.europarl.europa.eu/doceo/document/TA-9-2020-0164_EN.html

— urgently start working on an effective methodology, where relevant, and in accordance with sectoral legislation, for monitoring climate spending and its performance in view of achieving an overall target of at least 30 % of the total amount of the 2021-2027 Union budget and Next Generation EU(NGEU) expenditures supporting climate objectives;

— together with the Member States, to put into use a single integrated, interoperable information and monitoring system including a single data-mining and risk-scoring tool to access and analyse the relevant data and increase control reliability, with a view to a generalised application, including with the help of the Technical Support Instrument;

— introduce a Union-wide complaints mechanism for funding recipients confronted by misconduct on the part of the national authorities or pressure from criminal networks or organisations, for example, enabling them to register complaints with the Commission;

— continue consistently and extensively cooperating with the audit authorities to ensure robust control framework, improve the quality of the assurance work when needed and ensure the necessary detection and corrective capacities;

— require managing authorities to take action to tackle the most frequent errors and mitigate any risk for future expenditure and improve, where necessary, the detection capacities of both management verifications and audits;

— provide an error rate at payments and not a residual error rate in order to improve the evaluation of the scrutiny undertaken;

— continue its cooperation with the Court in order to further align audit methodologies and interpretation of legal texts;

— pay increased attention, and allocate increased technical support, to Member States, whose management and control systems are only partially reliable, or not reliable, where there is an increased risk of fraud and corruption related to funds

— pay particular attention to framework agreements awarded through public procurement procedures, as fraud and corruption related to them represent an increased risk for the financial interests of the Union;

— reduce the backlog in commitments as swiftly as possible;

— specify in the AARs how the amounts effected by ex post financial corrections imposed by Member States and by the Commission were reused, particularly in those cases where fraud, corruption or other criminal activity was involved;

— publish the 2020 annual report on the 'Financial instruments under the ESI Funds' without delay, and by October 2021 in order to allow tits findings to be included into the discharge procedure;

— develop a strong strategy against conflicts of interest of high-level politicians; develop together with the Member States effective legal instruments to avoid fostering oligarch structures drawing on Union cohesion funds;

— inform Parliament on any further developments in the conflict of interest case reported in the DG REGIO Audit Report on Czech Republic;

— draw on the Court's observations on plastic waste for the review of Directive 2008/99/EC particularly with regards to minimum standards and clear definitions of different waste crimes;

— address the problem of the lack of capacity for recycling and incineration as a means to reduce waste crimes, such as waste trafficking by increasing capacity for legal disposal of plastic waste and its economic attractiveness for producers of plastics waste;

— improve the definition of recycling and the requirements for reporting on recycling, particularly for the own resource based on non-recycled plastic packaging waste; asks the Commission to assess the possibility for digitalising the reporting and monitoring of waste flows between operators to increase the ability to detect irregularities and indications for waste trafficking;

— analyse in close cooperation with the responsible national authorities the reasons behind the low absorption of funds available for waste management infrastructure and inform the discharge authority about the findings; inform the discharge authority about how the Commission is assisting Member States in increasing the absorption rate and explore further avenues of assistance;

— inform the discharge authority of any reallocation of cohesion funding from funds intended to support recycling and waste management to other areas as a result of the COVID-19 pandemic;

— prioritise as a matter of urgency the review of Essential Requirements for packaging in order to accelerate the adaptation of plastic packaging design and manufacturing in favour of recyclability and sustainability in time to support the achievement of the 2025 plastic packaging recycling target;

245. Asks the Commission, more generally, to implement as soon as possible all outstanding Court's recommendations, to provide specific implementation reports and, in a longer-term perspective, to take the Court's recommendations into account when implementing actions under the new ESF+ as of 2021.

246. Is astonished that there was no initiation of procedures to reduce the programme allocations through net corrections in 2019, as reported in DG REGIO 2019 AAR; calls on the Commission to systematically impose net financial corrections when the conditions set by Article 145(7) of the Common Provisions Regulation are fulfilled;

247. Invites the Commission to continue providing guidance and support, as well as to identify and share best practice with Member States;

Performance: the European Regional Development Fund (ERDF) and the Cohesion Fund (CF)

248. Recalls that the ERDF and the CF support the EU's economic, social and territorial cohesion policy (EU cohesion policy), which aims to strengthen economic and social cohesion within the EU by reducing gaps in the level of development between different regions;

249. Recalls that the ERDF covers all Member States and focuses on several key priority areas, such as innovation and research, support for small and medium-sized enterprises (SMEs) and the low-carbon economy; notes that in 2019 the Commission allocated 31,1 billion euros of the ERDF budget; recalls that the CF provides support to Member States with a gross national income (GNI) per inhabitant below 90 % of the Union average, the fund mainly finances projects related to trans-European transport networks and the environment, its budgetary allocation for 2019 was EUR 11,5 billion;

250. Notes with concern that years after the launch of the2014-2020 programming period just above one third of the 72 programme indicators for ERDF and CF were on track, even though a number of the targets had been revised downwards; recalls the recommendation to further improve the Key Performance Indicators; notes, however, that limitations in data prevent the auditors from making a comprehensive assessment of performance in this policy field, as it is difficult to assess whether the funds have met, or are likely to meet, the general and specific objectives set, even though the progress of the individual indicators can be assessed against the milestones and targets set; calls on the Commission to develop a consistent assessment framework that is able to assess whether the milestones and targets of ERDF and CF have been met;

251. Is concerned about the problems raised by the Court concerning the lack of internal controls in the Member States or the unreliability of data;

252. Based on the fact that the majority of all found errors were made up by 'Ineligible projects', stresses its serious concern on the trustfulness and the reliability of Commission's reporting on the results achieved since all these and such (yet undiscovered) projects should not in any way 'contribute' to the overall assessment of the broader results achieved with the help of Union's economic, social and territorial cohesion policy; recommends that the Commission reassesses its process of reporting on the actual results achieved;

253. Recognises the importance of digital tools such as Arachne in the fight against corruption and misuse of Union funds; calls on all Member States to implement such tools without any further undue delays; regrets that not all Member States are using the Arachne data mining tool to improve fraud detection; points out that concerning fraud, both the Commission and the Member States are responsible for addressing fraud in Cohesion spending; they need to step up their efforts to prevent and detect fraud, in cooperation with the EPPO and OLAF stresses that on top of the Arachne tool big data and other IT tools should be taken under the Commission's serious consideration not only for investigation but also for monitoring changes in tendencies and prevention of other ways of misuse of Union funds;

254. Notes that both funds are subjects to shared management by the Commission and the Member States, and are implemented through operational programmes (OPs) that are drawn up by Member States and approved by the Commission;

255. Is pleased to see that in its first Annual Report on performance by the end of 2019 the Court gives ERDF programme performance overview as a positive example of clearly formulated conclusions on general objective; encourages DG REGIO to continue to present clear conclusions in the performance sections both for general and specific objectives, and invites other DGs to follow this good example and to improve their conclusions by making them more informative and clearer;

256. Points out that information from output and result indicators is complemented by the results of a number of evaluations and studies analysing the results of the 2007-2013 period and the early stages of programming and implementation of the 2014-2020 cohesion policy programmes; shares the observation of the Court that the delayed timing of these evaluations as designed in the legislation means that lessons learned are too late to have an impact on either the current or subsequent programming periods (the results of the 2014-2020 ex-post evaluations, for example, are expected to be available by the end of 2025 as required by the CPR, but by then the 2021-2027 programming period will be in its fifth year and the Commission is likely to be well-advanced in preparing its legislative proposals for the post-2027 period);

257. Notes with concern that, at the end of the sixth year of implementation, absorption rates for the ERDF and CF are 6,6 % lower than at the same stage in the previous programming period; stresses that this is partially due to the delays at the start of the programming period; notes, however, that the absorption rate of ESI Funds in 2019 was higher than in any other year of the MFF 2014-2020 period. Furthermore, draws attention to the risk that, as the eligibility period draws to an end and given the circumstances of the COVID-19 crisis, Member States may prioritise absorption rates over cohesion objectives, performance and regularity; underlines that a shift from performance to compliance would hinder the cohesion objectives and generate unnecessary spending, therefore calls on the Commission to develop measures to simplify procedures, which under the above-mentioned circumstances would contribute to the responsible and adequate use of funds, and thus to recovery in the Member States, keeping in mind that Member States' objectives for the 2021-2027 programming period need to be far more ambitious, as a response to the economic and social impact of the COVID-19 crisis, with a view to protecting citizens, saving jobs and bolstering the investment climate, involving all levels of government in the development and implementation of the recovery plans;

258. Calls on the Commission to identify the regions that have low funding take-up rates and to help them to improve it through the identification of the rules that can improve the efficiency and effectiveness of the Cohesion Funds;

259. Underlines that in cohesion policy, characterised by large-scale infrastructure projects, there can be a time lag between the start of the programme, its implementation and the realisation of outputs and results; finds it worrisome that progress is also likely to be affected by the relatively low levels of implementation in respect of cohesion policy, compared to the rest of Union budget; notes that these factors, together with the fact that the latest data available (in an implementation period lasting until the end of 2023) relates to the end of 2018, are outlined by the Court as making it harder at this stage to conclude on the achievement of the objectives; calls on the Commission to reduce the time lag between the start of the programme, its implementation and the realisation of outputs and results; notes that the supervision of network completion needs to be strengthened; urges the Commission to set up a group of experts for providing Member States with support in steering such large projects;

260. Is very concerned by media reports on one Member State about ERDF co-financed investments in infrastructure for the purpose of vocational training, where these buildings were repurposed after the minimum required period of three years; regrets allegations of fraud and personal enrichment from this repurposing; regrets that the Commission has not been able to provide additional information to dispel all remaining doubts; welcomes the intention of the Commission to properly follow-up on these allegations; considers the concept of durability as an important safeguard for the effective and efficient use of Union resources under cohesion policy;

261. Considers the legal minimum durability requirement of three to five years too short given the significant amount invested and the longevity of such projects; regrets that the co-legislators did not decide to introduce longer durability requirements during the revision of the [Common Provisions Regulation]; notes that significant differences exist across Member States in the national rules on durability of infrastructure investments and premature repurposing;

262. Is concerned about the lack of control and follow-up of the funding for entrepreneurs; calls on the Commission to develop a detailed strategy for the control of funding; and invites the Commission to assess the results of the projects funded by this financial mechanism; encourages the Commission to publish the results of its evaluation;

263. Takes note of other factors relevant to the Court analysis of performance, which explain the fact that Cohesion policy objectives, such as those relating to employment rates, economic development, and climate and energy, are heavily influenced by a wide range of national and external factors, in Europe and the world as well as that in many Member States, cohesion policy funding typically represents a small proportion of the funds dedicated to these issues, and therefore without a specially tailored national policies and programmes to work hand-in-hand with cohesion policy objectives, can have only a very limited impact on these Member States' progress towards meeting these objectives;

264. Notes furthermore the Court's observation regarding additional factors such as that the Union has at its disposal a range of policy tools for meeting its high-level cohesion policy objectives, of which the ERDF and CF constitute one part, that other funds and legislative initiatives are also designed to address the objectives, which make it often not possible to distinguish the effects of different policy tools on the progress towards meeting targets;

265. Stresses with concern that the Court's analysis based on scarce available data as of the end of 2018 shows that of 72 indicators in total, only one third of the indicators are on track to meet their targets and that about half of the indicators are not on track and that for the remaining indicators it was not possible for the Court to draw conclusions; regrets that of 9 indicators linked to the general objectives, only two are on track, notes, however, that of about one third of the indicators with a mid-term milestone target set for 2018 the Court concludes that 70 % have either been achieved or are likely to be achieved soon;

266. Although the ERDF and CF could still be paid out until 2023, stresses with concern that in total, 40 % of the output indicators are on track, and that for result and impact indicators, this percentage is at low 10 %;

267. Recalls that Europe 2020 is the Union's high level strategy for the period from 2010 to 2020; notes that for the 2014-2020 period, the Commission has defined nine indicators to measure progress towards achieving the objectives of this strategy, in the areas of employment, R&D, climate change and energy, education and poverty and social exclusion; notes that according to the Commission, based on 2018 data, employment and education targets are likely to be achieved, while progress against the targets for R&D, and poverty and social inclusion lag behind and are unlikely to be achieved;

268. Stresses with great concern that of all 10 indicators from the programme statements linked to the objective of supporting the shift towards a low-carbon economy in all sectors, only 1 – 'Number of households with improved energy consumption classification indicator' – is on track; demands that the Commission, also in the light of the Green Deal targets, makes improvements linked to this objective an absolute priority;

269. Highlights the fact that in response to the COVID outbreak, the Union introduced measures increasing the Member States' flexibility in using the European Structural and Investments Funds funding (for instance, the requirement to devote a fixed proportion of ESI funding to key themes was waived, however, the flexibility offered in the proposal may affect the Union's capacity to achieve the objectives originally set in the operational programmes);

270. Acknowledges that the COVID-19 crisis has provided a new and unexpected challenge to which the Union and its Member States need to respond determinedly and provide solutions at the Union and national level;

271. Welcomes the increasing financial flexibility in cohesion spending which enables Member States to use the funds to finance crisis-related projects; underlines the necessity of fostering the continuity and deeper cooperation of all stakeholders relevant to cohesion policy, mainly SMEs, municipalities and regions, which will struggle with unemployment and healthcare in the coming months

272. Highlights the challenges that patients in the Union face in benefiting from the Directive on cross-border healthcare, as identified in the Court's Special Report No 7/2019, particularly with regard to potential patients' awareness of their rights, problems and delays in exchanging patient health data electronically between Member States and access to healthcare for patients with rare diseases;

273. Is concerned by the Court's opinion that there are strong indications that the Union will not meet the 2030 climate and energy targets; notes that according to the Commission, there was only limited progress in the reduction of the negative environmental impacts stemming from the use of natural resources; highlights the Court observation that half of the Member States were at risk of not generating enough electricity from renewable energy to meet their 2020 targets; notes that in the Court's landscape review of Union action on energy and climate change, the Court reported that the reduction in greenhouse gas emissions projected by Member States falls short of the 40 % target for 2030; calls on the Commission to re-evaluate the results due to the impact of covid-19 pandemic and the Green Deal package;

274. Is concerned that only half of the 16 indicators linked to the objective of 'Promoting sustainable transport and removing bottlenecks in key network infrastructures' are on track to meet their targets; regrets that Member States have reduced most targets for 2023 in the latest report, approved by the Commission, in some cases by considerable amounts (for example, the combined ERDF and CF target value for the indicator 'Total length of new railway line' was reduced from 947 km to 579 km (39 %) and the combined ERDF and CF target value for the indicator 'Total length of new or improved tram and metro lines' was reduced from 680 km to 441 km (35 %));

275. Reiterates Parliament's request for the creation of a new budgetary line for Tourism, to support this sector severely hit by the Covid-19 crisis; welcomes that the Court has launched an audit to assess tourism projects co-funded with EUR 6,4 billion in2007-2013 and EUR 4 billion so far in 2014-2020 ERDF and CF money, which will help improving Union Tourism policies;

276. Notes that by the sixth year of the current programming period 2014-2020 only around 31 % of the funds initially awarded had resulted in payments by January 2020, calling into question the full implementation of CEF; calls on Member States to significantly speed up investments and on the Commission to step up its monitoring in view of the urgent need for infrastructure investment for the speedy recovery from the Covid-19 related economic downturn;

277. Stresses once again that in this policy area all indicators are measuring output (they mainly provide data about the programme's implementation in terms of infrastructure built) instead of outcomes of projects achieved; urges the Commission to plan the policy so as to allow for a proper on-going and mid-term assessments of results and broader impacts achieved;

278. Recalls that the Court, in its 2019 audit, pointed out in particular the underuse of the CF to finance new railway lines; underlines the great importance of investing in sustainable transport networks and calls on the under-performing Member States to step up their efforts in this regard;

279. Underlines that in the recent Court audit on transport flagship infrastructures (TFI) ([9]) it is stated that it is unlikely that the Union core transport network will reach its full capacity by 2030, furthermore, in the landscape review the Court indicated that since the scale of Union funding is limited compared to the overall needs, it is necessary to focus on priorities with the highest Union added value;

280. Calls on the Commission to further develop its mechanism and tools enabling awareness and information to citizens and stakeholders on the tourism and transport projects it funds under the ERDF and CF;

281. Is of the opinion that, as stated in the Court's audit on TFIs, the traffic forecasts need improvement and better coordination; points out the traffic forecasts should take into account sound economic assessments, as well as cost-benefit analyses and be periodically revised to take into account possible delays; stresses that poor planning should be avoided, especially in the field of climate change and that an improvement is needed in the planning process of the Commission, particularly in the implementation of requirements in the field of environmental protection and use of resources;

282. Deplores the fact that the Commission in its legislative proposal for the ESIF for 2021-2027 removes all the appraisal requirements specific to major projects, including the cost-benefit analysis requirement. While this is recognised as bringing a reduction in the general administrative burden, this is outweighed by the increased risk that the co-financed investments will not offer the best value for money; calls strongly on the Commission to re-evaluate its proposal;

([9]) Court's Special Report No 10/2020 EU transport flagship infrastructures: no timely completion of the transport network.

283. Welcomes the fact that the European Accessibility Act (EAA) has been finally adopted in 2019, highlights its importance as the first legislation on this matter in the Union, asks the Commission to closely monitor Member States' progress in adopting and publishing all necessary laws, regulations and administrative processes to comply with the EAA by the 28 June 2022,

284. Finds the fact that only 3 out of 9 indicators (33 %) from the programme statements linked to the ERDF specific objective –'Enhancing the competitiveness of SMEs' are on track to meet their targets represents an underperformance; highlights that these three indicators are output-related, measuring the number of businesses supported by the ERDF, meanwhile other indicators, such as those measuring whether the private investment matches public support to businesses, and the employment increase in supported businesses are not on track; urges the Commission to plan the policy so as to allow for proper on-going and mid-term assessments of results and broader impacts achieved, including assessing the impact of policies to combat long-term unemployment;

285. Notes that ERDF funding was used together with national sources of SME support, either by complementing existing national measures or by filling gaps in the support system, however, it ([10]) found that synergies between ERDF and ESF support were generally low, despite the importance of safeguarding employment;

286. Takes into account that in the context of the Court's Statement of Assurance audit for the year 2019, only 11 out of 121 ERDF and CF co-financed projects lead by 12 Member States had been completed; notes that 7 projects had fully, and 2 projects partially, met their objectives, while the other two projects did not meet them;

287. Notes with concern the lack of clear information on the final beneficiaries of the cohesion funds and calls on the Commission to ensure that all necessary information on its financing is gathered, and that this should not be confined to the financial intermediaries but should especially focus on the final beneficiaries;

288. Stresses the great potential of public registers of final beneficial owners introduced with the fifth Anti-Money Laundering Directive in the fight against corruption, misuse of Union funds and conflict of interest; calls on the Commission to ensure the data on beneficial ownership of companies is set up and made available to the public;

289. Welcomes the fact that in the framework of the preventive measures applied by the Commission, DG EMPL continues to apply a strict policy of interruption and suspension of payments to preserve the Union's financial interests; in this context, notes that for the ESF / YEI and the FEAD, 12 interruption decisions and one suspension decision were adopted in 2019, and that, in addition, 16 warning letters and five pre-suspension letters were sent to the Member States concerned;

290. Is deeply concerned by discriminatory measures taken since 2019 by various Polish local governments who adopted so-called 'LGBTI-free zone' resolutions or 'Regional Charters of Family Rights' discriminating in particular against single-parent and LGBTI families; notes that these authorities receive and have influence on the management of ESI-funds; Insists on the fact that, in line with Regulation (EU) No 1303/2013, the use of Union funds must comply with the principle of non-discrimination; believes that there is a serious risk of breach of these provisions in the above-mentioned municipalities and regions; calls on the Commission to ensure that cohesion funds are disbursed in compliance with the fundamental rights enshrined in the Treaties and Charter of Fundamental Rights of the European Union, as well as the Common Provisions Regulation concerning ESI-funds; calls on the Commission to carry an investigation on the compliance of ESIF in these regions with Union law, in particular the anti-discrimination provisions, to report to the discharge authority the findings of this investigation and to make use of every tool at its disposal, including financial corrections, in case it finds clear evidence of misuse of funds on those grounds;

Performance: European Social Fund (ESF) and Youth Employment Initiative (YEI)

291. Takes note of the Commission's conclusion that with regard to the performance of the Union budget, most programmes are progressing towards the targets set at the beginning of the programming period, and despite the delays in the starting up the 2014-2020 cohesion programmes, progress is now accelerating; notes however that the Commission is able to define definite conclusions on performance only on the basis of detailed evaluations after closure of the current programmes;

([10]) European Commission, Ex-post evaluation of 2007-2014, Support to SMEs – Increasing Research and Innovation in SMEs and SME Development, February 2016.

292. Recalls the vital importance of the European Social Fund (ESF) and the essential role of the Youth Employment Initiative (YEI) in encouraging a high level of employment, the creation of quality jobs, education and training and the fight against poverty and social exclusion; highlights the need to provide ESF and YEI the continued financial and political support of the Union, national and regional institutions in the delivery of their targets in the years to come; takes note that for the ESF, representing 94,7 % of DG EMPL's 2019 budget, the major inherent risk relates to the complexity of the operations and activities financed, the typology and variety of recipients, and the high number of annual interventions;

293. Notes that the Court has not selected ESF and FEAD to be covered by its first annual report on performance of the Union budget at the end of 2019;

294. Welcomes the findings within the Commission Evaluation (February 2021) of the 2014-2018 ESF support to employment and labour mobility, social inclusion and education and training; notes with satisfaction that for the period 2014-2018, approximately 23 million persons participated in ESF actions and that 52 % of participants were women; notes furthermore that of those participating, nearly 3,2 million persons have already found employment and 3,9 million successfully gained a qualification;

295. Notes that by 2018 EUR 10,4 billion had been spent - from both the ESF and the YEI, that 3,8 million people under age of 30 participated in youth-employment support projects and that 1,4 million people entered employment immediately after participation;

296. Notes furthermore that by the end of 2018, EUR 33,8 billion from the ESF have been invested for social inclusion and nearly 6,2 million persons had participated in social-inclusion actions, and that out of them nearly 700 000 individuals have found employment, with nearly 400 000 achieving a qualification;

297. Expresses satisfaction that the introduction of simplified cost options under the ESF has reduced the administrative burden and facilitated implementation for both programme authorities and beneficiaries;

298. Notes that EaSI financed 44 projects through five calls for proposals for EUR 29,3 million under its 2019 work programme; takes note of the fact that in October 2019, DG EMPL signed the first share subscription in the EaSI Funded Instrument, representing a EUR 200 million loan fund to support lending to micro-enterprises and social enterprises;

299. Stresses a need to further increase resources in European Social Fund Plus (EFS+) to allow inclusion in the labour market and adapted training, as the COVID-19 crisis affected women's employment disproportionally, in particular women working in the informal economy and in precarious working conditions, and in some heavily impacted and highly feminised sectors.

300. Notes that, on average, more than one out of five persons and one out of four children are still at risk of poverty or social exclusion in the Union; recalls the Union commitment to provide support for the most deprived through FEAD, alleviating the worst forms of poverty in the Union, such as food deprivation, homelessness, and child poverty; notes that about 13 million people, including approximately 4 million children under the age of 15, are supported by FEAD annually;

Recommendations

301. Calls on the Commission to:

— follow up on allegation of alleged fraud regarding the repurposing of vocational training centres; analyse whether similar problems exist in other Member States regarding the repurposing of Union-co-financed infrastructure projects;

— promptly inform the discharge authority about its findings and potential further action following this analysis;

— conduct a thorough analysis on the different national rules on durability of infrastructure investments and premature repurposing and share this analysis with the discharge authority;

— encourage Member States to create national legislation on adequate durability periods beyond the minimum requirements as already existing in a lot of Member States;

— ensure that the sustainability of investments is guaranteed for a longer period;

Natural resources

302. Notes that payments for 'Natural resources' amounted to EUR 59,5 billion and were disbursed through the following programmes and policies:

— Direct payments under European Agricultural Guarantee Fund (EAGF), up to 69,5 % or EUR 41,4 billion;

— Market related expenditure under European Agricultural Guarantee Fund (EAGF), up to 4,0 % or EUR 2,4 billion;

— European Agricultural Fund for Rural Development (EAFRD), up to 23,9 % or EUR 14,2 billion;

— European Maritime and Fisheries Fund (EMFF), up to 1,4 % or EUR 0,8 billion;

— Other programmes, up to 1,2 % or EUR 0,7 billion;

303. Takes into account the existence of two main sets of indicators intended to monitor the performance of the CAP, both based primarily on Member States' reporting and data collected by Eurostat:

— the 'Common monitoring and evaluation framework' (CMEF) contains 210 indicators: 45 context indicators, 84 output indicators, 41 result indicators, 24 target indicators, and 16 impact indicators;

— the CAP programme statements contain 63 indicators, mostly drawn from the CMEF: 6 are intended to measure impacts related to the three general objectives, the rest are output/input, result and impact indicators relating to the specific objectives;

304. Welcomes the Court's finding that EAGF direct payments, representing 70 % of spending under natural resources, continues to be free of material error and the estimated level of error for all the chapter is below the materiality threshold, which demonstrates that the effectiveness of the remedial action plans that Member States have implemented in previous years;

305. Notes that for both CAP funds, the continuous decrease in error-rates is due to the efficient management and control systems applied, in particular the Integrated Administration and Control System (IACS);

306. Is satisfied that the level of expenditure on direct payments, compared to the net ceilings laid down in Regulation (EU) No 1307/2013, have reached 99 % since 2017; notes that, for the EAFRD, execution had reached a satisfactory rate at an average of 50 % of the total envelope by the end of 2019; asks the Commission to publish the expenditure on direct payments and the level of drawing from the EAFRD per Member State;

307. Stresses that misallocations of CAP funds, particularly direct payments, lead to undesirable distributive effects, such as the concentration of subsidies in the hands of few, a capitalisation on the price of farmland and rent-seeking behaviour by financial 'green investors' that see direct payments as attractive dividends on agricultural land thereby driving up the price of land to the detriment of small and medium-sized active farmers; regrets that the current CAP rules allow such legal but undesirable distributions and underlines the urgent need for effective and enforceable caps defined for natural persons that would limit these undesirable effects for the CAP 2021-2027; calls on the Commission and the Member States to support the respective proposals made by Parliament;

308. Stresses the need to eliminate undue administrative burdens, in particular in the context of the next MFF, that hinder the implementation of investments through the CAP, and the need to simplify to the extent possible the obligations resulting from the new green architecture;

309. Stresses that the current CAP controls and audit system have proven very efficient in ensuring the protection of the Union's financial interests, regulatory stability and equal treatment among farmers and other beneficiaries; highlights that the proper implementation of the CAP interventions is strictly related to the beneficiaries' compliance with the commitments set out at Union level;

310. Is concerned that the increased flexibility proposed under the new delivery model and to be granted to Member States in designing their own national control system and rules could lead to divergence of national practices and aggravate misuse and abuse of Union funds, and urges therefore the Commission to avoid 'renationalisation' of the CAP; is also strongly concerned that this new delivery model may not contribute in terms of either simplification or performance of the CAP, and could put at risk the equal treatment of farmers and Member States; considers, moreover, that it could lead to additional complexity and increased reductions of payments related to inadequate budgetary planning and further administrative burden, thus putting at risk the financial credibility of the CAP; believes, therefore, that sufficient safeguards should be introduced to ensure the robustness of the CAP delivery model in terms of financial management;

311. Is concerned, at the same time, that the new requirements for sustainable farming, in particular with regard to the 2030 climate and environmental objectives, together with the reduction in the overall CAP budget for 2021-2027, may hamper the implementation of the budget under the EAFRD, especially in the early period of its implementation, and risk damaging the profitability for small farms in particular; stresses that the introduction of new CAP requirements must be accompanied by adequate funding at Union level;

312. Points out that the agricultural sector was particularly affected by the COVID-19 outbreak last year, increasing the risk of instability in farmers' basic income; therefore, in the years ahead, considers that particular emphasis should be placed under the new CAP delivery model on ensuring the regularity of payments to final beneficiaries of the CAP;

313. Warns that public CAP spending risks being misperceived by the European taxpayer if the same environmental and food safety laws in force in the Union do not apply to products imported from third countries; calls on the Commission to review the operation of safeguard clauses in trade agreements to facilitate and extend their application beyond temporary market situations;

314. Calls on the Commission to continue to closely monitor ongoing and future trade agreements with third countries with respect to food safety and environmental and animal welfare standards; urges the Commission to make sure that there is a strong sustainability chapter in all trade agreements and that trade partners comply fully with requirements provided for therein; notes the need for a level playing field also in terms of environmental standards and animal welfare, and calls on the Commission to further develop legislation on due diligence in the supply chain to ensure that standards in Union agriculture are not undermined or compromised;

315. Reiterates its strong concern that the reservation on reputational, legal, financial and institutional grounds related to significant security risks identified in the maintenance and the operation of the Union Registry system of the EU Emissions Trading System, as reported in AARs since 2010 and as confirmed by the latest risk assessment exercise, is repeated in DG Climate Action's 2019 AAR; deplores the abnormal duration of this reservation; calls on the Commission to resolve the situation quickly;

316. Stresses that DG Climate Action and DG Budget monitor the 20 % climate mainstreaming target in the MFF, and that DG Climate Action supports other DGs in integrating climate in their activities; welcomes that 20,9 % of the 2019 Union budget was spent on climate-related activities, but regrets that it was still estimated that the trend would deliver only 19,7 % for the current MFF period;

317. Notes that, in 2019, DG Health and Food Safety's budget in its policy areas amounted to EUR 502,85 million and it had 772 members of staff; points out that the implementation rates of commitments and payments reached 95,85 % and 94,63 %, respectively;

Court findings

318. Recalls that the Common Agricultural Policy (CAP) accounts for 98 % of expenditure on 'natural resources'; notes that the level of error is below materiality for 'natural resources', taking into consideration the Court's estimated level of error (1,9 %); notes that direct payments, representing 70 % of 'natural resources' expenditure, were significantly below the materiality threshold;

319. Notes the positive evolution for the policy area 'natural resources', which continues its downward trend with a further decrease of the overall level of error established by the Court to an estimated level of error of 1,9 %, below the materiality threshold; welcomes the fact that the error rate established by the Court tallies very closely with the overall error rate for the CAP given in DG AGRI's 2019 annual activity report;

320. Notes that of the 251 transactions examined by the Court, 44 (18 %) contained errors while 207 (82 %) were error-free; notes the fact that, as in previous years, 70 % of errors were made up by 'Ineligible beneficiary/activity/project/expenditure';

321. Notes that of the 136 rural development transactions, 114 were unaffected by error, 5 error cases had an impact exceeding 20 % and 15 transactions contained errors below 20 % of the amount examined, 2 payments had compliance issues without financial impact;

322. Notes that of 68 payments to investment projects, such as modernisation of farms, support for basic services and village renewal in rural areas, investments in forest management, and support for community-led local development, 9 were affected by errors, including 2 cases where the beneficiary and/or the project had not met the eligibility conditions;

323. Notes that of 68 rural development payments based on the area or animal numbers declared by farmers, and on requirements to comply with environmental and climate-related criteria, 8 transactions were affected by small errors below 5 % of the amount examined, 1 case of error affecting between 5 % and 20 % of the amount examined, in 2 other cases the beneficiaries breached environmental and climate-related eligibility conditions, leading to errors exceeding 20 % of the amount examined in both cases;

324. Observes that high-risk expenditure mainly concerned reimbursement-based payments, for instance in the fields of cohesion and rural development, where Union spending is managed by Member States; understands that high-risk expenditure is often subject to complex rules and eligibility criteria;

325. Notes with great concern that of 14 transactions concerning market measures, in 5 cases (36 %) paying agencies had reimbursed ineligible costs, including 3 cases of non-compliance with the eligibility rules leading to errors exceeding 20 % of the amount examined;

326. Notes with great concern that of 6 transactions concerning fisheries, the environment and climate action, 2 projects (33 %) had ineligible elements in the costs reimbursed;

327. Considers transparency as an essential element for retaining or gaining citizens'/taxpayers' trust and also the reputation of the CAP; notes the worrying conclusions of the Court, Ombudsman and numerous calls for improvements by the discharge authority on corruption and non-transparency; notes the limited progress made by the Commission; stresses that the Arachne data mining tool goes some way but not all the way to resolving these problems and should be further developed by adding other digital tools to help the Commission carry out efficient controls; supports the Court recommendation to share best practice in the use of Arachne to further encourage its use by paying agencies; deeply regrets that the Arachne system is not used by all states and hopes that initiatives will be taken in this direction. Stresses the Commission to use Arachne as a common data base and to promote strongly its use by all the Member states;

328. Welcomes the Court's finding in Special Report No 18/2019 ([11]) that the reporting of Union greenhouse gas emissions data is in line with international requirements and that inventories of emissions have improved over time; emphasises that better insight is needed into sectors such as agriculture and forestry; calls on the Commission to take account of suggested further improvements in reporting how Union and national mitigation policies contribute to meeting emission reduction targets;

329. Notes that, in its 2019 AAR, DG Health and Food Safety presented an average residual error rate of 0,4 %, which is well below the materiality threshold of 2 %;

330. Notes that the share of payments related to grant management made on time by DG Health and Food Safety recovered to 92 % in 2019 (83 % in 2018) although it remains below the 95 % target;

331. Points to the challenges that DG Health and Food Safety's AAR again identified in the implementation of the Common Financial Framework in the Food Chain Area; notes that the lack of a crisis reserve facility means that emergency situations require re-allocations of funds from other important activities while there is no established method of valuation for animals, plants and products which need to be slaughtered or destroyed in the course of disease containment measures;

Regularity of CAP spending

332. Notes the Court's opinion that the 2015 expansion of certification bodies' role to provide an opinion on the regularity of expenditure was a positive development, as well as the Court's recognition that it identified some areas in which there is scope for further improvement, similar in type to those identified by the Commission; calls on the Commission to take the necessary measures in order to overcome the limitations in the reliability of the results of the certification bodies' work, due to weaknesses identified by the Commission and the Court in some certification bodies' checks and sampling methodologies;

([11]) Special Report No 18/2019 'EU greenhouse gas emissions: Well reported, but better insight needed into future reductions' OJ C 400, 26.11.2019, p. 16.

333. Regrets that the Court cannot include in its work an analysis for the reasons for these persisting weaknesses it identified in the Member States; welcomes that the Commission visited all certification bodies to review their work on legality and irregularity and to assist them to improve their work by the end of 2019, but regrets that the Commission could not contribute either meaningful insights on the reasons or any country-specific differences between Member States' certification bodies; regrets that this lack of information on the underlying reasons for these persisting, systemic weaknesses in certain certification bodies hinders the efficient and effective addressing and solving of these problems; calls on the Commission to analyse the main sources of undetected errors and develop the necessary measures together with audit authorities to improve the reliability of reported residual rates, particularly in view of the CAP new delivery model, in which certification bodies will play a more prominent role, calls on Commission to focus more on the reliability of the results they furnish;

334. Points out that DG AGRI estimated the risk at payment to be around 1,9 % for CAP spending as a whole in 2019, the risk at payment being around 1,6 % for direct payments, 2,7 % for rural development and 2,8 % for market measures;

335. Notes that in 2019, DG Environment's budget reached EUR 505,58 million and had 476 members of staff; points out that the implementation rates of commitment and payment appropriations were both above 99 % at year-end;

336. Welcomes the reduced share of payments executed by DG Environment that exceeded legal deadlines in 2019 (3,23 % compared to 8,20 % in 2018);

337. Notes that DG Environment's 2019 AAR shows an average residual error rate of 0,80 %, which is below the materiality threshold of 2 %;

338. Notes that in 2019, DG Climate Action managed EUR 140,3 million under the title 'Climate action' of the Union budget, and had around 225 members of staff; points out that the implementation rates of commitments and payments reached 99,98 % and 96,41 %, respectively;

339. Notes that 1,59 % of all DG Climate Action's payments in 2019 were made on a date later than the legal deadlines;

Anti-fraud policies and procedures in the CAP

340. Underlines that fraud is an act or omission committed with an intention to mislead, resulting in undue payments;

341. Takes note of the Court methodology to verify if the transactions audited are free from material irregularity, whether due to fraud or unintentional error, recalling that every year it identifies suspected fraud cases in CAP spending, with the risk that fraud has a material impact being greater for market-support payments, rural-development investments and other payments, which are generally subject to reimbursement-based co-financing;

342. Recalls that as the CAP is under shared management, both the Commission and the Member States are responsible for addressing fraud issues; on the Commission side, takes note that DG AGRI provides training and guidance on fraud risks for Member State management and control bodies, while OLAF investigates suspected fraud cases in cooperation with national investigative bodies;

343. Takes note of the fact that DG AGRI adopted its updated Anti-fraud Strategy on 20 October 2020;

Fair CAP allocation

344. Insists that larger farm incomes do not necessarily need the same degree of support for stabilising farm incomes as smaller farms in times of crisis in income volatility since they may benefit from potential economies of scale, which are likely to be resilient; believes that the Commission should take steps to ensure that CAP funds are distributed in a weighted manner, such that the payments per hectare are on a reducing scale relative to the size of the holding/farm ([12]);

([12]) Paragraph 258 of the discharge resolution in respect of the implementation of the general budget of the European Union for the financial year 2018, Section III – Commission and executive agencies

345. Urges the Commission to ensure that the CAP is fairly allocated to active farmers and does not result in land deals that benefit a select group of political insiders often called 'the oligarchs'; calls on the Commission to take stock of breaches, circumventions and unintended consequences of the CAP current allocation rules; notes the importance of a transparent and strong governance system and further calls on the Commission to increase efforts to prevent and detect fraud ([13]);

Conflicts of interest, land-grabbing and concentration of land

346. Notes with concern the Commission's data for the distribution of direct payments by payments class in 2019 demonstrating that the biggest share of the direct payment envelope (58 %) goes to 15 % of all beneficiaries, while most beneficiaries (75 %) account for an even smaller share of the direct payments (15 %) than the 0,5 % of all beneficiaries who receive more than EUR 100 000, which corresponds to 16,3 % of the total direct payment envelope;

347. Is deeply concerned that CAP subsidies incentivise agricultural holdings, investors, hedge funds, foundations and very rich individuals to amass land, leading to a further increase in the concentration of landownership; notes with great concern that this drives up the price of farmland making it increasingly difficult for small and medium-sized farmers to acquire land; reiterates emphatically that agricultural subsidies are not intended to be safe returns for green investments;

348. Reiterates its call for the introduction of maximum amounts of payments that one natural person can receive from the first and second pillar of the CAP; is of the opinion that maximum amounts that are defined for natural persons are much harder to circumvent than caps for legal persons; recalls that beneficiaries can artificially split up their companies or create additional companies that all can receive the maximum amount of funding, thereby circumventing a cap defined per legal person; welcomes the intentions of the proposal to count all companies belonging to the same group as one beneficiary, but is of the opinion that this is insufficient: opaque and highly complex company structures often involving entities in several Member States and/or third countries make it very difficult to ensure that all companies belonging to the same group are identified as such and in fact treated as one beneficiary;

349. Repeats its concern that CAP subsidies continue to incentivise land-grabbing by criminal and oligarchic structures; reiterates its urgent call on the Commission to establish a complaint mechanism for farmers and SMEs faced with land-grabbing, severe misconduct by national authorities, irregular or biased treatment in tenders or the distribution of subsidies, pressure or intimidation from criminal structures, organised crime or oligarchic structures, persons being subject to forced or slave labour or another severe infringement of their fundamental rights to lodge a complaint directly with the Commission; welcomes that such a complaint mechanism has been proposed for the new CAP regulation;

350. Notes that DG AGRI audits in 2017 and 2019 detected weaknesses in the functioning of the Land Parcel Identification System, the Geospacial Aid Application, the quality of the on-the-spot-checks, as well as excessive delays in the processing of payments, in particular for overlapping claims; welcomes that the Commission has interrupted payments and put the paying agency under probation; notes that the deficiencies in the management and control systems of the paying agency are being addressed in an action plan requested by DG AGRI and reinforced in 2019; notes that the amount at risk is EUR 3,271 mio. for direct payments and EUR 21,596 mio. for rural development and that the conformity clearance procedure is ongoing;

351. Is deeply concerned by the recent report published by the Slovak Supreme Control Office regarding the work of the Slovak Agricultural Paying Agency, which concluded the lack of transparency in the management of the direct subsidies as well as of the systematic control of applicants and recipients of subsidies ([14]); is concerned by the limitations in the reliability of the results of the certification bodies' work, due to weaknesses identified by the Court in some certification bodies' checks and sampling methodologies;

352. Notes that OLAF closed three administrative investigations in 2020 on possible misuse of Union funds for agriculture in Slovakia concerning direct payment applications made between 2013 and 2019; regrets that a company was found to intentionally claim Union payments on ineligible land, which was mainly used for non-agricultural activity; finds it alarming that OLAF also identified that certain areas that had been claimed for years by some companies were in fact not covered by legally valid lease contracts;

([13]) Paragraph 260 of the discharge resolution in respect of the implementation of the general budget of the European Union for the financial year 2018, Section III – Commission and executive agencies

([14]) https://www.nku.gov.sk/web/sao/news/-/asset_publisher/FaxZbYV7Oqlp/content/direct-aid-in-agriculture-without-targeted-control-with-holes-in-legislation.

353. Notes further that OLAF's investigations uncovered several weaknesses in the control and management system for direct payments in Slovakia; regrets that there are only very limited controls on whether the disposal of land by applicants is lawful and that verification checks are limited to overlapping claims; notes OLAF's finding that the internal verification procedures adopted by the Slovak national authority in charge of the management of agricultural land under State ownership or land without a known private owner should be improved as regards its transparency and legal certainty; notes that as a result of the shortcomings in the verification processes, OLAF considers that overpayments could amount to more than one million euros;

354. Remains deeply worried by reports about agricultural funds ending up in the pockets of autocrat leaders and their cronies; reiterates that this is a severe injustice towards EU tax payers and particularly towards small farmers and rural communities; stresses that the eradication of corruption and fraud should be part and parcel of the CAP;

355. Underlines that given the widespread problems of conflicts of interest in the distribution of Union agricultural funds, it is undesirable that members of the European Council, agricultural ministers, functionaries, or their family should be taking decisions on income support;

356. Is astonished by the Commission's evaluation that the Czech agricultural minister is not in a conflict of interest situation despite receiving substantial amounts of CAP subsidies while being in charge of the programming of agricultural programmes under the CAP; criticises the seemingly different interpretation and application of Article 61 of the Financial Regulation; calls on the Commission to provide a comprehensive report laying open whether there are any ongoing audits against any members of government in any Member State, and provide an overview over which members of governments in all Member States receive subsidies from the CAP and/or cohesion funds;

357. Points to a recent study offered to the discharge authority on the identification of the direct and ultimate beneficiaries of CAP spending ([15]); reiterates the study's finding that a comprehensive and accessible overview of these beneficiaries remains impossible to provide; therefore asks the Commission in cooperation with national agencies to come up with a standardized and publicly accessible format to disclose the end beneficiaries of the CAP;

358. Urges the Commission to cooperate with Member States in order to adjust the conditions set by the national authorities for receiving subsidies for larger projects, as currently most of CAP funding benefits large companies; calls on the Commission to issue recommendations and align these conditions so that they are better harmonized across the EU, while respecting national specificities;

359. Calls on the Commission to report to Parliament the results of the DG AGRI Audit procedure on the case of conflicts of interest in the Czech Republic; requests that particular attention is put on payments made to companies directly and indirectly owned by the Czech Prime Minister or other Members of the Czech Government;

360. Notes, that as regards market measures, 6 Paying Agencies have been classified as providing 'limited assurance with high risk': Bulgaria, Spain, UK, Greece, Italy (for 2 aid schemes) and Portugal. The highest adjusted error rate was found in Bulgaria (11,52 %), followed by Poland (7,15 %) and Italy (6,12 %). DG AGRI has issued 7 reservations at measure level: Fruit and Vegetables: Operational programmes for producer organisations (the United Kingdom, Italy and Portugal), Olive oil (Greece), Wine sector (Bulgaria, Italy), EU School Scheme (Spain). Is especially concerned about the wine sector, where the adjusted error rates in Bulgaria (15,7 %) and Italy (9,6 %) are very high, with amounts at risk of more than EUR 30 million in Italy and EUR 2,3 million in Bulgaria.

361. Notes, that as regards direct payments, 18 Paying Agencies had an error rate between 2 % and 5 %, and one above 5 % (5,2 in Austria). DG AGRI has issued 17 reservations at Paying Agency level for Austria, Cyprus, Denmark, Spain (3 Paying Agencies), Greece, Italy (7 Paying Agencies), Portugal, Romania and Sweden;

362. The reservations can be grouped in the following categories: due to weaknesses in relation to payment entitlements (AT, DK, IT, PT, SE), due to weakness in animal-based voluntary support measures (AT, GR, RO), due to high reported error-rate (CY), based on the Certification Body assessment (ES06), due to weaknesses in the quality of on-the-spot checks (ES09, ES15, GR, PT, SE), weaknesses in the Land Parcel Identification System (LPIS) (IT) and due to weaknesses in the definition of land type (RO, SE);

363. The reductions made in 2019 concerned 17 Member States and a total amount of EUR 67 764 269,48 of which 36 million fell on Italy, 15 million on the UK and 8 million on Spain;

([15]) https://www.europarl.europa.eu/meetdocs/2014_2019/plmrep/COMMITTEES/CONT/DV/2021/01-25/Study_Largest50Beneficiaries_EN.pdf

364. Notes, that as regards rural development, 30 out of 71 Paying Agencies have an adjusted error rate above 2 % (of which 8 were above 5 %: Cyprus, Germany (one Paying Agency), Estonia, Spain (one Paying Agency), France (one Paying Agency), United Kingdom (one Paying Agency), Portugal, Slovakia. DG AGRI has issued 21 reservations at Paying Agency level: Austria, Cyprus, Germany (one Paying Agency), Denmark, Estonia, Spain (two Paying Agencies), Finland, France (two Paying Agencies), United Kingdom (one Paying Agency), Croatia, Hungary, Ireland, Italy (two Paying Agencies), Lithuania, Portugal, Romania, Sweden and Slovakia. The highest adjusted error rates were found in Slovakia (10,31 %), followed by 7,63 % in Cyprus and 5,94 % in Poland;

365. The reservations can be grouped in the following categories: due to deficiencies in organic farming measure (AT, HU); under afforestation (ES02, PT); and for Leader and private investment non- Integrated Administrative and Control System (non-IACS) measure (DE19), due to deficiencies in checks for the on the spot controls (CY, DK, FR18, FR19,IT10, SK); cost reasonableness (ES09, FR19); in cross-checks (ES09, SK); ineligibility (ES09, CY, RO, SK) and active farmer (GB07), due to weaknesses in supervision procedures for some measures (IT10); and in recording of the maximum eligible area (MEA) in the Land Parcel Identification System (LPIS) for Integrated Administrative and Control System (IACS) measures (IT10, IT26), due to deficiencies in investment measure (HR); private investments (LT); forestry, agri-environmental commitments, setting up of producer groups and risk management measures (HU); due to deficiencies in public procurement procedures (HU, RO, SK), due to high reported error rates (CY, DK, EE, ES02, ES09, FR18, FR19 HR, IE, LT, PT), based on the Certification Body assessment (FI, GB07, HR, IT26, SE);

Recommendations

366. Calls on the Commission to:

— conduct a thorough analysis of the underlying reasons and potential structural problems causing the persisting systemic weaknesses in the reliability and quality of the work by the certifying bodies detected by the Court in its audits every year and pay special attention to any potential country-specific differences; asks the Commission to also include observations on best practice in national authorities with low levels of errors and whose work is deemed reliable by the Court; asks the Commission to conduct this analysis in close cooperation with the Court and actively involve national authorities both regarding the problem description and potential solutions;

— share the results of this analysis with the Court, the discharge authority and Member States;

— based on this analysis, address clear, practical and readily implementable horizontal as well as country-specific recommendations to the national authorities; asks the Commission to establish a structured dialogue with the national authorities and the Court to continuously work on capacity building and exchange of best practice to improve the reliability of national audit authorities' work; keep the discharge authority informed about the progress of this dialogue;

— further improve the quality and enlarge the scope of auditing and controls of regularity and achieved results of the EU agricultural policy both on the national and European level as a key condition for the protection of EU financial interests;

CAP Performance

367. Considers that, in view of the lack of specific CAP instruments to balance the functioning of the food supply chain, the pressing priority is to continue legislating so that farmers are no longer the weakest link in the chain;

368. Stresses that investments contributing to a resilient, sustainable and digital economic recovery in line with the agri-environment-climate objectives pursued under the European Green Deal are fundamental for the social and economic development of rural areas;

369. Emphasises the role of basic income support in the CAP and its contribution to the maintenance of agricultural and livestock activity, curbing the rural exodus and promoting a vibrant and dynamic rural environment;

370. Highlights that CAP support to young farmers has proven to be an essential tool, and should be further strengthened; believes that digitalisation and innovation, and investments to develop short supply chains and direct sales to consumers, could be decisive instruments for the revitalisation of rural areas making them more attractive to young farmers; considers that sufficient and accessible support, along with simplification for final beneficiaries, in particular for young, new and small farmers, should be a priority for Member States when carrying out their strategic planning; stresses the need to introduce procedures, at the implementation stage of the national strategic plans, that are tailored to specific needs;

371. Highlights how well voluntary coupled payments generally work to support sectors at serious risk of abandonment;

372. Points out that promotional funds are essential for opening and consolidating new markets; calls on the Commission to ensure that the ecological model is promoted in the same way as other equally sustainable models, such as integrated production or precision farming;

373. Notes that a greener CAP, in line with the Paris Agreement and the European Green Deal, would not only support the Union in achieving its targets, but also increase efficiency in the use of public money, by limiting the negative externalities linked to agricultural practices and shifting focus to prevention rather than cure;

374. Recalls that expenditure contributing to halting and reversing the decline of biodiversity should be calculated on the basis of an effective, transparent and comprehensive methodology set out by the Commission, in cooperation with Parliament and the Council; calls on the Commission to provide Parliament with an annual report setting out in detail the contribution of each budget item to the biodiversity mainstreaming target of providing 7,5 % of annual spending under the 2021-2027 MFF to biodiversity objectives from 2024 and 10 % of annual spending under the 2021-2027 MFF to biodiversity objectives from 2026, in order to facilitate its monitoring;

375. Finds it worrying that the Court has identified weaknesses in the set of CAP performance indicators:

— More indicators relate to inputs or outputs and therefore they show the level of absorption rather than the results or impacts of the policy:

— The indicators in the programme statements mainly provide information about outputs, which are more easily measurable and less affected by external factors than results and impacts:

— 14 indicators do not have a specific, quantified target and therefore, they only indicate trends:

— Assessing how much support is going to beneficiaries outside the target group could improve policy design and increase the efficiency of the CAP. This would involve identifying CAP funds paid to beneficiaries whose main economic activity is not farming. Such data could also help to identify claims involving significant concentration of land (potentially representing 'land-grabbing'). In addition, direct payments have contributed to increased land rents in some Member States, in particular for low-productivity lands. Evaluators have recommended that the Commission investigate the impact of direct payments on the increase of land rents and appropriate countermeasures;

— Seven indicators do not relate to the performance of the CAP, but to assurance on regularity of spending, public awareness of the CAP and policy information support within DG AGRI;

376. Deplores the low level of organic farming in Europe, which is only 7,5 % given the resources invested; calls on the Commission to put in place a performance based model in the CAP that should work based on the same indicators, giving quantified values to identify milestones; insists on the need to provide significant additional information on performance towards achieving policy objectives on biodiversity and climate actions; emphasises that better insight is needed into sectors such as agriculture and forestry; calls on the Commission to take account of suggested further improvements in reporting how EU and national mitigation policies contribute to meeting emission reduction targets; proposes that the Area Monitoring System (AMS) should be compulsory in the frame of the IACS (Integrated Administration and Control System) in the Member States;

377. Is concerned about limited availability and public access to data on agriculture subsidies and their final beneficiaries; is of the opinion that such information should be made public but strictly in line with data protection legislation and the standing jurisdiction of the CJEU on this matter; calls on the Commission and Member States to collect such data and make it accessible under the above conditions in a transparent and user-friendly manner (including the machine readable format) in order to enable transparency of final beneficiaries and public control of the use of the Union money, generally, but explicitly to the relevant bodies and authorities;

378. Notes with concern that under the current transparency rules data is available only for a two-year period in case of CAP funding; calls for a longer time period to be applied in the case of CAP funding as is the case for structural funds;

379. Notes that in 2019 the Commission clarified the legal framework applicable for direct monitoring by imaging technologies ([16]); welcomes the Court's observations ([17]) that imagining technologies represent extraordinary advantages such as the reduction of field visits and consequently their administrative costs, an interactive monitoring approach that prevents non-compliance and the generation of useful data for smart farming; highlights in particular that imaging technologies would allow monitoring the whole population of aid recipients, which could be a game changer in terms of budgetary control; calls on the Commission to review the environmental and climate performance indicators in order to make them compatibles with checks by monitoring; urge the Commission to remove the obstacles to a wider use of the imaging technologies and to provide incentives and support to national paying agencies to use checks by monitoring;

380. Notes the Court's observation that the information in the AMPR is aligned with the underlying data in the programme statements, but the APMR gives an over optimistic view of achievements and it does not discuss the efficiency of spending; calls on the Commission to report to the discharge authority on the measures undertaken to overcome the significant challenges noted by it in achieving policy objectives for the period 2014-2020;

381. Takes note of the Court's observation that the direct payments reduce income volatility (by around 30 % as suggested by an evaluation study using data for 2010-2015), but they are largely untargeted; asks the Commission to ensure that better consistency between the targets addressed by the indicators and the policy objectives of increasing the individual earnings of people engaged in agriculture while limiting the need for direct support;

382. Welcomes the revision of the indicators and objectives in the Commission's post-2020 CAP proposals which is based on the weaknesses identified by its Internal Audit Service and by the Court regarding CMEF indicators, as well as on the recognition of the need to develop further the indicators;

383. Notes the Court's observation that the CAP has potential to contribute to the sustainable use of natural resources, but there is not enough data to assess effectiveness; notes further its findings that greening had had little measurable effect on farming practices and the environment and that it remained essentially an income-support scheme;

384. Takes note of the constrain, identified by the Court for successful contribution of agri-environment-climate measures to biodiversity and invites the Commission to suggest measures for increasing schemes coverage of a substantial portion of the farmed landscape and on specific risks;

385. Takes note of the modest achievement by forestry measures under EAFRD, the achievement of 60 % in 2018 of the target for more efficient irrigation systems established for 2023 and the need for further reduction of greenhouse emissions from agriculture and calls on the Commission to report on measures undertaken to improve the results of CAP implementation in these areas;

386. Notes the Courts observation that the AMPR contains information on jobs and broadband access, but does not provide any relevant performance information for the balanced territorial development objective; deeply regrets that 40 % of rural households still do not have high-speed internet access. Digitisation is not being speeded up in rural areas in order to develop employment there and to support farm development on a day-to-day basis;

387. Welcomes the increase in the rural employment rate from 63,4 % in 2012 to 68,1 % in 2018;

388. Notes the figures on which the Court comments for LEADER as at the end of 2018 (13 337 jobs recorder representing 30 % of the 2023 target) as well as the fact that the Commission does not have reliable data on jobs created under LEADER; asks the commission to work together with Member States for improving the availability of reliable data for LEADER implementation;

([16]) Commission Implementing Regulation (EU) 2019/1804 of 28 October 2019 amending Implementing Regulation (EU) No 809/2014 as regards amendments of aid applications or payment claims, checks in the integrated administration and control system and the control system in relation to cross compliance.

([17]) Court's Special Report No 04/2020 Using new imaging technologies to monitor the Common Agricultural Policy: steady progress overall, but slower for climate and environment monitoring.

389. Is concerned about the multitude of media reports on labour rights abuses of cross-border and seasonal agricultural workers throughout the Union, in many Member States; supports the Commission in its efforts at refusing aid to farms that do not respect the labour rights of seasonal workers;

Recommendations

390. Calls on the Commission to:

— ensure a fairer distribution of the direct payments;

— do its utmost in the negotiations on the CAP to ensure that a complaint mechanism for farmers and SMEs will become part of the new CAP regulation;

— do its utmost in the negotiations on the CAP to ensure that maximum amounts of payments receivable from the first and second pillar of the CAP are defined per natural person;

— increase efforts to prevent and detect fraud and frequently update its analysis of CAP fraud risks more often and perform an analysis of Member States' prevention measures as a matter of priority;

— ensure that the Fifth Anti-money laundering directive is implemented fully and correctly in all member states, particularly with regard to the implementations of public registers of beneficial owners and registers of beneficial owners of trusts; Notes that capping should apply also to the parent undertaking where there is one, rather than to the individual beneficiary or subsidiaries, in order to avoid splitting up farms to avoid capping;

— implement Parliament's requests, including the setting up of concrete instruments to evaluate the land concentration in all Member States, identify the final beneficial owners of Union funds, also via a unique business identifier at Union Level as proposed in the preliminary findings of the study on The largest 50 beneficiaries in each Union Member State of CAP and cohesion funds15a;

— better analyse Member State legislation and policies to prevent land grabbing and to formulate guidance on best practices; invites the Member States to apply best legislative practice aimed at restricting land grabs; calls on the Commission to increase efforts to prevent and detect fraud; urges Member States, together with the Commission, to develop proper Union-level legal instrument to prevent land-grabbing;

— keep the discharge authority informed on any new developments regarding the Slovak Agricultural Paying Agency, including specific information on financial corrections;

— based on the irregularities found in Slovakia, to review the situation of Agriculture Paying Agencies in the Member States and ensure both their independence and compliance of their operations with the Union rules;

— fully enforce the Financial Regulation of the Union, and particularly Article 61 thereof and to make sure the Financial Regulation is applied to all Union funds' payments including the direct agriculture payments;

— provide Parliament with an annual report setting out in detail the contribution of each budget item to the climate mainstreaming target and to biodiversity spending, in order to facilitate their monitoring;

— urgently start working on an effective methodology, where relevant, and in accordance with sectoral legislation, for monitoring climate spending and its performance in view of achieving an overall target of at least 30 % of the total amount of the 2021-2027 Union budget and Next Generation EU (NGEU) expenditures supporting climate objectives;

— provide necessary financial resources for water management, including support the quality and quantity of water resources in agricultural land, forestry and wetlands as well;

Security and citizenship

391. Notes that payments for 'Security and Citizenship' amounted to EUR 3,3 billion and were disbursed through the following programmes, policies and agencies:

— 'Migration and security', up to 45,3 % of the heading budget or EUR 1,6 billion;

— 14 Decentralised agencies (health: ECDC, EFSA, EMA, ECHA; home affairs: Frontex, EASO, Europol, CEPOL, EU-LISA, EMCDDA; justice: Eurojust, FRA, EIGE, the EPPO), up to 29,1 % of the heading budget or EUR 1 billion;

— 'Food and Feed', up to 7,6 % of the heading budget or EUR 0,2 billion;

— 'Creative Europe', up to 7,3 % of the heading budget or EUR 0,2 billion;

— 'Others' (consumers, justice, rights, equality and citizenship), up to 10,7 % or EUR 0,3 billion;

392. Notes with satisfaction that, under the Creative Europe programme, 1 370 grant agreements were signed in 2019, thus exceeding the Commission's target and making full use of the available budget appropriations; recalls, in this regard, that a fair geographical distribution of grants is key to unlocking the full wealth of European culture; welcomes the developments regarding the implementation of the pilot project on the mobility scheme for artists and culture and creative professionals as well as the preparatory actions on the 'Europe for Festivals, Festivals for Europe' and 'Music Moves Europe'; takes the opportunity to recall the importance of increasing the budget for this programme to further improve its success rate;

393. Continues to be concerned by the apparent lack of transparency and accountability in the arrangements for the provision by the Commission of financial support to Euronews; stresses that the Court does not point out shortcomings on Euronews, but focuses much more on the Commission monitoring and evaluation mechanisms; urges therefore the Commission to increase transparency in respect of the budget for multimedia activities and to improve accountability for expenditure; takes note that Euronews was subject to two performance audits in the last four years; acknowledges that an independent performance audit of actions funded across the Multimedia Actions budget line, published on 23 June 2020, states that 'Euronews has well established procedures to support editorial quality, balance, independence and impartiality, and these appear to be operating effectively'; recalls the need to continue impartial evaluation in order to guarantee the highest standards of transparency and accountability; asks the Commission to reflect the concerns of the European Parliament in the design of the next Framework Partnership Agreement in 2021; asks the Commission to diversify the communication channels funded under the Multimedia Actions budget line;

394. Highlights that beneficiaries of programmes for rights, equality and citizenship under the Union budget must adhere to the highest standards of rule of law, independent media, and free speech; deplores that Austrian political scientist Farid Hafez repeatedly received funding from the EU budget, despite his close association with the Muslim Brotherhood and the Turkish government, who attempt to silence independent journalists and media freedom under the disguise of Islamophobia; calls on the Commission to amend eligibility criteria for rights, equality and citizenship programmes under the Union budget to prevent individuals and organisations with such disturbing views from receiving Union funding;

395. Welcomes the results in key action areas of gender equality such as gender based violence through the dedicated programmes, as well as the outcome and conclusion of the MFF negotiations on the citizenship, equality, rights and values programme;

396. Calls for the examination of synergies between internal and external programmes of the Union to ensure a coherent and continuous approach to policies both inside and outside of the Union, especially for instance to issues related to the violence against women or to combatting trafficking in human beings;

397. Strongly reiterates its demand to increase resources dedicated to preventing and combating gender-based violence under the Citizens, Equality, Rights and Values, especially following the escalation of violence against women during the COVID-19 crisis; reiterates its request for an independent budget line for all measures specifically targeting gender equality, including on gender-based violence, which will be a first step in increasing transparency, facilitating the tracking of gender related spending and having an open decision-making process on the funds allocated to gender equality in which Parliament should play a fundamental role in its capacity as budgetary authority;

398. Is concerned that in its internal spending review of the current Union programmes, the Court found that gender equality had not been mainstreamed across the Union budget in the same way as climate change or biodiversity and that instead, specific programmes, mainly those tackling employment and social issues, had been used to address discrimination based on gender; regrets that there is no methodology in place to track the spending dedicated to gender equality; welcomes the Court's decision to examine gender mainstreaming in the Union budget and to publish the audit report in the first quarter of 2021 ([18]);

399. Stresses that women's rights and a gender equality perspective should be integrated and ensured into all policy areas, particularly in light of the multiple gendered impacts of the COVID-19 pandemic on women's rights; reiterates therefore its call for the implementation of gender mainstreaming at all stages of the budgetary process, including the implementation of gender budgeting and the assessment of its execution; reiterates its demand to include gender-specific indicators in the common set of result indicators for the implementation of the EU budget;

400. Welcomes the fact that gender equality and mainstreaming has been introduced as one of the horizontal principles for Union funds in the new MFF, stipulating that gender equality and gender mainstreaming will now be prioritised in the MFF; regrets that although gender mainstreaming was already included in a joint declaration attached to the MFF for 2014-2020, it was not fully implemented in the MFF for this period; expects the Commission to take its commitments seriously in the future by closely monitoring the implementation of these horizontal principles in all of the EU policy areas and providing thorough gender impact assessments and monitoring of all of its policies and programmes;

401. Welcomes the commitment to develop a methodology to track spending on gender equality and requests the Commission to ensure that the methodology will be designed by the end of 2021 to make it operative as soon as possible;

402. Expresses its concern at the interrelation between the attacks on the rule of law and the backlash on gender equality and women's rights; calls for this issue to be addressed through the Article 7 procedure against Member States concerned;

Court findings: Member States' AMIF/ISF annual accounts

403. Notes the fact that the most significant area of expenditure within this heading is migration and security as well as the fact that most spending comes from two funds – the Asylum, Migration and Integration Fund (AMIF) and the Internal Security Fund (ISF);

404. Regrets that, the Court did not estimate the error rate for this MFF heading but examined a sample of 19 transactions designed to contribute to its overall statement of assurance rather than be representative of spending under this MFF heading; notes that the sample covered 8 transactions under shared management, 8 transactions under direct management and 1 under indirect management, is concerned that the Court identified seven transactions (37 %) which were affected by errors; recalls that the public and political interest in this area is far higher than its financial share; reiterates its request to the Court to clearly estimate the error rate for the chapter Security and Citizenships;

405. Notes that the Court has not provided information about the financial impact which the three quantifiable errors identified by it had on the amounts charged to the Union budget;

406. Takes note of four cases of non-compliance with legal provisions regulating the selection of projects and procurement rules, but without a financial impact on the Union budget;

407. Notes that the Court audited the work done by eight authorities responsible for auditing their respective Member States' AMIF/ISF annual accounts and providing the Commission with an annual control report;

408. Notes with satisfaction that the audit authorities in the Member States[17] selected by the Court for a check had developed and implemented detailed procedures of sufficient quality to report as required by the rules, and had detailed audit programmes and checklists to support their conclusions;

409. Takes into account certain shortcomings in annual control reports issued by the audit authorities, whose impact on the accounts were not material enough to detract from the audit authorities' conclusions but creating potential risk of unreliability of reported data and of limited assurance

([18]) https://www.eca.europa.eu/Lists/ECADocuments/INAP20_03/INAP_Gender_equality_EN.pdf

— Sampling issues (use of a risk-based rather than a random methodology; inaccurate values used to determine sample size) in Slovenia;

— Wrong set of accounts (submission of the draft accounts to the audit authority before completing its own on-the-spot controls by responsible authority) in Italy and Slovenia;

— Inaccurate calculation and presentation of total and/or residual error rates in Germany and Italy;

— Exclusion of the technical assistance from the audit population and lack of reporting on this fact in the annual control report in Slovenia;

— Partial exclusion of advance payments from the audit population and lack of reporting on this fact in the annual control report in Germany;

— Allocation of projects in two subgroups (advances and expenditure incurred) for sampling reasons in Cyprus;

410. Notes that the audit authorities in the Member States ([19]) selected by the Court for a check had detailed audit programmes and checklists to support their conclusions;

411. Points to certain shortcomings in the work of audit authorities creating potential risks in failure to detect ineligible expenditure, unreliability of audit conclusions and of limited assurance such as examples below and asks the Commission and the Court to work together with national audit authorities to improve on these shortcomings:

— Irregular checks of project selection and/or award criteria by the auditors in Italy and Cyprus;

— Insufficient audit trail or poor documentation of audit work in Greece, Cyprus, Lithuania and UK;

— Irregular check of all relevant available evidence to confirm the eligibility of target groups and declared expenditure or the reasonableness of costs in Italy and Cyprus;

412. Points to shortcomings arising from the Commission's assessments of annual control reports ([20]) such as:

— Different definition of 'interim payment', which creates risks of compromise for value and completeness of the reported data;

— Lack of Commission guidance on how to calculate the minimum audit coverage of 10 % in case of sub-sampling, which creates risks of reliability and uncertainty for audit conclusions;

413. Welcomes the strong cooperation between OLAF and the Court in combatting fraud in relation to the budget; takes notes that in 2019, as in 2018, nine cases of fraud were reported to OLAF by the Court, in relation to which OLAF has opened five investigations; notes that the main types of fraud detected by the Court are false declarations of expenses, procurement irregularities and the artificial creation of conditions to receive Union funding;

414. Welcomes the Court's special reports, and in particular the ones on Asylum, relocation and return of migrants ([21]), on EU information systems supporting border control ([22]) and on fighting fraud in EU spending ([23]) mentioning the positive role of the establishment of the European Public Prosecutor's Office in this regard;

([19]) Germany, Greece, Italy, Cyprus, Lithuania, Poland, the United Kingdom, Slovenia.
([20]) From Bulgaria, Czechia, France, Netherlands, Austria, Portugal, Slovakiaa, Estonia, Spain, Iceland, Malta and Finland.
([21]) Special Report No 24/2019 'Asylum, relocation and return of migrants: Time to step up action to address disparities between objectives and results'
([22]) Court's Special Report No 20/2019 'EU Information Systems Supporting Border Control: a strong tool, but more focus needed on timely and complete data'
([23]) Court's Special Report No 01/2019 'Fighting Fraud in EU spending: action needed'

415. Recalls its letter sent to the Commission on 13 February 2020 on the implementation of the two delegated acts adding the instrument for financial support for external borders and visa to ISF Delegated Regulation (EU) 2020/446 ([24])) and adding a new specific action to AMIF Delegated Regulation (EU) 2020/445 ([25])); notes that the delegated act to AMIF has not been used; calls on the Commission to urgently provide detailed information about the different projects funded under delegated Regulation (EU) 2020/446;

416. Asks the Commission and the Member States' audit authorities to address the shortcomings identified by the Court concerning audit coverage, sampling and audit trails in relation to Member States' audit authorities, and to report to the discharge authority;

Performance: AMIF

417. Points to four general impact indicators (on actual returns compared to return decisions, percentage of voluntary returns, difference in employment rates between Union and non-Union nationals, and convergence of recognition rates for asylum applicants) that are not directly related to the performance of AMIF, although spending from the fund may contribute to the corresponding target;

418. Welcomes the Court's observation that the Commission's interim evaluation indicates that AMIF is relevant and that it funded interventions that corresponded to the needs of Member States;

419. Notes however some limitations in AMIF performance indicators identified by the Court, such as that two thirds of the indicators are output indicators and that 5 of the 24 indicator milestones for 2020 have already been achieved in previous years, and that, targets have not been adjusted upwards in line with good financial management practice to reflect political will and the potential for achieving even more;

420. Notes that some AMIF indicators are not on track to meet their targets, that the Commission has not developed a performance monitoring framework for EMAS funded projects and that AMPR and programme statements provide little information on the progress achieved under important indicators; notes with concern that the Court has found a significant delay regarding the achievement of the objective that the AMIF had set for the integration and legal migration;

421. Notes that the evaluation of output indicators is difficult in this policy area; is concerned that EU funding has neither improved the humanitarian situation in refugee camps nor effectively protected the external borders; calls on the Commission for detailed clarification, in particular for admission procedures at external borders; calls on the Commission to investigate where exactly the EU funds have been invested in the AMIF programmes and which specific improvements they brought about; requests a corresponding report from the Commission for each of the member states concerned;

422. The deficits are mainly caused by the length of asylum procedures, sluggish integration and insufficient return rates; calls on the Commission and the Member States to make immediate legislative progress;

423. Asks the Commission to take measures to address the shortcoming identified by the Court and to improve the information included in AMPR and programme statements, which will allow for better monitoring of the progress achieved by the Fund;

424. Is deeply concerned that only limited, aggregated performance information is available on the overall EMAS ([26]) related spending (initial allocation of EUR 100 million was increased to EUR 2,2 billion for the period to 2020, representing 30 % of the fund, however, the Commission has not developed a performance monitoring framework for EMAS funded projects);

425. Is deeply concerned that the AMPR and programme statements provide little information about economy and efficiency in implementing the fund, or about the cost effectiveness of AMIF actions;

426. Is deeply concerned that the AMPR and programme statements do not report on measures aiming to attract highly-skilled workers to the Union through legal migration schemes and that the indicators are not suitable for reporting on such measures;

([24]) Commission Delegated Regulation (EU) 2020/446 of 15 October 2019 amending Annex II to Regulation (EU) No 515/2014 of the European Parliament and of the Council establishing as part of the Internal Security Fund, the instrument for financial support for external borders and visa (OJ L 94, 27.3.2020, p. 3.

([25]) Commission Delegated Regulation (EU) 2020/445 of 15 October 2019 amending Annex II to Regulation (EU) No 516/2014 of the European Parliament and of the Council establishing the Asylum, Migration and Integration Fund (OJ L 94, 27.3.2020, p. 1).

([26]) AMIF emergency assistance

427. Notes the existence of two parallel Union funded schemes supporting the same type of return activities (AMIF NPs and Frontex return support), as well as the fact that coordination is mainly the responsibility of the Member States; calls therefore on them to ensure better coordination between both schemes;

428. Notes with concern that for both the AMIF and the ISF not all the available budget has been used by Member States; considers this particularly problematic in the light of the increasing use of emergency assistance to fund Member States policies in these areas; recalls that the challenges related to security and migration management are a priority for the Union; recognizes the efforts of the Commission in this respect and demands greater cooperation from all Member States;

Recommendations

429. Calls on the Commission to:

— issue guidance to the Member States' audit authorities for AMIF and the ISF on how to calculate audit coverage in case of sub-sampling to ensure that sampling is sufficient and appropriate to provide a reasonable basis for the auditor to draw conclusions about the entire audit population;

— reiterate to the Member States' audit authorities for AMIF and the ISF that they should follow the Commission's instructions on sampling and calculating the error rate with the condition that sampling should be random, each sampling unit in the population should have a chance of selection and, where applicable, all errors should be extrapolated to the relevant population;

— issue guidance to the Member States' audit authorities for AMIF and the ISF to document the nature, timing and extent of their audit procedures, their results, and the audit evidence collected, in a sufficient and appropriate way;

430. Requests the Commission to:

— define criteria for allocating EMAS funds under shared management with Member States in the next financial framework;

— strengthen the performance-monitoring framework by a) ensuring that AMIF EMAS projects contain output and outcome indicators with clear targets and baselines where appropriate, and justifying when this is not the case; b) monitoring and reporting the outcomes achieved by EMAS-funded projects; c) for the new MFF 2021-2027, designing the AMIF CMEF and IMBF indicators, including their baselines and targets before the 2021-2027 projects start;

— implement measures to ensure complementarity and better coordination between AMIF and EASO/Frontex (e.g. in the area of forced returns or support to asylum authorities);

— use development aid as a tool to facilitate better cooperation with migrants' countries of origin ([27]);

431. Calls on the Commission to fully comply with the Interinstitutional Agreement on budgetary discipline, on cooperation in budgetary matters and on sound financial management ([28]) as a matter of compliance with the Union's legal provisions and good governance principle.

DG HOME's AAR for 2019

432. Notes that DG Migration and Home Affairs has maintained two reservations in shared management (one for the AMIF and the ISF, and one for the SOLID Funds for the period of 2007-2013, which are each under reservation as regards several Member States) and one reservation in direct management grants because of a material level of error amounting to a residual error rate of 4,11 % and an estimated impact of EUR 7,21 million; notes that, according to the Commission 2019 Annual Activity Report, the average residual error rate across AMIF and

([27]) European Parliament resolution of 25 November 2020 on improving development effectiveness and the efficiency of aid (2019/2184(INI))

([28]) 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) replaced as of 16 December 2020 by Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources (OJ L 433 I, 22.12.2020, p. 28).

ISF is 1,57 %, well below the material threshold of 2 %; expresses its concern about the implementation of the emergency assistance project 'Reinforcement of border control activities at the external border section of Croatia due to increased migratory pressure' running from September 2018 until the end of 2019 and notes the opening of CASE 1598/2020/MMO by the European Ombudsman on 'how the European Commission monitors and ensures respect for fundamental rights by the Croatian authorities in the context of border management operations'; notes the emphasis that the Commission has put on the establishment of an independent monitoring mechanism, as stipulated in the grant; notes further that the Commission is working closely with Croatia, which has indicated its intention to implement this independent monitoring mechanism; recalls that Union funding instruments for border management require all actions funded to respect and comply with the Charter of Fundamental Rights; insists therefore that any future emergency assistance related to border management granted to Croatia should be granted only after the monitoring mechanism is implemented; asks the Ombudsman to provide Parliament with regular updates on CASE 1598/2020/MMO;

433. Welcomes the recommendations issued by the Internal Audit Service of the Commission for DG HOME for 2019 such as:

— setting up and planning of DG HOME's audit activity (define and communicate the mission statement and mandate of the audit function, adjust roles and responsibilities, reporting lines and milestones for the clearance of accounts exercise; updating the audit strategies; analysing the resource needs for the audit activity);

— executing the audit plan (plan and launch audits as soon as possible in the year after the adoption of the Annual Work programme and review of annual control reports and audit opinions; harmonising milestones for the audit process steps; ensuring that the final audit reports are sent to beneficiaries without delay and that this is monitored by senior management);

— clearing of accounts (ensure that clearance decisions are made on time; it should clarify the procedure for accounts submitted before the year-end); adapting the clearance procedure to new organisational structure and improving the communication between financial units and audit sector (set-up and planning of the audit activity; execution of the audit plan; clearance of accounts);

DG JUST's AAR for 2019

434. Underlines that DG Justice and Consumers (DG JUST) has maintained its reservation for a material error rate in grants under direct management, amounting to a residual error rate of 2,65 %; notes the Commission's commitment to adapt its methodology for the calculation of the grants in the Rights, Equality and Citizenship programme and the Justice programme error rate in line with the Court's observations starting with the implementation of the 2020 ex-post audit campaign;

435. Welcomes the ongoing implementation by the DG JUST of recommendations issued by the Internal Audit Service of the Commission for DG JUST relating to the impact assessment process and implementation of better regulation guidelines and toolbox;

Global Europe

436. Notes that payments for 'Global Europe' amounted to EUR 10,1 billion in 2019 and were disbursed through the following special instruments:

— 'Development Cooperation Instrument (DCI)', up 26 % of the 'Global Europe' budget or EUR 2,6 billion;

— 'European Neighbourhood Instrument (ENI)', up to 20,6 % of the 'Global Europe' budget or EUR 2,1 billion;

— 'Instrument for Pre-accession (IPA)', up to 15,7 % of the 'Global Europe' budget or EUR 1,6 billion;

— 'Humanitarian aid', up to 20,4 % of the 'Global Europe' budget or EUR 2,1 billion;

— 'Other actions and programmes', up to 17,3 % of the 'Global Europe' budget or EUR1,7 billion;

437. Recalls that the main policy aims under heading 4 of the 2019 budget are among others the promotion of Union values abroad, such as democracy, rule of law and respect for human rights and fundamental freedoms and recalls the need for every Union funded action to respect those fundamental principles, welcomes the Court's finding about a generally positive trend in terms of poverty reduction, gender equality in education, number of agreements with neighbouring countries, expresses however concern in relation to the worsening trend in terms of consolidation of democracy, rule of law and political stability; strongly commends the efforts of civil society worldwide in promoting and defending human rights, especially at a time of shrinking space for civil society and the questioning of the universality of human rights and while underlining the principles of transparency and accountability in relation to the spending of public funds for civil society, stresses the importance of preventing bureaucratic overreach and the fuelling of unfounded suspicion;

438. Takes into account that the external action budget is implemented by the directorate-general for International Cooperation and Development (DG DEVCO), the directorate-general for Neighbourhood Policy and Enlargement Negotiations (DG NEAR), the directorate-general for Civil Protection and Humanitarian Aid Operations (DG ECHO), the directorate-general for Regional and Urban Policy (DG REGIO) and the Service for Foreign Policy Instruments (FPI);

439. Notes that the expenditure under this area was disbursed using several instruments and delivery methods, such as work, supply and service contracts, grants, special loans, loan guarantees and financial assistance, budget support and other targeted forms of budgetary aid in more than 150 countries around the world;

440. Notes that the Court examined a sample of 68 transactions: 22 for DG NEAR, 25 for DG DEVCO), 10 for DG ECHO, and 11 other transactions; and seven transactions from the DG NEAR's and DG DEVCO's 2019 residual error rate studies, adjusted to compensate for their methodological limitations;

441. Notes that the Court found that EU aid helped to restore and maintain access to safe and good-quality education during humanitarian crises. Welcomes the relevance of projects regarding the problems identified. Notes that projects were able to achieve most of their objectives. Support the Court's recommendation and calls the Commission to finetune its support for education in emergencies in order to reach a good level of efficiency and relevance

442. Recalls that development and cooperation policy are meant to eradicate poverty and reduce inequality and that funds should reach only their intended beneficiaries;

443. Insists on the importance of the European Parliament's active participation in the development of partnership and cooperation agreements with third countries; stresses that future partnership agreements should be subject to parliamentary scrutiny and based on the principles of solidarity, shared responsibility, respect for human rights, the rule of law and international humanitarian law ([29]);

444. Is concerned about the hate speech and violence taught in Palestinian school textbooks and used in schools by UNRWA; is concerned about the effectiveness of UNRWA's mechanisms of adherence to UN values in educational materials used and taught by UNRWA staff in its schools, which contain hate speech and incitement to violence; insists that UNRWA acts in full transparency and publishes in an open-source platform all its educational materials for teachers and students, as well as its reviews of host country textbooks used to ensure that content adheres to UN values and does not encourage hatred; requests that all school material, which is not in compliance with these standards be removed immediately; insists that the earmarking of EU funding such as PEGASE for salaries paid to teachers and public servants in the education sector must be made conditional on educational material and course content complying with UNESCO standards of peace, tolerance, coexistence, and non-violence, as was decided upon by Union education ministers in Paris on 17 March 2015;

445. Reiterates its position that external assistance should be financed in full from the Union's budget and emphasises that actions under the trust funds (EUTFs) are only bridging solutions until their full replacement by the future EFIs, in particular the Neighbourhood Development and International Cooperation Instrument (NDICI) and the Instrument for Pre-accession Assistance (IPA III); regrets that humanitarian objectives, such as preserving the dignity and human rights of migrants and other vulnerable groups, such as children and women, have not been met in the implementation of actions under the TFs such as EU TF Madad and EU TF for Africa in several instances; emphasises that the protection of human rights requires decisive action; recalls furthermore that the respect for human rights, fundamental freedoms, the promotion of the rule of law, democratic principles,

([29]) DEVE opinion on 'human rights protection and the EU external migration policy', paragraph 17

freedom of religion and belief, transparency, good governance and peace and stability are essential elements of the EU TF for Colombia; calls on the Commission to increase scrutiny of the actions of the implementing partners in this regard.

446. Recalls that poverty alleviation is the primary goal of the development policy of the Union and that official development assistance (ODA) should have as its main objective the promotion of the economic development and welfare of developing countries, as per the OECD's ODA definition; emphasises that ODA should support the pursuit of the Sustainable Development Goals (SDGs), respect the principles of the UN 2030 Agenda, including its 'leave no one behind' principle, respect the development effectiveness principles and contribute to reduce inequalities, without exception for migration-related ODA or when any particular aid modality is used; calls for a more efficient and transparent allocation of ODA loans, ensuring that ODA goes where it is most needed and has the greatest development impact;

447. Stresses the need to link debt relief measures with additional mobilisation of ODA; believes equally that debt relief efforts should be complemented by increased resources from the multilateral lending agencies, including through raising IMF Special Drawing Rights;

448. Notes that ODA needs are influenced by countries' domestic resource mobilisation, which is undermined by base erosion and profit-shifting (BEPS) by multinationals; recalls that developing countries' higher reliance on corporate income tax means they suffer from BEPS disproportionately; calls for more active Union action against that, in accordance with the Addis Ababa Action Agenda on Financing for Development included in the 2030 Agenda; stresses the need for concrete actions to support increased domestic resource mobilisation, such as supporting the fight against corruption and the development of progressive tax systems, tackling tax avoidance and evasion;

449. Recalls that the agricultural, fisheries, trade, economic, education, migration, environment, climate, foreign and security and other policies of the Union influence the efficiency of the development policy of the Union; notes that policy coherence for development (PCD), mandated by Article 208 TFEU, is therefore also a matter of sound financial management; recalls that aid effectiveness depends upon the proper implementation of PCD; stresses that more efforts are still needed to comply with PCD principles, especially in the above mentioned fields in order to achieve aid effectiveness objectives; invites the Commission to act upon the recommendations in the 2018 external evaluation report ([30]) on PCD, demonstrating commitment and assigning sufficient staff to PCD tasks in order to ensure a result-oriented strategy and progress in PCD;

450. Stresses that, in order to make development aid more effective, deliver long-lasting results and address local needs, particularly in settings of protracted crisis and post-crisis, it is imperative to improve the coordination of humanitarian aid and development assistance and to strengthen the humanitarian-development nexus; calls for the Union to further develop such an approach;

451. Welcomes the Court's Review of 'the EU's response to China's state-driven investment strategy' of September 2020; emphasises that the Court identified shortcomings in the monitoring, reporting and evaluation of actions within the current Union-China strategy including Union financing of projects under the Chinese investment strategy which are not in line with the principles of the Union's connectivity strategy; calls for the provision of further necessary financial and human resources for the implementation of the Union's connectivity strategy;

452. Notes with concern the complicated situation in Belarus; underlines the importance of reviewing Union funding and ensuring that it is not directed to Lukashenko regime, but towards supporting civil society in Belarus;

453. Looks forward to the 2021 Union-African Union Summit; considers that there is a need to move beyond a traditional aid-centred relationship towards a partnership of equals, that is more strategic and integrated;

The Court findings: DG NEAR

454. Welcomes the fact that transactions related to budget support and projects implemented by international organisations under the 'notional approach' were less prone to error and that in 2019 the Court did not detect any errors in these areas; takes note that, in relation to the regularity of transactions, the spending area of budget support to third Countries is less prone to error; nevertheless take notes that because of the legal provisions which leave a broad scope for interpretation by the Commission regarding the meeting of general conditions, the Court 'cannot cover what happens beyond the moment the Commission pays aid to the recipient country, since these funds then merge with that country's own budget resources'; notes that this risks undermining the level of

([30]) https://ec.europa.eu/international-partnerships/external-evaluation-eus-policy-coherence-development-2009-2016_en

accountability and transparency of Union action and spending; insists that the Commission ensures that the delivery of external aid is subject to the rule of law and respect for human rights in recipient countries; stresses, in particular, the need to guarantee that countries and third parties and/or natural persons, that are allocated or linked to Union funds adhere to core democratic values, respect international human rights standards and subscribe to principles of non-violence;

455. Calls on the Commission to fully introduce the principle of conditionality and regular ex-ante and ex-post checks on the regularity and performance of the Union's funds for support to third countries and ensure a legal framework that provides for these support instrument to allows for full recovery of funds in case of discovered irregularities ([31]);

456. Notes with concern, as to the DG NEAR residual error rate study, that, according to the Court:

— The residual error rate methodology and manual provided by DG NEAR contain limitations that may contribute to the underestimation of the residual error, such as insufficient coverage of certain aspects of procurement procedures (reasons for rejecting unsuccessful candidates, the winning tender's compliance with all selection and award criteria, complete check of the call for proposals procedures, direct award justification) ([32]);

— The 'grant [error] rate' for direct management of grants is calculated on a basis of a confidence level of 80 % meanwhile normally error rates are calculated on a basis of 95 % of confidence level;

— DG NEAR's residual error rate estimation method gives the contractor broad scope for interpretation in estimating individual errors (especially in case of absence of documents for a transaction);

— In 2018 and 2019 reliance of half of the sampled transactions has been attributed on a basis on previous controls, meanwhile the Court recalls that such approach does not fully measure the residual error rate ([33]);

457. Is worried that the court continues to have reservations about the reliability of the study's results;

458. Notes with concern that DG NEAR, in its 2019 Annual Activity Report, had to issue a reservation concerning the difficulties in monitoring adequately all projects in Libya and Syria (non-quantified reservation) and a reservation concerning the errors in expenditure in Direct Management Grants (quantified reservation);

459. Notes that no estimate of the level of error rate for spending under heading 4 has been calculated for 2019 by the Court as was also the case in 2018; emphasises that the Court has identified limitations which may lead to an underestimation of the residual error rate (RER); fully supports the recommendations formulated by the Court, in particular the need to disclose the limitations of the RER study in DG NEAR's future annual activity reports, as well as strengthening DG NEAR's checks of the external financing instruments' (EFIs) by identifying and preventing recurrent errors;

460. Takes note of the Court's follow-up on its recommendations made in its 2016 annual report, which either required immediate action or were due to be implemented by 2019 and welcomes the fact that the Commission had implemented three of them in full and one partially;

461. Regrets that despite the call by Parliament on the Commission in its resolution on 13 March 2019 to use the funds currently allocated under the IPA II to support Turkey's civil society, human rights defenders and journalists and increase opportunities for people-to-people contacts, academic dialogue and media platforms for journalists through a dedicated envelope directly managed by the Union, the latter decided to implement action IPA 2019/42258 co-financing the purchase of 4 Turkish Coast Guard vessels; furthermore insists on the need to closely monitor the use of funds of the Facility for Refugees in Turkey, ensuring that these funds are accurately targeting refugee projects and that they are not used for any other purposes;

([31]) OJ C 377, 9.11.2020, p. 13, p. 211 of the report.
([32]) OJ C 377, 9.11.2020, p. 13, p. 213 of the report
([33]) OJ C 377, 9.11.2020, p. 13, p. 214 of the report.

Court's Special Report No 09/2019: EU support to Morocco - Limited results so far

462. Notes that the Union budget support in Morocco totalled about 0,37 % over the period of 2014-2018 of the country's total budgetary expenditure, where the contracts amounted to EUR 562 million and payments to EUR 206 million; recalls that Morocco receives more Union development support than any other North-African country, except Tunisia, and is one of the main beneficiaries of international development aid;

463. Recalls that the ENI is the key financial instrument used by the Commission in its cooperation with Morocco and amounts to EUR 1 399 million for 2014-2020 period in commitments;

464. Points out that after the judgement of the General Court of the Union in December 2015 on Western Sahara, Morocco suspended political dialogue covering all Union external policies such as development policy, trade, foreign and security policy from December 2015 until January 2019; notes the Commission's comments to Special Report No 09/2019 that as 'policy dialogue was never suspended during the period of difficult political relations between the Union and Morocco, the Commission considers there were no grounds to develop an alternative strategy';

465. Underlines that Morocco is a long-standing and strategic partner and neighbour of the EU with fruitful cooperation leading to positive results;

466. Notes that the Court identified several challenges to the effectiveness of Budget Support:

— sub-optimal focus and design of the support (i.e. funding covered too many areas, the Commission had not developed a clear strategy for future relations with Morocco during suspension of political dialogue, uneven donor coordination, budget support programmes not designed to maximise impact);

— difficulties in implementing support (i.e. delays, poor results assessment by Commission);

— absence of significant impact for budget support programmes (i.e. less than half of budget support targets met in health, social protection, justice etc.);

467. Calls on the Commission to:

— strengthen the focus of Union budget support in Morocco, namely apply a more transparent and better documented method to allocate amounts to sectoral budget support programmes and continue to monitor the performance;

— improve the design of target and performance results;

— improve policy dialogue strategy, specifically to assess the achievements of the policy dialogue strategy and to apply a clear and appropriate definition of the objectives and expected results of the dialogue;

— enhance disbursement verification procedures, specifically to apply appropriate calculation methods and to disburse funds only when there is reliable evidence that the target has actually been achieved;

— improve monitoring procedures, such as to strengthen the assessment of sectoral strategies and to monitor their implementation using the indicators of the sectoral strategies;

— thoroughly verify the use of Union funds by third entities, their affiliates, and/or natural persons to ensure that no funds are allocated or linked to any cause or form of terrorism and/or religious and political radicalisation; and to ensure that these Union funds are proactively recovered, and recipients involved are excluded from future Union funding;

468. Recalls the importance of the promotion of Union values abroad, such as democracy, rule of law and respect for human rights and fundamental freedoms; thus calls the Commission to use Pre-Accession Fund to support democratic transformation and ensure the proper implementation of public policies and judicial reforms in the Western Balkans;

469. Takes note of the Commission's replies to Special Report No 09/2019, particularly that the Commission concludes that Union cooperation has contributed to the implementation of reforms in Morocco, which had a positive impact on the country's socio-economic development;

Court findings: DG DEVCO

470. Notes that DG DEVCO implements most of the external aid instruments financed from both the Union general budget and the EDFs; takes note that the Court presented within its annual report on the activities funded by the 8th, 9th, 10th and11th EDFs for the 2019 financial year its observations on systems, there liability of the AAR and the director-general's declaration for 2019 which refer to DG DEVCO's entire area of responsibility:

— The expenditure under the 8^{th}, 9^{th}, 10^{th} and 11^{th} EDF recorded in 2019 is materially affected by error; according to the Court the estimated level of error is 3,5 %;

— 43,6 % of the estimated level of error came from expenditure not incurred (i.e. commitments presented as expenditure or claimed expenditure calculated incorrectly);

— 22,1 % of the estimated level of error came from serious failure to respect public procurement rules (i.e. unjustified decision by the evaluation committee);

— 12,7 % of the estimated level of error came from ineligible expenditure (i.e. significant raise of local staff salaries after the contract's conclusion);

471. Notes the Court's observation that the Commission and its implementing partners made more errors in transactions relating to programme estimates, grants, contribution agreements with IOs and delegation agreements with Member States' cooperation agencies than they did with other forms of support (such as those covering works, supply and service contracts), of the 65 transactions of this type 25 (38 %) contained quantifiable errors, which accounted for 71,7 % of the estimated level of error; takes note of the Court's opinion that the DG DEVCO's RER study does not constitute an assurance engagement or an audit; notes that it is based on the RER methodology and manual provided by DG DEVCO; observes that the Court outlines four major factors affecting the RER used by DG DEVCO such as limitations in checks on public procurement procedures, a very low number of on-the-spot checks in the country of project implementation, DG DEVCO's residual error rate estimation method itself and partial or full reliance on previous control work; takes note of the Court's observation that the director-general's declaration of assurance in the 2019 AAR does not include any reservations, as the two reservations remaining in 2018 have been lifted and no new ones have been issued, before lifting these reservations in 2019, DG DEVCO had significantly reduced their scope (i.e. the share of expenditure covered by them) in 2017 and 2018, which consequently does not give a true and fair view of the risks in DG DEVCO's overall area of responsibility;

472. Welcomes the Court's finding about a generally positive trend in terms of poverty reduction, gender equality in education, number of agreements with neighbouring countries, expresses however concern about the worsening trend in terms of consolidation of democracy, rule of law and political stability

473. Reiterates its concerns that the increase use of financial instrument to deliver EU policies in third countries undermine the level of accountability and transparency of Union action; insists that the Commission ensure that the delivery of external aid is subject to the rule of law and respect for human rights in recipient countries ([34]);

474. Expresses its deep concern about the misuse of development funds for actions that result in the violation of human rights in border management; deplores the reported human rights violations linked to the EU Emergency Trust Fund for Africa (EUTF) in Libya, Ethiopia, Eritrea and Niger; calls for the creation of strong mechanisms to monitor the human rights impacts of the EUTF, as well as an accountability system to prevent and deal with breaches of international law; reiterates the need for a thorough investigation into the alleged human rights abuses, including those at EU borders; deplores the fact that the Commission's report on the extension of the EUTF did not envisage any improvement in this field, and request that guarantees on the respect of fundamental human rights should be provided when dealing with the extension of EUTF ([35]);

([34]) Para 32 of the European Parliament resolution of 14 May 2020 with observations forming an integral part of the decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2018, Section III – Commission and executive agencies (2019/2055(DEC))

([35]) DEVE opinion on 'human rights protection and the EU external migration policy', paragraph 13

Performance of European Neighbourhood Instrument (ENI) and of Development Cooperation Instrument (DCI)

475. Recalls that the ENI's budget for the 2014-2020 MFF is approximately EUR 17 billion. Overall, by end of 2019, the Commission had committed 85 % of this allocation and spent 42 %;

476. Recalls that the DCI's budget for the 2014-2020 MFF is approximately EUR 20 billion. Overall, by the end of 2019, the Commission had committed 84 % of this allocation and spent 40 %;

477. Notes that according to the performance review of five DCI projects and three ENI projects the Court identified that three of the DCI projects had suffered from performance issues: two had experienced implementation delays and will therefore not deliver all their planned outputs and results by the relevant deadline, while one had not set any target to measure its performance, however, none of the ENI projects had suffered from performance issues;

478. Notes that the indicators in the Commission's high-level performance reports revealed a generally positive trend in terms of poverty reduction, gender equality in education, number of agreements with neighbouring countries and human development; regrets that the indicators showed a worsening trend in terms of consolidation of democracy, rule of law and political stability;

479. Points out that these indicators did not provide information on the performance of the programmes themselves, but rather on the context in which they operated; stresses that the mix of indicators used did not clearly illustrate the extent to which the programmes were delivering their expected outputs and results, and how these, in turn, were contributing to the achievement of the programmes' expected impacts;

Recommendations

480. Calls on the Commission to:

— disclose the limitations of the residual error rate study in DG NEAR's 2020 AAR and future AARs;

— develop quickly guidance and strong criteria to identify NGOs in its accounting system and to verify the self-declared data submitted by the applicants;

— propose a harmonized definition of NGOs and a specific control on the funds. Calls on the Commission to receive each year the list of the 50 largest beneficiaries;

— increase the confidence level DG NEAR uses in its methodology for calculating the grant rate to the same level applied to the rest of residual error rate population, to reflect more accurately the higher risk in the area of direct management grants by the end of 2021;

— strengthen DG NEAR's, DG DEVCO's, DG ECHO's, DG CLIMA's and FPI's checks by identifying and preventing recurrent errors (e.g. lack of time-recording systems and charging ineligible VAT to Union-funded projects) by the end of 2021;

— further improve by the end of 2021 the methodology and manual used for the residual error rate study to address the issues the Court has identified in its report, in order to make the error rate reported in the study more reliable;

— reintroduce reservations for all areas found to have a high level of risk, regardless of their share of total expenditure and their financial impact;

— thoroughly verify the use of Union funds by third entities, their affiliates and/or natural persons to ensure that no funds are allocated or linked to any cause or form of terrorism and/or religious and political radicalisation; and to ensure that these Union funds are proactively recovered, and recipients involved are excluded from future Union funding;

— ensure that no Union funds support forced child labour;

— ensure that Union funds are not used for purposes different from the assigned areas;

— withhold or review their cooperation with third countries, including suspending specific funding and projects, which endanger the human rights of those affected, including where third countries do not fully respect the fundamental rights stemming both from the UN Convention of 1951 Relating to the Status of Refugees and the European Convention on Human Rights, have not ratified these conventions, or fail to comply with the SOLAS and SAR Conventions;

— provide an enhanced Parliament scrutiny when developing new partnership agreements with third countries, which should always be based on the principles of solidarity, shared responsibility, respect for human rights, the rule of law and international humanitarian law;

— provide detailed information on the decisions taken in the Operational Committees and ensure that Parliament is represented at its meetings;

481. Reiterates its request to the Commission to execute fully and without any further delay the judgement of the Court of Justice (31/1/2019) regarding International Management Group (IMG); urges the Commission to consider again IMG as a suitable contractor for projects in crisis situation countries, where this organisation has proven its efficiency in managing reconstruction and assistance programmes financed by European entities and Member States over more than 20 years;

482. Highlights the importance of increasing visibility, transparency, effectiveness, complementarity and accountability of the Union external financing instruments in light of their current restructuring; points to the fact that the ENI's performance has been more successful in the EU's Eastern neighbourhood, and in this light, calls for increased efforts be directed towards the EU's Southern neighbourhood in order to address the challenges it faces;

483. Calls for more analysis from the Commission on the development effectiveness of private investment subsidisation and de-risking, given the reported shortcomings of the blending and guarantee mechanisms, in particular in the recent opinion of the Court No 7/2020, related to the Commission's report on the implementation of the European Fund for Sustainable Development (EFSD), which concludes that it is impossible to assess the contribution of EFSD to the SDGs or the Paris climate agreement and to demonstrate that relevant investments would not have occurred without the Union's contribution, in other words: to demonstrate financial additionality of the EFSD; recalls that without demonstrating financial additionality, the Union is in violation of WTO regulations regarding subsidisation of the private sector and is potentially wasting taxpayer resources; emphasises that choices of aid modalities should be guided by the prospects for effectiveness in relation to relevant policy objectives, in accordance with the 'policy first' principle; invites the Commission and the EEAS to ensure that; considers that the Commission and the EEAS should prioritise sectors with the potential to attract foreign direct investment, create jobs and grow exports, and actions supporting good governance, structural reforms, economic diversification and fight against corruption; stresses the need for donors to prioritise grant-based financing as the default option, especially in relation to least developed countries, and for not favouring loans that could increase the burden of debt over grants; underlines that debt relief might have a crucial impact on poverty alleviation; stresses that aid programmes should be combined with an analysis of debt sustainability; calls for Union work on a specific initiative on debt relief for highly indebted poor countries; reiterates that development assistance in the form of cooperation with the private sector must respect the UN Guiding Principles on Business and Human Rights, relevant ILO standards and the OECD Guidelines for Multinational Enterprises; stresses that good governance, poverty reduction, and wealth creation through sustainable investment, as well as reduction of inequalities, promotion of human rights and environmental standards and empowerment of local economies need to be ensured;

484. Calls on the Commission to systematically monitor the reforms undertaken and results achieved, demonstrating that Union budget support has effectively contributed to African, Caribbean and Pacific countries own development agenda and strengthened its democratic ownership;

485. Calls for more accountability and efficiency in Union development spending, as development outcomes shall not be only defined but also scrutinised and monitored in terms of tangible results and development impacts.

486. Calls for more independent and publicly available assessments of Union civilian and military security and military measures, in particular Union military training missions, capacity building of military actors in third countries (CBSD via IcSP), and border and migration management measures, and deplores the lack of flexibility in the administrative and budgetary/financial procedures concerning civilian Common Security and Defence Policy (CSDP) missions; reiterates its opinion that the Commission should introduce specific procurement rules to the crisis management measures under the CSDP in order to facilitate the rapid and flexible conduct of missions;

487. Invites the Commission to assess the legality of withdrawing the budgetary function from Parliament through the Council decisions on establishing the EDA and PESCO; recalls that the relevant Articles 45(2) and 46(2) TEU provide for the decisions to be adopted by a qualified majority without a veto provision; recalls that the withdrawal of the budgetary function of the EP under Article 42 TEU is possible for the operating expenditure only and requires a unanimous decision by the Council;

488. Considering that the EIB is a major player in the implementation of Union external policies, with 10 % of its loans outside the Union, reiterates the longstanding demands of Parliament that the Court be empowered to audit all EIB operations, and that these audits be carried out;

Administration

489. Notes that payments for 'Administration' amounted to EUR 10,4 billion in 2019 (6,5 % of the MFF), of which the budget of the Commission represents 57,9 % or EUR 6,1 billion;

490. Notes that administrative expenditure comprises expenditure on human resources, accounting for about 60 % of the total, and on buildings, equipment, energy, communications and information technology, which is considered by the Court as a low-risk spending;

491. Notes that concerning the Commission, several errors relating to staff costs and the PMO's management of family allowances were found;

492. Notes that the Court also examines the regularity of the information in the annual activity reports of the Commission, including those of its directorates-general and offices primarily responsible for administrative expenditure; welcomes that the annual activity reports reviewed did not identify material levels of error;

493. Invites the Commission to take appropriate measures to implement all of the Court's recommendations and to report to the Parliament on the developments;

European Schools

494. Notes with satisfaction that the Court mentions that the quality of the accounts has improved compared to previous years; notes with concern that the Court is unable to confirm that the Schools' financial management in 2019 was compliant with the Financial Regulation of the European Schools and the Staff Regulations due to weaknesses revealed in the internal control systems of the Central Office and of the two Schools selected; urges the European Schools to swiftly follow up on the recommendations of the Court concerning the specific weakness founded in accounting, procurement and recruitment;

495. Emphasizes, with regard to the European schools, the importance of respecting the annuality principle and the rules for taking physical inventories when performing the cut-off at the end of the year and of respecting payment deadlines, procurement rules and transparency in recruitment procedures.

Recommendations

496. Calls on Commission to:

— harmonise its support for Category I pupils, i.e. children of officials, who choose to enrol in an accredited European School (at present, some civil servant families, depending on the town or country they live in, do not receive funding to enrol their children in accredited schools which do, however, give access to the same baccalaureate);

— resolve the inequality of funding between Category I pupils enrolled in the accredited Schools which results from the situation where they are sometimes substituted for the Type I European Schools and sometimes placed latter in unequal and unjustified competition depending on the school market in which they operate;

— intervene to resolve the important problems currently raised by the so-called 'Cost Neutrality' policy (cf. document 2018-10-D-63-en-5), which stipulates that accredited schools should not weigh financially on the traditional European School system, but should on the contrary contribute to the costs generated by the system in place ([36]);

([36]) This provision poses problems at several levels. Firstly, the Central Office as well as the entire budget devoted by the Commission to the European Schools is a public service which has already been paid for by the Member States and taxpayers through them. Secondly, as the overall functioning of the accredited Schools is self-financed and not experiencing any intervention by the Commission, the claim that they represent an additional cost for which they should be accountable seems to be counterintuitive. Allowing the opening of the European Baccalaureate system and the schooling of children of European officials at a much lower cost than the type I European Schools, their development should instead be integrated into the Commission budget and under no circumstances be subject to taxation which would hamper their development and the substantial savings they generate for the benefit of the Union.

Human Resources

497. Acknowledges the Court's observation that the adoption in 2014 of the revised Staff Regulations was accompanied by a commitment by the institutions and bodies gradually to reduce the number of posts (officials and temporary staff) in their establishment plans by 5 % before 2018 compared with the situation in 2012;

498. Takes note that the 2014 reform of the Staff Regulations brought savings of 4,2 billion on the 2014–2020 MFF, which represents 0,4 % of the overall MFF; recalls that the 2014 reform generated unquestionable negative effects on the staff, which was confirmed by the Court ([37]) in 2019, and regrets that it is nearly impossible to know their financial cost in order to have a realistic image of the savings; notes the several policies and actions designed by the Commission to help mitigate the negative effects and expects that the lessons learned will be reflected on the Commission's new HR Strategy to be adopted in 2021; reiterates the serious consequences that any budgetary cut in administration or staff reduction may have in the future of the European civil service and the implementation of the Union's policies;

499. Takes note that the Commission is investing in data mining of its IT medical system to overcome the absence of data on burnout cases; strongly encourages the Commission to prevent, identify and manage burnout cases in the larger context of staffing, workload and staff well-being in its Human Resources (HR) strategy;

500. Is concerned that no temporary measure has been designed by the Commission to mitigate the growing problem of the purchase power disparity suffered by the European civil servants posted to Luxembourg; points out, as a relevant example, that 16 out of 200 suitable candidates selected by the EPPO have declined the job offer on account of the salary not being high enough to live in Luxembourg; emphasises that it expects concrete proposals in the report on the salary method due by 31 March 2022;

501. Supports the Commission's intention to update the approach set out in its Communication of 2019 'The Workplace of the Future in the European Commission' in the light of the COVID-19 crisis; expects the Commission to take into account on an equal footing the efficient use of office spaces and the health and well-being of the staff; reiterates that staff representatives shall always be involved in substantial changes in work arrangements and spaces;

502. Welcomes that the Commission adopted an action plan for equality and diversity in 2018 and its implementation in 2019; welcomes that specific actions were added in response to the staff survey; calls on the Commission to follow the same path with more specific measures with regard to the people awarded with internships in the Commission;

503. Agrees with the Commission's statement that 'different cultural, social and professional expectations of men and women continue to exist with regard to the balance between paid work and unpaid (care) work'; notes with appreciation the Commission's efforts to raise awareness on the measures that exist to enable a work-life balance such as courses for parents and the publication of positive examples in the Commission's intracomm;

504. Notes with appreciation that the Commission (2014-2019) met the target of 40 % of women in management functions by the end of its mandate in 2019; reminds the Commission (2019-2024) that in 2019 its President committed to reach gender equality at all levels of management by the end of the current mandate and reiterated this commitment in her mission letter to Commissioner for Budget and Administration;

505. Takes note of the new guidelines for the implementation of aid for persons with a disability drafted in 2019 to financially assist staff and their dependant for non-medical costs linked to their independence, social integration and physical, mental, social and vocational ability; notes that the guidelines came into force in May 2020;

506. Notes that in 2019 the number of cases for social-financial support increased by 28 % compared to 2018; notes with appreciation that the disability funds used increased by 50 % in comparison with 2018 (from approximatively EUR 2 to 3 million);

([37]) European Court of Auditors' Special Report No 15/2019: Implementation of the 2014 staff reform package at the Commission - Big savings but not without consequences for staff.

507. Takes due note of the Court's observations and recommendations regarding the European Personnel Selection Office ([38]); welcomes that the selection process is broadly effective for large-scale competitions but expresses its concern that the selection process is not adapted to small-scale, targeted competitions, which are those most suited to the current recruitment needs of the EU institutions; calls on the Commission to timely report on the implementation of those recommendations by the EPSO;

508. Notes that over the period from 2012 to 2018 the institutions and bodies, excluding the European Ombudsman and the EDPS, had reduced their establishment plans by 1 409 posts (3 %) and at the same time gradually increased the employment of contract staff; notes, in this regard, that the proportion of contract staff in total workforce forecasts rose from 17 % to 22 %; expresses its concern as regards the possible negative effects of replacing officials with contract agents such as the necessary transfer of knowledge as well as its loss when their contracts expire and also the perspective and job security of the contract agents;

509. Points out that the increase of contract staff reflects the impact on staffing levels of new tasks stemming from rapidly evolving priorities, such as the implementation of new programmes delegated by the Commission to the executive agencies which was neutral in budgetary terms and in terms of Commission staff transferred; notes the Court's observation that the increase in contract staff was also a response to special or urgent situations;

510. Regrets that, for some institutions, there was an increase in FG I contract staff as a result of the conversion of permanent and temporary posts for clerical/secretarial assistants into contract staff;

511. Takes note that at the end of 2018, the institutions, bodies and executive agencies employed 11 962 contract staff, (representing an increase of 37 % since 2012); notes that most were employed by the European Commission;

512. Insists on the Commission to implement a more transparent appointment procedure for all positions especially the management related ones; calls on the Commission to clarify previous appointment procedure that lack of transparency and accountability;

513. Regrets the persisting geographical imbalances in the composition of the Commission staff, especially at middle and senior management levels; Calls on the Commission to establish a proper representation of nationals from all Member States, while at the same time respecting the competencies and merits of the candidates like indicated in the Article 27 of the Staff Regulations of Officials;

514. Underlines the important effect of turnover within the staff of the agencies of the Union, calls Commission to help them for the implementation of human and social policies to remedy it;

515. Points out that a complex approach is needed in order to make the European institutions' home pages accessible to persons with all kind of disabilities as foreseen in Directive (EU) 2016/2102, including the availability of national sign languages; suggests that organisations representing disabled persons are involved in this process;

516. Welcomes the Commission's efforts to build a more diverse and inclusive work environment and culture by taking actions in favour of people with disabilities, asks the Commission to assess the possibilities of further strengthening and integrating the principles of equal opportunities in recruitment, training, career development and working conditions as well as raising staff awareness of these aspects; and on the possible reasonable improvements and modifications of the institutions' buildings (access, adequate office equipment) for people with reduced mobility or other disabilities;

517. Welcomes the European Personnel Selection Office's achievements and the continual improvement in its practices in terms of reasonable accommodations for candidates with a disability and/or specific requirements. In 2019 EPSO developed a flyer, a braille flyer and an animated video to explain such adjustments to selection procedures that are offered to candidates with specific needs during selection procedures, which enabled 438 candidates with special needs to apply for the competitions and selections;

518. Reiterates its call on the Commission to make the Commission special advisers status more transparent with a clear definition of their tasks and missions;

([38]) Court's Special Report No 23/2020 'The European Personnel Selection Office: Time to adapt the selection process to changing recruitment needs'.

519. With regard to the Commission College decision of 30 October 2019 to enable former Commission Presidents to carry out representational functions after the end of their mandate, takes note of the appointment of former President Jean-Claude Juncker as special advisors, and regrets that this function, despite being non-remunerated, will incur costs, in particular for missions, which is difficult for the public to understand; requests that the Commission provide details of the financial implications of its decision to Parliament, in order to enable Parliament to take this into consideration in future discharges;

520. Invites the Commission to pay great attention to its relationships with former Commissioners and to assess carefully the potential risks when doing so;

521. Reiterates its call on the Commission to enforce the existing legally binding rules of the code of conduct regarding revolving doors both for the Commission and its agencies;

522. Strongly supports the Court's recommendation that all Institutions work together to harmonise their ethical frameworks and to step up their efforts to share good practices;

523. Calls on the Commission to improve staff awareness and perception of ethical frameworks and culture; calls on the Commission to ensure, in particular, that training on ethics contains practical guidance based on real-life examples, and to improve the communication on ethics with staff; highlights the need to make sure that staff members know how to report any issues related to unethical behaviour, as well as to increase their sense of security;

General remarks

524. Acknowledges that 2019 was a year of transition for the Commission, as it had to secure the transition from the Juncker Commission and the preparation for the arrival of the von der Leyen Commission, as well as launching its new priorities;

525. Expresses its concern in relation to the Commission's decision to award a contract to BlackRock Investment Management to carry out a study on environmental, social and governance objectives; points to an inquiry by the European Ombudsman on the possibility for a conflict of interest ([39]); calls therefore on the Commission to update its guidelines on public procurement procedures;

526. Urges the Commission to introduce sustainability reporting, including social and environmental aspects of procurement; believes that by incorporating responsible business standards in its procurement and purchasing policies, the Commission can safeguard the public interest and ensure the accountability of public spending;

527. Encourages the Commission to continue building on the principles of its open source strategy ([40]) and the ISA2 Programme ([41]) in order to prevent vendor lock-in, retain control over its own technical infrastructure contribute to stronger safeguards for user's privacy and data protection and increase security and transparency for the public; asks the Commission to give preference to open source solutions in procurement and development, with the aim of promoting the sharing and re-use of software solutions, making procurement more sustainable and long-lived, and abiding by the 'public money, public code' principle;

528. Welcomes the inter-institutional cyber cooperation for which the Committee of the Regions and the European Economic and Social Committee receive the assistance of the Computer Emergency Response Team for the EU institutions, bodies and agencies; notes that many of the digitalisation projects concern the digitalisation of human resources and financial processes, where the Committees uses the SYSPER and ABAC systems provided by the Commission; asks the Commission to examine the possibility of negotiating better conditions to enhance and make the process of application sharing financially attractive;

529. Stresses the importance of DG Interpretation's efforts to facilitate interpretation into the 24 official EU languages and even the international sign language within the Commission and other EU institutions and bodies, encourages the Commission to help DG SCIC to further increase the availability and presence of the international sign language, to ensure access to information for persons with disabilities,

([39]) https://www.ombudsman.europa.eu/en/case/en/57060
([40]) https://ec.europa.eu/info/departments/informatics/open-source-software-strategy_en
([41]) https://ec.europa.eu/isa2/isa2_en

530. Is very concerned by the Commission decision to break the contract with the restaurant service provider, which led to the layoff of 400 workers; urgently asks the Commission to revise its decision and to explore any viable solution to protect the workers and avoid layoff, including the internalisation of the catering staff in-house;

531. Notes that many communications and documents are only available in English; notes also that working meetings are held without the possibility of interpretation; requests that the European Commission respects the principles, rights and obligations laid down in the Charter of Fundamental Rights and Regulation No 1/1958, as well as in internal guidelines and decisions, such as the Code of Good Administrative Behaviour; calls, therefore, on the Commission to provide the necessary human resources to ensure that multilingualism is respected, by increasing the number of staff responsible for translation and interpretation;

Ethical frameworks

532. Takes note of the Court's conclusions and recommendations of its Special Report on 'The ethical frameworks of the audited Union institutions: scope for improvement'; echoes the Court's conclusion that any unethical behaviour by staff and Members of EU institutions and bodies is unacceptable and, even if it is only alleged, attracts high levels of public interest and reduces trust in the Union. Unethical behaviour is also linked to the risk of corruption and fraud; regrets that room for improvement is still present for enforcing the ethical frameworks; in particular regrets that weaknesses were found on different issues, namely:

— procedures for verifying declarations and guidance for staff to avoid conflicts of interest are not sufficiently formalised; clear and extensive guidance about ethical requirements needs to be made available; the same applies to guidance on conflicts of interest arising from staff members' financial interests, their post-employment activities, or their spouse or partner's professional activity;

— limited scrutiny of Members' declarations; as for the Member of the Commission, the Court regrets the lack of standard written procedures for checking the accuracy, reliability or completeness of the information submitted in their declarations, creating a risk of obligations being interpreted inconsistently, so that the institution is less likely to identify inaccuracies and other issues before they attract public attention, potentially jeopardising public trust;

— incomplete and unclear policies on gifts and entertainment, with for the Commission the lack of definition of gifts and hospitality applicable to Members.

533. Welcomes that, to a large extent, the audited institutions have put in place for staff and Members adequate ethical frameworks with room for improvement; strongly supports the Court's recommendations such as harmonising the ethical frameworks and improving staff awareness;

534. Takes note of the second review of the Commission's internal guidelines in relation to the provisions on Whistleblowing in the Staff Regulations; takes note with satisfaction the 6 recommendations contained in the 2019 review and calls on the Commission to report on the implementation to the budgetary authority; welcomes the update of the whistleblowing page on MyIntracomm in May 2019 and the addition of a direct link to OLAF's whistleblowing procedure;

535. Requests a more proactive approach in term of protection of whistleblowers; considers particularly relevant the need to reinforce the cooperation between OLAF and the Appointing Authority responsible for adopting protective measures in those cases where applicable; also considers particularly important the recommendations to liaise with the EPPO to ensure an efficient collaboration and to exchange best practices in the field of reporting perceived illegal activities;

536. In term of protection of whistleblowers, esteems that a more uniform regulation among all Institutions, based on best practices and on higher standards would represent a much needed improvement;

537. Stresses the importance of reinforcing the Transparency Register and improving the quality of its data, in particular on the occasion of the Interinstitutional Agreement reached in December 2020; takes note of the quality checks performed by the Commission and the action of the Register Secretariat upon alerts received; calls on the Commission to improve the IT solution in order to perform stricter quality checks;

538. Highlight the importance of an effective and valid Transparency Register; reiterates its call on the Commission to pay more attention to the validation and sample checks of entities of in the Transparency Register; notes with concern the absence of a requirement for the vast majority of Commission decision-makers to publish their meetings with interest representatives; also expresses concern on the possibility for Commission decision-makers to meet with lobbyists not registered in the Transparency Register; calls for full transparency regarding all meetings organised by the Commission with private actors or their representatives, such as consultancy organisations;

539. Takes notes of the European Ombudsman's conclusions and technical suggestions for improvement in her Decision of 28 February 2019 on how the Commission manages 'revolving doors' situations of its staff members; calls on the Commission to follow-up on both the Ombudsman's decision and the Court's relevant recommendations in its Special Report on the ethical frameworks of the Union institutions.

DECISION (EU, EURATOM) 2021/1544 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2019, Section I – European Parliament

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2019 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2019 (COM(2020) 0288 – C9-0221/2020) ([2]),

— having regard to the report on budgetary and financial management for the financial year 2019, Section I – European Parliament ([3]),

— having regard to the Internal Auditor's annual report for the financial year 2019,

— having regard to the Court of Auditors' annual report on the implementation of the budget for the financial year 2019, 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 2019, 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) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([6]), and in particular Articles 260, 261 and 262 thereof,

— having regard to the Bureau decision of 10 December 2018 on the Internal Rules on the implementation of the European Parliament's budget, and in particular Article 34 thereof,

— having regard to Rule 100 and Rule 104(3) of, and Annex V to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0044/2021),

A. whereas the President adopted Parliament's accounts for the financial year 2019 on 24 June 2020;

B. whereas the Secretary-General, as principal authorising officer by delegation, certified, on 17 June 2020, his reasonable assurance that the resources assigned for Parliament's budget have been used for their intended purpose, in accordance with the principles of sound financial management and that control procedures established give the necessary guarantees concerning the legality and regularity of the underlying transactions;

C. whereas the audit of the Court of Auditors stated that, in its specific assessment of administrative and other expenditure in 2019, it did not identify any serious weaknesses in the examined annual activity reports of the institutions and bodies required by Regulation (EU, Euratom) 2018/1046;

([1]) OJ L 67, 7.3.2019, p. 1.
([2]) OJ C 384, 13.11.2020, p. 1.
([3]) OJ C 239, 20.7.2020, p. 1.
([4]) OJ C 377, 9.11.2020, p. 13.
([5]) OJ C 384, 13.11.2020, p. 180.
([6]) OJ L 193, 30.7.2018, p. 1.

D. whereas Article 262(1) of Regulation (EU, Euratom) 2018/1046 requires each Union institution to take all appropriate steps to act on the observations accompanying the Parliament's discharge decision;

1. Grants its President discharge in respect of the implementation of the budget of the European Parliament for the financial year 2019;

2. Sets out its observations in the resolution below;

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

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1545 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 2019, 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 2019, Section I – European Parliament,

— having regard to Rule 100 and Rule 104(3) of, and Annex V to, its Rules of Procedure,

— having regard to the report of the Committee on Budgetary Control (A9-0044/2021),

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

B. whereas, in accordance with the usual procedure, 192 questions were sent to Parliament's administration and written replies were received and discussed publicly by Parliament's Committee on Budgetary Control, in the presence of the vice-president responsible for the budget, the Secretary-General, the director of the Authority for European Political Parties and European Political Foundations (the 'Authority') and the internal auditor;

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

Parliament's budgetary and financial management

1. Notes that Parliament's final appropriations for 2019 totalled EUR 1 996 978 262, or 18,5 % of heading V of the Multiannual Financial Framework ([1]) set aside for the 2019 administrative expenditure of the Union institutions as a whole, representing a 2,4 % increase over the 2018 budget (EUR 1 950 687 373);

2. Notes that total revenue entered in the accounts as at 31 December 2019 was EUR 207 521 070 (compared to EUR 193 998 910 in 2018), including EUR 36 566 236 in assigned revenue (compared to EUR 30 783 590 in 2018);

3. Emphasises that four chapters accounted for 67,8 % of total commitments: Chapter 10 (Members of the institution), Chapter 12 (Officials and temporary staff), Chapter 20 (Buildings and associated costs) and Chapter 42 (Expenditure relating to parliamentary assistance), indicating a high level of rigidity for the major part of Parliament's expenditure;

4. Notes the figures on the basis of which Parliament's accounts for the financial year 2019 were closed, namely:

(a) **Available appropriations (EUR)**	
appropriations for 2019:	1 996 978 262
non-automatic carry-overs from financial year 2018:	—
automatic carry-overs from financial year 2018:	299 095 028
appropriations corresponding to assigned revenue for 2019:	36 566 236
carry-overs corresponding to assigned revenue from 2018:	49 010 988
Total:	2 381 650 514

([1]) Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884).

(b) **Utilisation of appropriations in the financial year 2019 (EUR)**	
commitments:	2 332 411 812
payments made:	2 035 068 314
appropriations carried forward automatically including those arising from assigned revenue:	306 712 540
appropriations carried forward non-automatically:	—
appropriations cancelled:	38 744 124
(c) **Budgetary receipts (EUR)**	
received in 2019:	207 521 070
(d) **Total balance sheet at 31 December 2019 (EUR)**	1 685 376 397

5. Points out that 98,8 % of the appropriations entered in Parliament's budget, amounting to EUR 1 973 232 524, were committed, with a cancellation rate of 1,2 %; notes with satisfaction that, as in previous years, a very high level of budget implementation was achieved; notes that payments totalled EUR 1 698 971 864, resulting in a payment appropriations execution rate of 86,1 %;

6. Underlines the fact that the cancelled appropriations for the year 2019, amounting to EUR 23 745 738, mainly related to expenditure related to buildings, as well as to remuneration and other entitlements;

7. Notes that eighteen transfers were approved, in accordance with Articles 31 and 49 of the Financial Regulation, in the financial year 2019, amounting to EUR 76 028 316 or 3,8 % of final appropriations; observes that 45,3 % of the funds transferred related to Parliament's buildings policy and mostly, in particular, to help fund the annual payments for the Adenauer building project; notes that transfers linked to postponements in relation to the UK's decision to withdraw from the European Union amounted to 25 %;

The Court of Auditor's opinions on the reliability of the 2019 accounts and on the legality and regularity of the transactions underlying those accounts

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

9. Notes that the overall audit evidence indicates that spending on administration is not affected by a material level of error; also notes that, on the basis of the three quantified errors, the estimated level of error present in heading V of the Multiannual Financial Framework on administration is below the materiality threshold;

10. Notes the specific finding, concerning Parliament, contained in the Court's annual report on the implementation of the budget concerning the financial year 2019 (the 'Court's report'); notes with concern that the Court found errors in one payment to one of the European political parties, which concerned non-compliance with expenditure eligibility rules, specifically, no written contractual documents and no supporting evidence for costs actually incurred were provided; regrets the fact that the Court had reported similar shortcomings in transactions relating to political groups and to a European party in its annual reports in 2014, 2015 and 2016; calls for greater transparency in the exchange of information in order to prevent any repeat of these shortcomings in the future; notes, however, that although there remains scope for improvement there has been a lot of positive development over recent years;

11. Notes the response given by Parliament in the adversarial procedure with the Court, which re-examined and addressed the individual cases highlighted as a result of the Court's findings; recalls that, while Parliament's administration is the authorising service for the payment of the grant towards the European political parties, it is not responsible for their actual expenditure, and that the European political parties are themselves responsible for the legality and regularity of their transactions; notes that Parliament provided European political parties with comprehensive information and guidance on topics in respect of which problems have been identified; calls on the Court to check the European political parties' spending on a regular basis;

The internal auditor's annual report

12. Notes that, at the meeting of the committee responsible with the internal auditor held on 16 November 2020, the internal auditor presented his annual report and described the assurance audits he performed and reported on, which in 2019 covered the following topics:

— audit of procurement and contract implementation in the catering sector (Directorate-General for Infrastructure and Logistics (DG INLO);

— audit of visitors' groups (Directorate-General for Communication (DG COMM));

— audit of the parliamentary assistance allowance regarding local assistants (Directorate-General for Finance (DG FINS));

— first report on information systems audit: identity and access management;

— audit of financing of European political parties and European political foundations (DG FINS);

— preliminary review of Parliament's data protection framework;

— follow-up of open actions from internal audit reports - phases 1 and 2 of 2019.

13. Welcomes and supports the following actions that the internal auditor has agreed, or is in the process of agreeing, with the directorates-general responsible, as a result of the assurance assignments:

— with regard to the audit of procurement and contract implementation in the catering sector (DG INLO), achieving the internal control objectives through, notably, allowing longer time-limits for procurement that are proportionate to the complexity of the specifications; ensuring clearer, more relevant and accurate tender specifications; ensuring a transparent evaluation of tenders that is based on the published criteria and is properly documented; validating ad hoc contracts on concessions with the legal service; the critical importance of managing amendments to concession contracts in line with the rules; improved management monitoring and reporting (Parliament recalls that the aforementioned actions are essential for ensuring that public procurement procedures attract more offers, thereby resulting in better competition and improved services over a certain time period; underlines the importance of taking criteria for environmental sustainability and social factors into account);

— with regard to the audit of visitors' groups, increasing the assurance of the regularity of payments and efficiency of implementation of the rules on financial contributions, including better definitions of eligible costs and of the eligibility period; improving the adequacy and effectiveness of *ex ante* and *ex post* controls over reimbursements; ensuring full compliance with the applicable rules in relation to the defrayal of visitors' groups; measures to ensure the full realisation of the visitors' groups programme;

— concerning the first report on information systems audit: identity and access management, reducing to an absolute minimum the provision of privileged access rights to UNIX/LINUX infrastructures of so-called super-users; strengthening access controls at central level over the sampled critical applications; establishing security procedures on privileged accounts in order to define access control rules;

— with regard to the audit of the parliamentary assistance allowance (DG FINS), the focus on the regulatory compliance and sound financial management of processes for the defrayal of local parliamentary assistance expenses, notably the scope for action in the area of paying agents' professional and contractual obligations, and the annual regularisation of their accounts;

— with regard to the first phase of the audit of financing of European political parties and European political foundations (DG FINS), the focus on the process of registration of the European political parties and foundations and the monitoring of their eligibility, on functional cooperation between the Authority and Parliament's authorising officer, and on practical aspects of implementing the main legislation;

— with regard to the preliminary review of Parliament's data protection framework, which will be adopted under the 2020 internal audit work programme, the focus on ensuring compliance of Parliament's data protection framework with Regulation (EU) 2018/1725 [2], on ensuring there is a sustainable governance structure providing assurance on compliance with obligations concerning the management of personal data, together with measures to secure those data; on reliable and consistent reporting on the institution's management of its personal data;

[2] Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

14. Notes that the 2019 follow-up process resulted in the closure of 36 of the 93 open actions; notes with concern that in addition to these validated actions, there was a total of 124 open actions from audit reports, including those not yet due for implementation, and that 62 of this total number of actions address significant risk; expects an effort to be made by different directorates-generals to ensure that the overdue actions are closed and that the agreed actions will be implemented in accordance with the set due dates; calls on the Secretary-General to report back to the discharge authority on the closure of the remaining actions in the course of his hearings in Parliament's Committee on Budgetary Control in October and November 2021;

Follow-up to the 2018 discharge resolution

15. Takes note of the written answers to the 2018 discharge resolution provided to Parliament's Committee on Budgetary Control on 21 September 2020, and of the Secretary-General's presentation addressing the various questions and requests raised in Parliament's resolution on discharge for 2018 and the exchange of views with Members that followed;

16. Regrets that not all necessary actions have been taken in response to some of their recommendations in Parliament's resolution on discharge for 2018, and that the discharge follow-up document does not provide any justification for this; asks the Secretary-General to forward to the Bureau all requests for action included in the annual discharge resolutions, to establish an action plan to address and follow up on the recommendations, and to include the results of this exercise in the annual activity reports; stresses that the Secretary-General and the Vice-President responsible for Budget should have regular discussions with Parliament's Committee on Budgetary Control on issues concerning Parliament's budget and its implementation; considers that these should take place throughout the year and not only during the discharge procedure; reiterates its call on the Bureau to improve the transparency of its decision-making procedure, particularly with regard to the timely publication of relevant documents and information on its website;

17. Acknowledges the steps taken to ease the transition to the new provider of services for Parliament's Crèche; calls on the relevant services to continuously monitor the performance of the new team, guaranteeing that the level of services remains satisfactory, and between others, making sure that a sufficient ratio of care-taking personal to children is respected;

18. Regrets that no further steps have been taken regarding the voluntary pension fund due to a number of members of the pension fund challenging the Bureau decision of 10 December 2018 before the European Court of Justice (the 'Court of Justice'); calls on the Secretary-General to inform Parliament's Committee on Budgetary Control immediately on the Court of Justice's ruling;

19. Welcomes the fact that the use of cash payments has decreased significantly, and that Members have used the possibility offered by the revised rules to assign the financial responsibility of sponsored visits to professionals, i.e. paying agents or travel agencies instead of accredited parliamentary assistants ('APAs'); notes with concern, however, that the Secretary-General has not yet released an assessment of the new rules and calls for the preparaton of such an assessment; emphasises that the internal auditor should be consulted on existing procedures when preparing such an assessment;

20. Regrets the lack of gender balance among the management in Parliament's administration; recognises however the positive developments in this regard and acknowledges the new targets; recognises the need for continuous monitoring on the topic;

21. Recalls the 2018 discharge resolution requesting the Bureau to increase the number of people with disabilities working in Parliament's administration;

22. Reiterates its call on the Secretary-General to insist on the need for genuine geographical balance in terms of the proportional representation of all Member States at all levels of staff, including top management; notes the difficulties Parliament encountered in recruiting some nationalities; stresses the importance of increasing the attractiveness of Parliament as an employer throughout all Member States;

23. Welcomes the Secretary-General's note on Disability Management in the administration of the European Parliament, highlights that the ten commitments made in the note remain to be pursued during the current legislative period in the fields of digital and physical accessibility, requests that the discharge authority be kept informed on the progress made;

24. Recalls that Rule 11of the Rules of Procedure has introduced an obligation for rapporteurs, shadow rapporteurs and committee chairs to publish information on meetings held with representatives of interests in the course of their reports; notes with satisfaction that, since the start of the new legislature, the necessary infrastructure has been available on Parliament's website to enable Members to publicise scheduled meetings with representatives of interests in order to improve transparency; notes that 324 out of the 705 of current Members had publicised at least one meeting with an representative of an interest or interests by 1 December 2020 on Parliament's website; encourages, however, further improvements to the accessibility and usability of the tool including by alerting rapporteurs, shadow rapporteurs and committee chairs about the obligation of publishing such information in order to fulfil its function to make Parliament more open, transparent, and accountable to citizens;

25. Reiterates that Parliament's President has instructed Parliament's services to implement a number of changes to the tool to improve its user-friendliness, first and foremost by linking it to the Transparency Register and to the Legislative Observatory; calls on Parliament to put in place these changes without any further delay;

General context

26. Notes the exchange of views between the vice-president responsible for the budget, the Secretary-General and Members of Parliament's Committee on Budgetary Control in the presence of the internal auditor and the director of the Authority, on 16 November 2020, in the context of the 2019 Parliament discharge;

27. Points out that the European elections in May 2019 resulted in a split in two halves for Parliament in 2019, the first focused on adopting legislation and the second on starting a new parliamentary term;

28. Observes that the 9th legislature of Parliament was constituted with 61 % of new Members, a substantial increase on past terms and the projected 50 % on the basis of which Parliament's 2019 budget had been established;

29. Recalls that the postponement of the date for the UK's withdrawal from the Union at three occasions during 2019 had an important impact on Parliament's 2019 budget; points out that salaries and allowances of British Members and their assistants were paid for a longer period than initially foreseen, which led to a substantially higher number and overall cost of necessary budgetary transfers within Parliament's budget; welcomes the flexibility of the management of the employment contracts of British Members' APAs by the Directorate-General for Personnel (DG PERS);

30. Notes with satisfaction the consolidation of the APAs front office as a one-stop shop to manage the end-to-end recruitment of APAs, as well as the role of DG PERS in facilitating the induction and integration of new Members and APAs after the election and the successful management of the change of parliamentary term through DG PERS's dedicated task force for the elections in 2019, which ensured that for the first part-session of the 9th Parliamentary term, 1 292 APAs' recruitment contracts had been concluded (i.e. for 93 % of the Members), with 2 017 contracts concluded by year-end;

31. Regrets the difficulties experienced by Members in recruiting swiftly their assistants at the beginning of the term due to DG PERS' increased activity; calls for Parliament's administration teams responsible for the recruitment of APAs to be reinforced at the beginning of each new mandate, for the length of time necessary to enable Members to recruit their assistants and to provide them with comprehensive training beforehand and until such time as the heavy workload has been completed;

32. Reaffirms the need to implement the provisions of the Staff Regulation concerning the deadline for applying for the resettlement allowance on an equal footing for all categories of staff; calls on DG PERS to look in particular into the cases of former APAs where the statutory deadline was not applied correctly at the end of the parliamentary term in July 2019;

33. Commends the taking over of the new tasks for the human resources management of Members' trainees following the Bureau decision to strengthen the framework for their recruitment on 2 July 2019;

34. Welcomes the successful completion, in 2019, of new working environments for Members in Brussels and Strasbourg; commends the fact that the refurbishment of all Members' offices in Brussels (1 personal office per Member + 2 staff offices) and in Strasbourg (1 personal office + 1 staff office) was carried out in record time and ahead of schedule, as well as coming in under the works budget amount allocated to it, and that new furniture equipment, including integrated IT solutions has been installed at a lower cost than originally foreseen; notes that the revised office allocation plan for Members and political groups was based on the most efficient use of available office space; regrets that this principle has led to some political groups to have their Members scattered in different buildings and floors with no logical connection, breaking the unity of political groups; also regrets that the distribution of offices to political groups has pushed some to relocate to external buildings no longer connected to the main Parliament activities, thus creating a structural separation of staff from Members; takes note that Trèves 1 building is deficient in services and priority should be given to find solutions to connect it to the main buildings;

35. Notes that teleworking and videoconferencing arrangements as well as remote voting are now part of Parliament's working arrangements for Members; calls on the Bureau to explore ways and costs to continue facilitating these arrangements for all Members if they wish to do so and explore using the arrangements also in the future, so as to allow Members to both hold meetings in their constituencies as well as with their colleagues in Brussels in what could be so-called hybrid weeks; however, notes that the physical presence in Parliament's premises cannot be fully replaced by remote working;

36. Regrets the fact that there is no system in place to ensure that Members who are temporarily absent for a justified reason, such as maternity leave, parental leave, long-term sick leave or carer's leave, can continue to carry out their core duties, first and foremost to speak in debates and to vote; is of the opinion that this is at odds with core values of the Union because it implies that a vote on a female candidate may lead to temporary non-representation; calls on the Bureau to examine the possibilities for facilitating continuation of remote participation and for providing for the substitution of a Member - whether female or male - while on parental leave and in the above mentioned cases; calls for the amendment of Article 6 of the Act concerning the election of the members of the European Parliament by direct universal suffrage (European Electoral Act) in order to remedy the situation concerning parental leave; calls on the Bureau to amend the rules;

37. Notes that European Union laissez-passer should be accorded to members, officials and other servants of the Union, on the basis of the conditions laid down in the Regulation (EU) No 1417/2013 ([3]); recalls that Rule 5(3) of the Rules of Procedure sets out the right for all Members of to request a laissez-passer of the Union 'allowing a Member to circulate freely in the Member States and in other countries which recognise it as a valid travel document', since the laissez-passer is to be recognised as a valid travel document by the authorities of the Member States; regrets reports from some Members that the laissez-passer is not fully recognised as a travel document in some Members States; requests Parliament to inquire into these situations and to liaise with relevant authorities to ensure that Members are not restricted and limited in their free movement while going to or returning from Parliament's meetings;

38. Acknowledges that the agreement between Parliament, the European Economic and Social Committee and the Committee of the Regions has brought financial and administrative benefits which contribute to the sound financial management of the institutions concerned; reiterates, however, that in the Committees' opinion this agreement is unbalanced and hasn't been respected by Parliament in its entirety; believes that an extension or revision of the current agreement must settle all the outstanding issues; asks the institutions concerned to jointly report to Parliament's Committee on Budgetary Control on this agreement and its ongoing revision;

Communication and elections

39. Expresses its support for the way in which Parliament has increased the visibility of the European elections by building, animating and engaging with a wide network of media, partners and volunteers who acted as opinion multipliers within their own networks; notes with concern, however, that the turnout of the 2019 European elections remained too low in certain countries; considers that a campaign to ensure visibility of the European elections and the role of Parliament in the legislative process should be permanent, with a particular focus on those countries;

([3]) Council Regulation (EU) No 1417/2013 of 17 December 2013 laying down the form of the laissez-passer issued by the European Union (OJ L 353, 28.12.2013, p. 26).

40. Welcomes the fact that more than 50 % of Union citizens eligible to vote took part in the elections, and notes with satisfaction that it was the first time since the first direct elections in 1979 that turnout has increased; regrets, however, that the Spitzenkandidaten system for the appointment of the President of the European Commission was not followed, unlike after the 2014 elections; observes that the system adds to transparency and to the accountability of the Commission to Parliament; notes that the President of the European Commission acknowledges the need for improvement in this area in the Political Guidelines; stresses that, as stated in the Political Guidelines, a review of the way the leaders of the institutions are appointed and elected is needed;

41. Emphasises the need to make the European electoral process more accessible to people with disabilities;

42. Notes that it was necessary to hold European elections also in the United Kingdom, and that Parliament extended its communication campaign to the United Kingdom;

43. Recalls that in 2019 DG COMM had 813 members of staff and managed 5,3 % of Parliament's overall budget;

44. Considers that communicating the political nature of Parliament and the work carried out by its Members to Union citizens is now more important than ever before; encourages all the efforts by Parliament and its DG COMM towards raising awareness of Parliament, its powers, its decisions, and its activities among media, stakeholders and the general public; asks DG COMM to continue its efforts to make Parliament's website more accessible, intuitive, coherent and user-friendly as it is instrumental in bringing the institution closer to citizens;

45. Notes that the Bureau assigned to DG COMM the task of increasing awareness among citizens across the Union about the upcoming elections, with the aim of increasing democratic participation; welcomes the contribution of Parliament's 2019 election and information campaign to the highest-recorded voter turnout in 20 years; expresses its support for Parliament's innovative institutional communication strategy for the 2019 European elections, aimed at raising awareness about the elections and encouraging people to vote; observes that the strategy was based on reinforcing and strengthening relations with media and the development of a robust network of partners; considers it is of great importance for Parliament to continuously engage with Union citizens through various communication channels not only during the electoral year but throughout the entire term of the legislature; stresses the importance of establishing synergies with existing channels and enhancing cooperation with European Parliament Liaison Offices to avoid duplication and effectively use taxpayers' money;

46. Is deeply concerned about the website EP Today and its misleading use of Parliament's name and Union symbology; notes with alarm that EUvsDesinfo found out that 99 % of the articles that appeared on EP Today were actually syndicated from other websites such as Voice of America or Russia Today; is alarmed that the follow-up investigation by EU DisinfoLab has discovered that a massive 15-year influence operation successfully targeted the Union with more than 750 fake local media and more than 10 'zombie-NGOs'; is concerned that this operation successfully reached and involved Members before it was identified and investigated; calls on Parliament's DG COMM to coordinate with the European External Action Service and the Commission in taking action on this matter;

47. Notes that ahead of and during the elections, all relevant Parliament's stakeholders were kept up-to-date on disinformation and threats against Parliament from entities and actors seeking to undermine unity and European democracy; urges Parliament to take robust action to counter disinformation via regular information and warnings and that appropriate training and awareness-raising activities are organised for Members, staff and visitors; calls on Parliament to further strengthen the external communication of its activities;

48. Recalls, in the context of the decentralised election campaign, the role for the European Parliament Liaison Offices which boosted engagement with citizens and media through reinforced press teams and partnered with stakeholders and multipliers in order to reach out to new audiences, especially the young generation; calls for the continuation of the active role of the liaison offices in the Member States throughout the term of the legislature;

49. Expresses its concerns regarding the European Data Protection Supervisor's (EDPS) investigation into Parliament's use of a political campaigning company based in the United States of America to process personal data as part of its activities relating to the 2019 European election; notes that the investigation into Parliament's use of Nation-Builder resulted in the first ever EDPS reprimand issued to an Union institution due to a breach of Article 29 of Regulation (EU) 2018/1725 and which involved the selection and approval of sub-processors used by Nation-Builder; notes, furthermore, that a second reprimand was subsequently issued by the EDPS, after Parliament failed to publish a compliant privacy policy for the "thistimeimvoting" website within the deadline set by the EDPS; notes with satisfaction that in both instances, Parliament acted in line with EDPS recommendations; echoes the EDPS's statements about the threat posed by online manipulation and how strong data protection rules are essential for democracy, especially in the digital age;

50. Takes note of different items of expenditure for 2019, broken down as follows:

Item of expenditure	2019 expenditure
Staff cost	EUR 24 293 036
Buildings cost	EUR 11 051 311
Security cost	EUR 1 586 598
Communication cost	EUR 11 906 438
Total	EUR 49 137 382

51. Notes that, at its meeting of 11 February 2019, the Bureau confirmed the continuation of Parliament's office in London; notes that on 5 October 2020, the Bureau acknowledged the closure of the Edinburgh antenna office at the end of 2020; acknowledges that the European Parliament Liaison Office in the United Kingdom as well as the European Union Delegation to the United Kingdom will continue to play a crucial role for Parliament in providing services to Members on delegations to the United Kingdom and in order to further engage with citizens, civil society, government, the parliamentary environment and media in that country; notes in this regard that the liaison office in the United Kingdom cooperates with the European Union Delegation in accordance with the respective competences of Parliament and the European Union External Action Service; recalls that the status and autonomy of Parliament's staff in the United Kingdom should be guaranteed in line with the established model of the Washington office, which is successfully operating; regrets therefore the refusal of the United Kingdom government to recognise the full diplomatic status of the European Union ambassador to the United Kingdom; calls on the Bureau and European Union External Action Service to find a practical solution with the British authorities to grant diplomatic status to the Parliament staff working at the liaison office in London;

52. Recalls the concern already expressed last year about the Bureau decision of 11 February 2019 regarding parliamentary support to the European Union Mission to ASEAN in Jakarta, the European Union delegation to the African Union in Addis Ababa and the European Union Delegation to the United Nations in New York; stresses that any new decision taken, must be based on a thorough cost-benefit analysis and reiterates that given the specific nature of this parliamentary support, Parliament's Committee on Budgetary Control should be provided with pertinent detailed information; regrets that measurable indicators to assess annual performance under the framework of Parliament's strategic planning, monitoring and reporting cycle have not yet been created; asks the Secretary-General to urgently perform this assessment and present it to both Parliament's Committee on Budgets and Committee on Budgetary Control as it becomes available;

53. Stresses the need for the revival of the debating culture in Parliament; welcomes the decision to require Members to give speeches from the lectern facing the plenary; believes that the debating culture can also be improved by allowing sufficient time for the exchange of arguments and counter-arguments, for instance by extending the blue card procedure;

Sponsored visitors' groups

54. Welcomes the fact that Parliament invests considerable efforts in expanding and improving the services it offers to visitors; applauds the impressive figure of over 1,5 million visitors that were received in 2019 in all Parliament's premises, with an increase of 26 % of young people compared to 2018;

55. Notes with satisfaction that, following the entry into force in January 2017 of the new rules from the Bureau governing the reception of visitors' groups, an audit on visitors' groups was carried out throughout 2019, and that in December 2019 action plans were proposed to DG COMM for enhancing the management and control framework and the regulatory framework applicable to reimbursements to visitors' groups; highlights, however, that the objective of the visitors' groups should not be neglected, namely bringing citizens closer to Parliament, its duties and its interaction with the other Union institutions, and to the functioning of the Union and to its environment, which includes the hosting cities;

56. Notes that the revised rules governing the payment of financial contributions for sponsored visitors' groups entered into force on 1 January 2017; recalls that, in accordance with the principle of non-profit enshrined in these rules, heads of groups have an obligation to return any unused financial contribution after verification by Parliament's services of a financial declaration; seeks greater assurance that the management of sponsored visitors' groups is strictly in accordance with the applicable rules, including the reimbursement process of costs related to visitors with disabilities; reiterates its call to remove the possibility of appointing APAs as head of group in order to make the financial responsibility of sponsored visitors' groups fall exclusively to a member of the group or to professionals, i.e. paying agents or travel agencies;

57. Recalls that in 2019 Parliament's internal auditor started an audit on the implementation of the new rules, and that in his findings, finalised in 2020, the internal auditor highlighted that financial contributions for visitors' groups should be further aligned with the real costs incurred by the groups, that *ex ante* controls should be reinforced when the first contribution is paid out, and that the existing system of *ex post* controls should be reinforced; reiterates that the findings of the internal auditor should be taken into account when evaluating existing procedures and developing tighter *ex ante* controls in order to avoid possibilities for accumulating money beyond the capacity of controls; demands further assessing the current level of *ex post* controls;

58. Points out that receiving sponsored visitor groups of persons with disabilities may incur additional expenses and require higher financial contributions, therefore recommends to the Bureau that the possibility of higher allocations to cover all eligible expenditure of such groups be studied;

59. Supports the activities of the Parlamentarium in Brussels which welcomed 307 105 visitors in 2019, a substantial increase in numbers from 2018, and the House of European History, which welcomed 199 256 visitors in 2019, increasing by 21 % since 2018; commends the success of the Europa Experience centres in Berlin, Ljubljana, Strasbourg, Helsinki, Copenhagen and Tallinn; notes that Parliament's services defined a joint work programme, which aims at the completion of the implementation of Europa Experiences in all Member States by 2024;

Buildings

60. Recalls that in 2019, DG INLO had 609 members of staff and managed 12,6 % of Parliament's overall budget;

61. Is aware that on 11 March 2019, the Bureau endorsed a new approach to future property market propositions for European Parliament Liaison Offices and Europa Experience spaces in several Member States;

62. Is aware of the importance of the building policy, in particular the completion of final installation works at the Montoyer 63 building in Brussels, which was put into use in 2019, and the Adenauer project in Luxembourg, which is scheduled to be completed by end of June 2023; understands that, in 2019, Parliament's Committee on Budgets authorised a mopping-up transfer, amounting to EUR 31 million, for the pre-financing of the project, which excludes project management costs, financial costs, certified bodies, etc.; regrets the increased costs due to the constructions delays and notes that transactions with the construction companies (linked to the delay with the project) have been necessary to avoid further delays and costs (between 5 % and 15 % of the contract amount);

63. Notes that a new building strategy 'Beyond 2019', adopted by the Bureau in April 2018, focused on needs not yet sufficiently addressed, including adapting facilities to the evolution of meeting patterns (conception of meeting rooms specifically adapted to legislative trilogues), getting local and closer to citizens through the mainstreaming of the 'Europa Experience' in the European Parliament Liaison Offices, continuing the enhancement of security for Parliament's buildings and their renovation, closing the gap in the interconnection of central buildings of Parliament by favouring purchase of buildings over renting;

64. Expresses concern over the overdue actions agreed with the internal auditor in 2018 addressing significant residual risks regarding building maintenance, refurbishment and operation; calls on the Bureau to adopt a comprehensive maintenance policy and report back to the discharge authority; welcomes the gradual phasing out of contracts regarding externalised management functions and the savings this generates;

65. Notes that the largest building project of Parliament - the enlargement of the Konrad Adenauer building in Luxembourg - is at the point of completion of its first phase, the East Wing; underlines that the Tower has been occupied by Parliament's staff since autumn 2019, and that the remaining part of the East Wing is expected to be occupied gradually as of November 2020; notes that the construction of the West Wing of the building is to start at the end of 2020 and is planned to be finished by 2023;

66. Takes note of Parliament's significant infrastructure, which can be broken down as follows:

Brussels buildings	Luxembourg buildings	Strasbourg buildings
11 owned	2 owned	5 owned
4 rented	3 rented	
659 092 m^2	343 879 m^2	344 283 m^2

EP Liaison Offices and antenna	
Total	37
Owned	12
Rented	25
Surface	28 383 m^2

67. Recalls that in 2020 Parliament launched an international architectural competition with two options, a comprehensive environmental renovation or reconstruction of the Spaak building; underlines that the renovation/reconstruction should take into account cost-effectiveness and energy efficiency as leading criteria; expects as soon as possible a detailed and public evaluation of the cost and energy efficiency of the selected proposal to be carried out in view of the fact that the summary pre-project, which is to be developed by the winning architect in the course of 2021, is to be presented to Parliament's Committee on Budgets and Committee on Budgetary Control; demands that the renovation/reconstruction take into account Parliament's current needs as described in the updated building strategy 'Beyond 2019'; stresses that the renovation/reconstruction should take also into account current needs of Members and staff in relation to recent restrictions as well as the new health and security required adjustment;

68. Notes the Bureau's decision of 25 November 2019 to set up a Europa Experience visitors' facilities in all Member States by the end of the current legislature (2024) and the current rate of implementation of this decision; calls on the Secretary-General to regularly inform Parliament's Committee on Budgets and Committee on Budgetary Control on the state of implementation;

69. Welcomes the idea that Parliament is committed to undertaking the necessary adaptation and renovation of its buildings in order to create an environment accessible to all users in line with Union standards and national legal frameworks; stresses that works to improve the accessibility for persons with disabilities and those with reduced mobility has already started in Strasbourg and that the projects will continue in both Brussels and Strasbourg, but also in six European Parliament Liaison Offices; insists that such renovations be continued in all other buildings of Parliament by committing to the functional accessibility requirements for the built environment laid down in Annex III to the Directive (EU) 2019/882 ([4]), and by referring to relevant international and European standards in relation to fulfilling those requirements in procurement procedures so that Members, staff and visitors with disabilities and those with reduced mobility can access the buildings and make use of its facilities on an equal basis with others in line with the obligations set by the United Nation Convention on the Rights of Persons with Disabilities; underlines that funds should be made available to efficiently cover these measures/expenses;

70. Expresses concern that since 2017, a closure of the warm-water circuit in Members' offices both in Brussels and in Strasbourg has been introduced and is still in place; notes that the decision to discontinue the distribution of warm water in Members' offices in Brussels and Strasbourg was taken by the Questors on 24 October 2017 in connection with the health risk posed by the presence of harmful legionella bacteria within the ageing and deteriorating hydraulic systems of the buildings; observes that the main challenge of reinstating warm water production in Parliament's buildings lays in the fact that a thorough cleanliness of all the obsolete pipework which includes several dead-end pipes, would require its complete decommissioning and that such a project of a considerable scale requires an in-depth feasibility study taking into account the impact of moves, relocations, dust and noise on the legislative work of Members; urges DG INLO to continue to put in place compensatory measures;

71. Notes that a first call for tender was launched in 2019 in order to conclude contracts for new banking facilities and ended with only one bank choosing to submit an offer for the same space the bank previously occupied; notes that a second call for tender was organised in 2020 aiming to occupy the other two banking areas and no offers were received; regrets that the ING agency remained open only for the two first months of the current parliamentary term, time to open accounts for many of the new elected Members and contracted APAs, and then closed; notes that the supermarket has also decided not to extend its concession but welcomes the fact that there will be a future food market concession located on the ground floor of the Spinelli building; asks the administration to review and make more attractive the conditions of the exploitation of commercial concessions in order to attract quality services providers;

72. Expresses concerns on the Trèves 1 building for its lack of services; invites Parliament to explore as a priority solution to ensure this building has an effective connection with Parliament's main buildings, where most parliamentary activity take place;

73. Highlights recent media reports that the thermal cameras in use in Parliament's premises for measuring the temperature of all persons entering Parliament are produced by Hikvision, a company importing from China and producing cameras for Xinjiang province in China ([5]); recalls that Hikvision has been accused of providing surveillance equipment to internment camps in this province ([6]); notes that there is an unacceptable risk that Hikvision, through its operations in Xinjiang, is contributing to serious human rights abuses; recalls that Parliament awarded the 2019 Sakharov Prize for Freedom of Thought to Ilham Tohti for his efforts to protect the rights of the Uyghur population in China; considers the use of thermal cameras of this provider in Parliament's premises therefore to be unacceptable; calls on the Secretary-General to terminate the contract with Hikvision and remove all of Hikvision's thermal cameras from Parliament's premises; stresses the need for the administration to be more prudent in the selection of equipment providers in the future;

Security and safety

74. Recalls that, in 2019, the Directorate-General for Security and Safety (DG SAFE) had 770 members of staff and managed 1,5 % of Parliament's overall budget;

([4]) Directive (EU) 2019/882 of the European Parliament and of the Council of 17 April 2019 on the accessibility requirements for products and services (OJ L 151, 7.6.2019, p. 70).
([5]) https://www.dw.com/en/exclusive-eu-taps-chinese-technology-linked-to-muslim-internment-camps-in-xinjiang/a-55362125
([6]) https://www.npr.org/2019/10/08/768150426/u-s-blacklists-chinese-tech-firms-over-treatment-of-uighurs?t=1611915285989

75. Welcomes the fact that no major security incident has taken place inside Parliament's premises since 2015; however, is concerned by the total number of Members, secretariats of political groups and the APAs reported as victims of thefts within Parliament's premises; notes that the estimated global value of items, which amounts to approximatively EUR 60 000 per year, has been stable for the last three years; expects continuous strengthening at the security level;

76. Takes note of the immediate actions, approved by the Bureau at its meeting of 22 July 2020, which included an awareness campaign, protection of valuable IT equipment, prior notification of maintenance works, and provisions of separate master keys for each floor and strict limitation of their distribution; expresses, however, its disagreement with the specific messages and general tone of the awareness campaign against the burglaries in Parliament buildings because it seems to blame Members and staff rather than disseminating practical security recommendations; expects Parliament to consider long-term measures to prevent thefts including, among those proposed, the introduction of different levels of access rights within Parliament's premises, increased CCTV coverage, and further actions relating to keys' management policy, including the possibility of installing electronic door locks taking due account of the necessary proportionality between the investments needed and the actual value of stolen items, as well as the preservation of privacy;

77. Urges that an internal escape strategy be implemented for people with reduced mobility or disabilities in case of emergency;

78. Welcomes the measures taken to upgrade Parliament's buildings security, in particular security screening of external service providers' personnel, and the internalisation of general security services in Luxembourg, approved by the Bureau in 2012, but which was impacted by the construction work of the new Adenauer II building; underlines that incidents of violent protesters entering public institutions in Member States and threatening staff and members is an issue of concern and therefore encourages DG SAFE to assess the current safety measures and make recommendations for further improvement;

79. Supports interinstitutional security cooperation including the signature of a Memorandum of Understanding related to the screening of personnel of external service providers working in Union institutions in Belgium, the establishment of an interinstitutional working group in charge of harmonising security measures applied in Parliament Liaison Offices and Commission representations in Member States, the ongoing joint analysis by Union institutions' security services to identify and map the most appropriate areas for enhanced cooperation as well as the extent of this possible cooperation, including the possibility of sharing some services, and progress towards the establishment of an interinstitutional access badge;

80. Notes with satisfaction the launch of market procedures for the introduction of an automatic vehicle recognition system at all car park entrances and exits, as well as the move to the Adenauer II building;

81. Recalls, however, that openness to the public is a hallmark of Parliament and an adequate balance with the necessary level of security must be maintained;

Cybersecurity and ICT security

82. Recalls that, in 2019, the Directorate-General for Innovation and Technological Support (DG ITEC) had 480 members of staff and managed 6 % of Parliament's overall budget;

83. Recalls the consulting assignment carried out by the internal audit service on the serious IT incident that occurred in 2017 and the resulting impact on business continuity, which contained three recommendations on further protecting Parliament's ICT infrastructure, complementing the list of critical and core information systems with a clearer mission-to-asset mapping and documenting dependencies' assets, as well as addressing the need for a higher-tier certification of the rented premises housing Parliament's computer room in Brussels;

84. Understands the importance of privileged access rights in maintenance and development work; calls on DG ITEC to establish clear access control rules regarding these privileged accounts and to review the provision of 'superuser' rights;

85. Approves the launch of a new data centre project to replace the outdated tier II Huizingen data centre with a tier IV needed to improve ICT security, resilience and continuity;

86. Supports Parliament's efforts in 2019 to mitigate cybersecurity risks including the definition and publication of a Parliament cybersecurity framework, a systematic cybersecurity risk assessment for sensitive new applications and a yearly penetration test exercise from the Internet; requests that risks be further identified and minimised and that risk based management be implemented; calls on DG ITEC to improve the recovery capabilities and to implement a cybersecurity incidence response plan;

87. Underlines Parliament's obligation to manage directly or at least have direct control over the management of its critical infrastructures and sensitive, confidential data; instructs its administration to implement that obligation;

88. Recalls the added-value of free and open source software in improving security since they make it possible for Parliament to identify and fix weaknesses, keep control over the data by hosting in its servers and designing solutions according to its own specifications, while being able to avoid vendor lock-in effects;

89. Recalls its preference for free and open source software solutions as against proprietary ones when considering new internal applications; asks for situations to be reported to the ICT governing bodies when open source solutions are not chosen;

90. Recognises the inherent risks to information security and privacy when Members and staff use third-party-dependent solutions for sharing sensitive data without Parliament being able to control how the data is handled; in compliance with the cybersecurity strategic orientations approved by the Bureau and in order to remedy that situation, requests Parliament to consider hosting in its servers its own, open source-based and secure solutions for virtual meetings and instant messaging, as it is now the case in core institutions among Member States such as the French central administration and the German Bundeswehr;

91. Commends DG ITEC's efforts to pool part of its cybersecurity expertise and resources through a Computer Emergency Response Team for the Union Institutions (CERT-EU);

Technology, digitalisation and innovation

92. Welcomes the successful completion in 2019 of Parliament's financial management system, which went live for the financial year 2020; expresses concern over obsolete hardware and calls for the continuation of IT modernisation with the renewal of obsolete hardware and further developments of strategic projects in the areas of e-Parliament, mobile environment for Members and staff;

93. Points out that updates in Parliament's staff paygrades are not automated and have to be manually inserted in the IT human resources systems; expresses concerns in relation to the risks of undue payments based on incorrect information resulting from non-automatisation of pay; urges Parliament's services to develop a sustainable IT system for staff paygrades in cooperation with other Union institutions;

94. Approves of significant efforts for ongoing investment in the digitisation of financial processes, including the smooth and successful deployment and use of the new financial management and accounting system (SAP) since November 2019 for all transactions related to the budget execution, the adoption of the 'Blue-Chip hubs for administrative services' strategy, with a view to enhancing client service, administrative efficiency, and the Bureau decision of 17 June 2019 to launch the automation of the central attendance register, as well as the extension of the functions of the e-Portal, as the single digital entry point for Members to manage their financial and social entitlements;

95. Calls for improvements in the current setup of tracking and tracing of IT-related issues between operating units of Parliament's services in order to increase efficiency and transparency; stresses that on-site support for Members and their offices often solves IT-related issues more quickly and more efficiently than telephone support;

96. Requests that it be ensured that appropriate security measures are taken regarding the implementation of cloud solutions for Parliament including those enabling its institutional sovereignty; insists that the latter should be obtained by ensuring data ownership, data localisation on Union territory, no vendor lock-in effects and a multi-vendor approach allowing workloads and data to be migrated seamlessly between the different layers of the hybrid cloud (on premises, private and public cloud) as well as between cloud service providers as needs change, and not only during the cloud services exit phase, in order to achieve greater agility and more data deployment options, as agreed by the ICT Innovation Strategy Working Group and confirmed at the Bureau last year;

97. Recalls that these politically significant requirements of the cloud policy, i.e. on the decision at the highest level on which categories of data may go to the cloud or not, on the definition of sovereign cloud or on the choice of providers, have been expressed by Parliament's Vice-Presidents, and need to be taken into account in the adoption process of the cloud policy by the Bureau, before any contract with a cloud service provider is signed;

98. Requests that the right of Members and assistants to use free and open source office software be ensured;

99. Recalls the need to have a more user-friendly, systematic and coordinated approach for creating and converting data of public interest in open, machine-readable format, which is easily accessible and re-usable for users; reiterates the importance for Parliament of having its own open data policy; asks the relevant services to submit to the Bureau a draft for approval;

100. Recalls that the overarching principle of the cloud strategy is to secure information and protect data, which requires a specific categorisation of data based on data protection and security assessments; asks the Bureau to approve, after consideration of the risk analysis prepared by the relevant services, the data categories and applications which may go to the cloud and which should be retained in Parliament only;

101. Reminds the need to ensure no cloud vendor lock-in effects and achieve higher security by using open source software and open standards wherever possible;

102. Asks its administration to create a space on Parliament's website where the plenary voting record of each Member would be available and the repartition of votes per political groups and nationality of Members visible and comparable; invites the relevant services to study the feasibility and test the visualisation of the most recent signed amendments in committees and plenary of volunteering Members on their personal Parliament website page;

103. Welcomes the Digital Workplace4MEP strategy which delivers solution for mobility and efficiency; considers that the deployment of high-quality hybrid devices shall contribute to achieving the environmental management target of reducing paper consumption by 50 % by 2024; expects that deployment will lead to significant cost savings due to the phasing out of other types of devices;

104. Draws attention to four important investigations conducted by the EDPS involving Parliament, namely using NationBuilder to process personal data as part of its activities relating to the 2019 European election, failing to publish a compliant privacy policy for the 'thistimeimvoting' website within the deadline set by the EDPS, and the body temperature checks as well as the test-booking website in the context of the COVID-19 crisis; notes that in the two first cases Parliament acted in line with the EDPS's recommendations; recalls the aforementioned preliminary review of Parliament's data protection framework; calls on the relevant services of Parliament's administration to draw lessons from the mentioned investigations for the future;

105. Notes that the wi-fi provided at Parliament's premises in Brussels is frequently unstable and does not provide for undisturbed meetings during virtual video calls; asks Parliament to upgrade the current system to the level of performance needed for the full remote working operation of Parliament;

106. Welcomes the two European projects, Red Flags and Digiwhist, which use big data for reducing corruption and encourages the use of emerging technologies as part of the digitalisation;

Access to tenders

107. Welcomes the improved user access to tenders in Parliament; endeavours to further strengthen its digitisation process by providing a general Frequently Asked Questions regarding the tender procedures and guarantee a user-friendly access;

108. Notes the current e-tendering instrument TED as part of the digital transformation process of the public procurement, while emphasising the need for a multilingual questions and answers section while ensuring their timely update;

Emerging technologies in public procurement

109. Reiterates Parliament's commitment to maintaining the digital transformation of the public procurement, with a view to facilitate access to public procurement and to promote digital technical innovation; notes that the adoption by DG ITEC of a cloud model demonstrates the importance of beginning to explore the potential of emerging technologies in public procurement;

110. Notes that public purchases of goods and services was estimated to be worth EUR 2 trillion or 13,3 % of GDP ([7]); notes that a study updated in 2020 showed how the use of new technologies such as blockchain, big data, AI, IoT, 3D printing are used to achieve different things: AI& ML can predict future demand, categorise procurement spend, and Chatbot scan help with user questions; notes also that block chain is used to provide transparency into different stages of the public procurement and to ensure a digital record of every agreement, every process, every payment and a shared single source of data; notes, finally, that 3D printing ensures direct production of various parts ([8]); draws attention to the fact that applying emerging technologies to public tendering eventually enhances the much-needed digital transformation of the public procurement process;

Transparency

111. Notes with grave concern that according to the Transparency Register's Annual Reports in past years, around half of all entries in the Register are incorrect; fears that the Register cannot fulfil its purpose of providing greater transparency on the activities of interest representatives if half of its entries provide incomplete or incorrect information; urges Parliament and the Commission to address the high rate of incorrect entries by increasing, at least temporarily, the Joint Transparency Register's Secretariat's Staff, to systematically scan all entries for correctness and completeness, and to ensure that only correct entries find their way onto the register;

112. Recalls that Article 4 of the Code of Conduct provides, with respect to financial interests and conflicts of interests, that the Members' declarations of financial interests shall be provided in a precise manner; regrets some cases with insufficient detail in the declarations on paid or unpaid outside activities, which puts in question whether such an activity can be checked for a potential conflict of interest with their parliamentary activity; notes that in cases where there is reason to believe that the information provided is out of date, the President may, where appropriate, request the Member to correct the declaration within 10 days; calls on the Bureau to review the format of the declarations; encourages consultations in this regard with relevant Member State authorities in order to exchange best practices;

Recruitment

113. Recalls that in 2019 DG PERS had 459 members of staff and managed 48 % of Parliament's overall budget;

114. Notes that as an outcome of the 2019 elections, the proportion of new Members in the 9th Legislature reached a high of 61 %; highlights that in the context of the increasing number of former Members, the Secretary-General and the Bureau should establish strong rules to regulate revolving doors, requiring former Members to inform Parliament of their post-mandate activities and employment over a period that extends at least over the time former Members receive the end of term transitional allowance; calls for an independent assessment on whether such activities create conflicts of interests;

([7]) https://ec.europa.eu/trade/policy/accessing-markets/public-procurement/
([8]) https://joinup.ec.europa.eu/sites/default/files/news/2020-06/D.01.06_Final_report_v3.00.pdf

115. Is convinced that the attractiveness of Parliament as an employer is a key component of its success; is deeply concerned by the difficulties encountered in recruiting some nationalities and bringing certain job profiles in-house; regrets Parliament's over-dependence on external expertise; notes that DG PERS is currently running the project 'Attracting and retaining top talent' that aims at improving Parliament's policies to attract and retain talent and at contributing to the development of Parliament's long-term strategic vision on the jobs of the future; calls on the Secretary-General to do his utmost in order to improve the diversity and geographical balance of Parliament's staff, in terms of proportional representation per Member State, including in relation to the numbers in management positions and to explore all available options in order to increase the competitiveness and attractiveness of Parliament as an employer;

116. Is concerned by the lack of diversity among Parliament's staff; calls on the Secretary-General to make increasing diversity a priority; takes note of the difficulty of recruiting IT and financial specialists and staff at lower grades in Luxembourg, especially in the AST-SC category; stresses that the introduction of a correction coefficient that takes account of the higher living costs in this place of work together with recruitment at higher grades is necessary to solve this structural problem and reiterates, in this regard, its request to the Commission in the frame of the 2018 discharge procedure; stresses that a preliminary factual analysis that the Court addressed to the Secretary-General in this context shows that the selection process organised by the European Personnel Selection Office is not adapted to small-scale, targeted competitions, which are those most suited to the current recruitment needs of Union institutions; notes with satisfaction Parliament's active involvement in an inter-institutional effort in reviewing the way competitions are currently run by European Personnel Selection Office; calls for a new selection framework to be developed for specialist competitions and the introduction of a mechanism for regularly reviewing its selection process; calls on the Secretary-General to organise specialist competitions in-house when appropriate;

117. Voices great concern, furthermore, at the fact that it is very difficult for DG ITEC to recruit sufficient highly qualified experts with very specific profiles, knowledge and experience; calls on Parliament to ensure that this request is properly transmitted to the European Personnel Selection Office to better respond to such specific needs of Union institutions, in particular related to Parliament's ICT expertise in the area of cybersecurity, cloud computing and artificial intelligence; deplores Parliament's over-reliance on external consultants and stresses the importance for DG ITEC to further develop its strategy 'From external consultants to contract staff' in order to minimise the security risks for Parliament;

118. Recalls the importance of achieving a fair geographical balance among Parliament's staff; observes that, on the basis of the ratio of the number of the staff to the number of Members from that same Member State, there is no division between older and newer Member States in terms of over or underrepresentation; notes that the five highest ratios concern members of staff from Belgium, Lithuania, Estonia, Slovenia and Malta, while the five lowest those from Poland, Germany, Austria, the Netherlands and Cyprus; highlights that currently Slovenia and Lithuania count among the seven Member States with the highest ratio of managers to Members; calls on Parliament to ensure that staff at all levels are hired and promoted based on ability, efficiency and integrity, without any discrimination based on nationality; requests further efforts to ensure that employment at Parliament is equally attractive to all Union nationalities;

119. Welcomes the fact that promoting equal opportunities is a key component of Parliament's human resource policy; facilitating the employment and strengthening the integration of disabled persons; expresses its satisfaction as regards the fact that the gender equality roadmap continues to be implemented through concrete actions and that on 13 January 2020, the Bureau approved a set of targets for gender balance in senior and middle management posts in Parliament's Secretariat to be achieved by 2024: 50 % female heads of units and directors, 40 % female directors-general; stresses the need for the Bureau to further strengthen its commitment to gender equality by committing to more ambitious targets to be achieved by 2022: 50 % female heads of units and directors, 50 % female directors-general; calls on the Bureau to also formulate ambitious targets for lower management posts;

120. Reiterates that it is essential that staff representatives are heard when the Bureau discusses general matters affecting its staff policy, and asks again the Secretary-General to take the appropriate measures to implement this key approach; reiterates its request to the Secretary-General to take further steps to ensure transparency and fairness during senior management appointment procedures; asks for the full implementation of the measures recommended in Parliament's resolution of 18 April 2018, notably that officials from staff representative bodies sit on Parliament's senior management selection panels; calls, furthermore, for consistency to be ensured when it comes to external publications of senior management posts and diligence in the publication of these posts as and when they fall vacant;

121. Recalls the findings and recommendations of the European Ombudsman in joint cases 488/2018/KR and 514/2018/K, and invites the Secretary-General to further improve the procedures of appointment of high ranking official towards more transparency and equality; calls on Parliament's administration to report annually on the appointment of high ranking officials;

Staff, Accredited Parliamentary Assistants and Local Assistants

122. Draws attention to the 6 % staff reduction target which in 2019 required Parliament to eliminate 59 posts from its administration establishment plan; acknowledges the simultaneous increase in the number of contractual agents; warns of the serious consequences that any budgetary cut in administration or any staff reduction may have in the future of the European civil service and the implementation of the Union's policies; is concerned, in particular, in relation to the negative effects of this significant reduction on Parliament's performance resulting from the 2014 staff reform, both in the short and long term, while also mindful of the need to ensure responsible budgetary management and undertaking savings where appropriate; notes that the work and responsibility of certain parliamentary committees have increased as they are now responsible for the scrutiny of the EU Recovery Plan Next Generation EU funds of EUR 750 billion, which amounts together with the Multiannual Financial Framework 2021-2027 (MFF) to EUR 1,8 trillion; is concerned about deficiencies in administrative staff capacities in the relevant secretariats; calls for the reassessment of the staffing situation;

123. Notes that the Court has found that the Union institutions have reduced the number of posts for officials (i.e. permanent and temporary staff), while gradually increasing the number of contract staff (which increased by 121 % between 2012 and 2018, with a similar trend in 2019) resulting in a substantial increase of the proportion of contract staff in the total workforce; profoundly regrets the lack of career prospects for contract staff in the case of Parliament's administration; invites the Secretary-General to assess the risks related to employing growing numbers of contract staff, including the danger of creating a two-tier staffing structure within Parliament; insists that core permanent positions and tasks should be performed by permanent staff; notes that the Court's report on the implementation of the Union budget for 2019 did not examine whether these replacements have resulted from transfers of employees based in Strasbourg or Luxembourg to Brussels; calls on Parliament's human resources unit to share information on staff relocation at Parliament's three places of work since 2012, either as part of the annual discharge procedure or by sharing relevant information with the Court for inclusion in the next annual reports on budget implementation;

124. Highlights the fact that current rules on the termination of contract for APAs do not foresee the possibility of a termination by 'mutual consent', which would be a way to recognise the special political relation between Members and assistants, where both parties can acknowledge the mutual trust no longer exists, and can benefit from a common solution without undermining APAs' social rights; notes that this issue has been highlighted in several Parliament discharge reports and expects action to be taken as soon as possible;

125. Notes that members of staff who work in the Union institutions for less than 10 years cannot claim an Union pension and that they must transfer their contributions to another fund which meets Parliament's rules regarding the type of fund and the age at which funds can be drawn; notes that many British APAs have not been able to transfer to certain United Kingdom pension funds which Parliament considers do not meet requirements; asks the Secretary-General to urgently look into this matter to ensure all members of staff can access their contributions;

126. Recalls that Parliament has called for Union legislation that grants workers the right to digitally disconnect from work without facing negative repercussions; asks Parliament to promote and apply this principle to itself too;

127. Is deeply concerned about the number of members of staff on long-term sick leave, some of those cases may relate to exhaustion and disturbed work-life balance; calls on the administration and on the leaderships of political groups to be proactive in relaton to the members of staff concerned, to carefully evaluate the workload of members of staff and to ensure a balanced distribution of tasks; stresses, in that regard, the importance of a reasonable working schedule and avoiding meetings outside office hours which prevent Members and staff from maintaining a work-life balance while taking into consideration the framework of the parliamentary calendar; welcomes the 'Mind Matters' campaign launch in 2018 by DG PERS to raise awareness and combat stigma related to mental health; urges Parliament's administration and the leaderships of political groups to conduct a psychological risk assessment to detect psychological risks in the work environment and to develop targeted action plans to either eliminate them, or mitigate their negative impact; calls for reassessment of the applicable rules to enable quicker hiring of substitutes in cases of long-term sick leave;

128. Stresses the pressing necessity for a revision of the Bureau decision establishing the categories of committees on the basis of their legislative workload in order to add consideration of their budget related work; notes that the current situation has a particularly negative impact on Parliament's Committee on Budgetary Control, which already suffers from a chronic staff shortage, and which deals with a huge workload due to the discharge procedure but has a low legislative workload; asks Parliament's administration once again to find urgent solutions to improve the situation;

129. Asks the Secretary-General to find a solution for the fact that APAs' salaries must exclusively be lodged to Belgian bank accounts which runs counter to the idea of a single monetary and payments union;

130. Welcomes the development of measures that contribute to a better balancing of professional and private life including the implementation of extended teleworking possibilities for Parliament's staff and of measures promoting well-being at work; however, highlights the value of physical presence in Parliament; highlights the contribution of teleworking arrangements and remote voting to the further reduction of Parliament's carbon footprint; stresses the need for Parliament's staff and Members to be provided the opportunity to continue the conduct of so-called hybrid meetings as well as remote voting; calls on the Bureau to continue providing mechanisms to facilitate these arrangements in future;

131. Supports the continuation of the implementation of the activities of the Action Plan on Equality and Diversity 2014-2019; insists on the importance of better gender balance at all levels, including Directors-General level; supports the measures in the report on 'Diversities other than gender in the Parliament's Secretariat - state of play and roadmap' adopted by the Bureau on 3 April 2019; celebrates in particular the creation in 2020 of two contact points within Parliament, one on LGBTI+ issues and one on racial discrimination issues, both managed by the DG PERS' Equality, Inclusion and Diversity Unit;

132. Recalls the findings and recommendations of the European Ombudsman ([9]); deplores the current Parliament policy on leave, which resulted in granting only 10 days of special leave to a father of two twins because of lack of a maternal link between him and his children; finds striking the contrast to the leave given to his husband in the Commission, who received 20 weeks of ad hoc special leave; takes note of the written answer of Parliament's administration where it is stated that Parliament's services are working on new rules; calls for Parliament's administration to align its special leave policy with the Commission's, which is in line with the best interest of the child;

133. Welcomes Parliament's two positive action schemes to recruit 12 contract agents and two trainees with disabilities over the last two years;

([9]) The 'Strategic Initiative on the leave rights of certain staff members and the best interests of the child' (SI/1/2019/AMF).

134. Supports the launch of an awareness raising campaign in 2019 to promote a zero-tolerance policy on harassment in the workplace; recognises Parliament's zero tolerance policy towards harassment at any and all levels including Members, staff and APAs; notes that following the 2019 elections, all Members were required to sign a declaration confirming their commitment to complying with the code of appropriate behaviour incorporated in Parliament's Rules of Procedure in January 2019; however, regrets that 10 new harassment cases were opened in 2019 out of which 4 cases concerned sexual harassment; welcomes the fact that the parliament provides voluntary trainings on dignity and respect at work for Members in order to lead by example; deeply regrets in this context that the Bureau has refused to implement the will of the plenary expressed on several occasions ([10]) to institute anti-harassment trainings for all staff and Members on a compulsory basis; urges the Bureau to implement this request without further delay;

135. Is of the opinion that Parliament should provide basic accommodation for breastfeeding mothers at work, particularly including time and a private space other than a bathroom;

136. Regrets the 38 cases involving Parliament pending with European Anti-Fraud Office in 2019 ranging from the proper use of parliamentary allowances and staff conduct to the financing of European political structures; points out the fact that 14 cases were closed in 2019; expresses its strong concern for the high number of cases; asks the parliamentary services to conduct an in-depth analysis of the existing financial, legal, ethical and integrity risks which gave rise to these cases and to propose preventive measures so as to ensure these are not repeated;

137. Takes note of the fact that there were no cases of whistleblowing recorded by Parliament in 2019; calls on Parliament to fully adapt its own internal rules in the Staff Regulations to the recently adopted Directive (EU) 2019/1937 ([11]), including comprehensive rules and safe procedures by setting up secure channels for reporting; is of the opinion that the protection of whistleblowers is an integral element of democracy and it is crucial in preventing and deterring unlawful activities and wrongdoings; recalls that, among others, APAs are in a vulnerable position due to their contracts of employment; further notes that whistleblowers deserve proper protection, similar to that of victims of harassment and that this should include also the establishment of an advisory committee dealing with the protection of whistleblowers; calls on the Secretary-General to ensure that the protection provided by Parliament for APAs acting as whistleblowers is equivalent to that provided for APAs who are victims of harassment; requests Parliament to raise awareness, where possible, among parliamentary staff on their whistleblower protections and their duty under the Staff Regulations to report illegal activities or maladministration and calls on Parliament to consider mandatory training in this respect; repeats its request for information campaigns in this regard;

138. Reiterates its call on Parliament's administration, as early as possible in the next parliamentary term, to provide new APAs with mandatory training courses or publications including, in particular, financial and administrative matters (mission orders, medical examinations, accreditation, parking stickers, groups of visitors, exhibitions, etc.) in order to avoid systemic errors hindering the smooth running of administrative procedures that affect them; highlights, in this regard, the necessity of technical training on the work of the parliamentary committees as well as the possibility of attending language courses outside of office hours;

139. Expresses strong concern for the working conditions of two of the external concessions contracted by Parliament, namely the cleaning and the catering services; is concerned about the increasing use of temporary and interim staff and its impact on both their working conditions and the quality of the services provided; reiterates its call on DG INLO from previous years to carry out an independent satisfaction survey about the working conditions of the concerned staff; calls on the administration to assess Parliament's public procurement policy in order to secure transparent and predictable working conditions for the subcontracted staff; asks the Secretary-General to quickly launch a study into the advantages that the internalisation of these services could have both for the institution and for the workers' labour rights and to present it to both Parliament's Committee on Budgets and Committee on Budgetary Control when it becomes available;

([10]) Resolution (EU) 2020/1880 of the European Parliament of 14 May 2020 with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2018, Section I — European Parliament (paragraph 115) (OJ L 417, 11.12.2020, p. 122); European Parliament resolution of 26 October 2017 on combating sexual harassment and abuse in the European Union (paragraph 17) (OJ C 346, 27.9.2018, p. 192).

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

140. Welcomes the introduction of a wider and more sustainable food choice, including the introduction of a greater variety of vegetarian and vegan products, in Parliament's self-service canteen; notes the launch of an independent client satisfaction survey via the Happy or Not terminals setup in the main outlets in Brussels, Strasbourg and Luxembourg aiming at identifying the outlets where changes and improvements are necessary; observes that the Happy or Not terminal has shown a constant and solid improvement rating in respect of the catering services in the Kohl and Martens buildings, while the satisfaction rate is lower in the Spinelli and Paul-Henri Spaak buildings; calls for the necessary changes to adapt to clients' needs; notes that non-vegetarian meals often cost more than vegetarian meals; requests that all canteens sufficiently display allergy menus next to the counter and offer one gluten-free meal per day;

141. Highlights that the COVID-19 crisis has called for decisions with a direct impact on the staff of Parliament, including subcontracted and freelance employees; points in this regard inter alia to the decision to close the European House of History, the Europa Experience sites and the European Union Liaison Offices and to the altered circumstances for freelance interpreters and the cleaning and restoration staff; acknowledges that, in the current circumstances related to the spread of COVID-19, the institutions, including Parliament, must take decisions in a fast and unbureaucratic manner to prevent a further spread of the virus and to keep its staff safe; calls, however, on Parliament to honour its social responsibilities in each decision, to avoid, or to compensate for, any changes in income, and to avoid coronavirus-related dismissals of people working on Parliament's premises by all means necessary;

142. Deplores the decision by the COMPASS Group to dismiss 80 staff members of the catering service by January 2021; welcomes the negotiation undertaken with the COMPASS group which reduced the total number of lay-offs to 49, but expresses strong dissatisfaction with the fact that personnel will still be dismissed; notes that the dismissed members of staff were informed shortly before Christmas 2020 and in the middle of a pandemic; stresses that some of the dismissed staff had worked on Parliament's premises for decades; recalls Parliament's repeated calls on companies across the Union to retain their members of staff during the pandemic; invites Parliament's relevant authorities to investigate all possible alternative solutions which would safeguard the employment of all canteen workers and asks Parliament's administration to find solutions within the frame of the social dialogue; invites the Bureau to reconsider Parliament's externalisation policy; urges the Secretary-General to respond without delay to a letter sent about the dismissal signed by 355 Members; calls for an evaluation of Parliament's public procurement policy in light of improving transparent and predictable working conditions for all subcontracted services; calls on Parliament to report to the discharge authority on the results of such evaluation;

143. Emphasises that the daily solidarity meals and other solidarity measures by Parliament, as decided by the Bureau, have reduced the financial, economic and social impact on its caterers and their employees; notes that Parliament is seeking to save as many jobs as possible that are reasonable from an employment point of view but also justifiable for the use of Parliament's budget;

144. Takes note of the solutions found for APAs who had worked for two consecutive parliamentary terms without interruption but who were lacking up to 2 months to complete the ten years of service needed to be entitled to a pension under the pension rights scheme of the Union institutions; criticises the fact that a solution was put forward too late, despite the numerous and continuous warnings during the previous parliamentary term; criticises, furthermore, the fact that the only solution found depended solely on the goodwill of certain Members who were aware of the situation and were in solidarity with these APAs; criticises, also, the fact that the administration did not inform Members elected for the new parliamentary term of this matter and of the fact that they could issue contracts of less than six months in these instances, as a result of which many of these APAs had great difficulties finding a Member willing to employ them on a contract without interruption for a short period of time, and some did not even manage to do so;

145. Reiterates its concern about the alleged practice of Members obliging APAs to undertake missions, particularly to Strasbourg, without mission orders and without the reimbursement of their mission and travel spending; is of opinion that such a practice leaves room for abuse as when APAs travel without a mission order they not only have to pay for the costs out of their own means, they are also not covered by workplace insurance; reiterates its calls on the Secretary-General to investigate this;

146. Reiterates its demand for APAs to receive the same subsistence allowance as the statutory personnel for their missions to attend the part-sessions in Strasbourg; takes note of the follow-up answer provided by the Secretary-General about the different rules concerning the reimbursement of duty travel between Parliament's three places of work that apply to Parliament's secretariat and APAs; insists on its demand for a subsequent change of the relevant rules mentioned by the Secretary-General;

147. Reiterates its call on the Conference of Presidents and the Bureau to reconsider the possibility for APAs, under certain conditions to be determined, to accompany Members on official Parliament delegations and missions, as already requested by several Members; takes note of the estimated financial impact explained by the Secretary-General on his follow-up to the 2018 discharge but nevertheless insists on a the limited application of this possibility; suggests a new discussion at the level of the Bureau and the Conference of Presidents;

148. Highlights the need to revisit Parliament's HR policy in order to allow the institution to make use of expertise acquired by all Parliament staff; believes that it is therefore necessary to change the rules to enable all categories of staff, including APAs, to participate in internal competitions and to establish HR development schemes that will allow Parliament to keep the expertise of these categories of staff at the service of the institution;

Geographic dispersion of Parliament - Single Seat

149. Notes that the Court estimated that moving from Strasbourg to Brussels could generate annual savings of EUR 114 million plus a one-off saving of EUR 616 million if the Strasbourg buildings are successfully divested, or a one-off cost of EUR 40 million if they are not; notes that a single Seat can only be achieved by a unanimous Treaty change; recalls that a vast majority of Members of Parliament expressed, in various resolutions, support for a single Seat to ensure efficient spending of Union taxpayers' money; urges the Council to take note of Parliament's position;

150. Recalls that additional expenditure caused by travel to Strasbourg goes against the principle of sound financial management;

151. Points to a recent study submitted to Parliament's Committee on Environment, Public Health and Food Safety ([12]); highlights the study's conclusion that 'in a carbon neutrality pathway, it is evident that Parliament needs to consider operation in one site'; recalls that Parliament has committed to reducing its carbon footprint in its resolution of 28 November 2019 on the climate and environment emergency ([13]); recalls that in the same resolution Parliament declared a climate and environment emergency; notes that Brussels is Parliament's largest centre of activity, that it hosts the Council and the Commission but also other stakeholders, NGOs, civil society organisations and Member State representations; considers therefore that retaining Strasbourg as its Seat is unsustainable and indefensible;

152. Reiterates that the COVID-19 crisis constitutes a force majeure situation which has forced Parliament to scrap a substantial amount of the 12 Strasbourg sessions from the 2020 parliamentary calendar; upholds that costs and health consequences caused by the COVID-19 crisis should not be compounded by costly moves to Strasbourg; strongly urges the Member States, by way of derogation from the Treaty, to refrain from insisting on compensatory sessions in Strasbourg;

Voluntary Pension Fund

153. Recalls Article 27(1) and (2) of the Statute for Members of Parliament which states that 'the voluntary pension fund set up by Parliament shall be maintained after the entry into force of this Statute for Members or former Members who have already acquired rights or future entitlements in that fund' and that 'acquired rights and future entitlements shall be maintained in full';

([12]) https://www.europarl.europa.eu/meetdocs/2014_2019/plmrep/COMMITTEES/ENVI/DV/2020/11-16/IPOL_STU2020652735_EN.pdf

([13]) Texts adopted, P9_TA(2019)0078.

154. Further notes that, at the end of 2019, the amount of net assets to be taken into account and the actuarial commitment amounted to EUR 111 million and EUR 439,6 million, respectively, leading to an estimated actuarial deficit of EUR 328,6 million; is extremely concerned about the possible exhaustion of the voluntary pension fund; stresses the fact that the current situation of the fund is such that it cannot meet its future commitments; is convinced of the need to further explain the legal consequences of the rules and/or to modify the rules; invites the Court to present a new opinion on the voluntary pension fund, investigating all possible options to limit its deficit; notes that Parliament will await the Court's decision and swiftly implement it;

155. Recalls paragraph 118 of the 2017 Parliament discharge resolution which called for an investigation of the legal foundations of the voluntary pension fund and in particular, whether Parliament has a legal obligation to guarantee that future entitlements shall be maintained in full and to fill the potential deficits of the fund or put fresh money in to the fund, given that the voluntary pension fund is a SICAV investment fund under Luxembourg law rather than a regular pension fund, which would imply that there is in principle no such obligation; regrets that the Secretary-General has not yet come forward with any findings in response to the investigation called for;

156. Recalls that these projected future liabilities are spread over several decades but is deeply concerned that while the total amount paid by the voluntary pension fund in 2019 amounts to around EUR 18 million, and this figure is expected to rise to around EUR 20 million in 2025;

157. Recalls that, at its meeting of 10 December 2018, the Bureau decided to modify the rules applicable to the pension scheme by increasing the retirement age from 63 to 65 years and introducing a levy of 5 % to pension payments for future pensioners with a view to improve its sustainability; welcomes that the immediate effects of the rules change were savings in the 2019 pensions payments amounting to approximately EUR 325 000, that of these, EUR 306 000 stem from the increase in pension age and EUR 19 000 stem from the introduction of a 5 % levy to all pensions established after 1 January 2019; asks that the Bureau evaluate all possible options as soon as the Court of Justice has made its decisions regarding the current measures in order to find a fair solution to the voluntary pension scheme and fund while keeping Parliament's liability to a minimum as Union taxpayers' money is involved;

158. Calls upon the Secretary-General and the Bureau to fully respect the Statute for Members and to establish with the pension fund a clear plan for Parliament assuming and taking over its obligations and responsibilities for its Members' voluntary pension scheme; supports the request from the Bureau to the Secretary-General that ways to ensure a sustainable financing of the voluntary pension fund in accordance with the provisions of the Statute for Members be investigated while ensuring full transparency; appeals to the Bureau and the members of the voluntary pension fund to support measures aiming at limiting the deficit of the voluntary pension fund;

Ecological and sustainability aspect of Parliament's operations

159. Supports the use of the Community eco-management and audit scheme (EMAS), which is a management instrument of the Union for private and public organisations to evaluate and improve their environmental performance in accordance with Regulation (EC) No 1221/2009 ([14]); acknowledges that Parliament is the first Union institution to become carbon neutral in 2016 due to offsetting 100 % of its irreducible emissions; supports measures taken to reduce Parliament's emissions even further including increasing teleworking targets in the different directorates-general, limiting and optimising travel time for missions and encouraging the use of sustainable transport modes, e.g. by increasing the number of parking spots for bikes;

160. Welcomes the fact that 100 % of all A4 paper used in Parliament's offices is recycled and welcomes the significant decrease in paper purchase in 2019 compared to 2018; welcomes Parliament's efforts to increase the number of paperless meetings and calls for more training to be offered to all Members, staff and APAs in relation to the paperless tools which have been created to enable less documents to be printed, and for further communication campaigns;

([14]) Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS), repealing Regulation (EC) No 761/2001 and Commission Decisions 2001/681/EC and 2006/193/EC (OJ L 342, 22.12.2009, p. 1).

161. Calls for further ambitious actions to be undertaken swiftly and believes that the ultimate goal should be a Parliament free of single-use plastic;

162. Notes that the percentage of renewable energy supplied to Parliament in 2019 remained at 67 %, the majority of this figure coming from the purchase of green electricity; calls on Parliament to further increase the percentage of renewable energy supplied to Parliament with a view to achieving a 100 % renewable energy supply as soon as possible, including by using Parliament's roof to produce its own solar power;

163. Recalls that Directive 2012/27/EU ([15]) on energy efficiency states that, each year, 3 % of the total floor area of our buildings must be renovated in order to meet the minimum energy performance requirements; recommends that the annual budget planning take into account regular renovations of all buildings and that an amount corresponding to 3 % of the total surface area of all buildings be allocated for that purpose, as already reflected in the building strategy 'Beyond 2019' adopted by the Bureau on 16 April 2018; considers that such allocation is part of a regular and anticipatory building policy which should also focus on deep-retrofitting and should ensure that Parliament strives for a maximum improvement in energy efficiency and hence savings in the energy consumption and cost of Parliament's facilities;

164. Welcomes the successful internalisation of the car service and gradual shift to zero-emission vehicles with a view to having a carbon-neutral service fleet by 2024 at the latest; acknowledges the large number of daily operations and commends the work of the service, which has achieved a high satisfaction rate amongst Members; calls on the Secretary-General to introduce a user-friendly on-line booking system and examine possibilities to increase usage, which was only 3 % in 2019, and widen the user group for booking cars for the route between Brussels and Strasbourg to reduce the environmental impact of Parliament; requests that improved communication be circulated on this possibility so as to make sure that cars do not travel empty to Strasbourg and back;

165. Welcomes the adoption by the Bureau, on 16 December 2019, of new ambitious key performance indicators targets for Parliament's environmental management system, including a 40 % carbon emission reduction target, with a date of 2024 for the new legislative term; calls for the efficient implementation of the necessary actions in order to achieve the target on time and for regular reporting to the discharge authority on the progress made; further calls on Parliament to re-evaluate its EMAS target in light of the emissions reductions caused by the COVID-19 pandemic;

166. Commends Parliament's commitment to green public procurement; notes that Parliament's objective is to increase the value-weighted percentage of contracts among certain priority products classified as 'Green', 'Very Green' or 'Green by Nature'; commends the fact that 89,1 % of contracts by value in priority-product categories were classified as 'Green' or 'Very Green', or 'Green by Nature' in 2019; welcomes the adoption by the Bureau, on 16 December 2019, of a new ambitious key performance indicators target for green public procurement, meaning that on average 90 % of contracts in priority-product categories should be classified as 'Green', or 'Green by Nature' over the 2020-2024 period; underlines the need to develop further green public procurement by setting ambitious targets for greening contracts in the medium term;

167. Welcomes Parliament's intention to introduce sustainability reporting, which will include social aspects of procurement, calls on Parliament to monitor developments in the field of social and sustainable public procurement, such as the OECD work on Public Procurement and Responsible Business Conduct and upcoming Union legislation on corporate due diligence; believes that by incorporating responsible business standards into its procurement and purchasing policies, Parliament can lead by example, safeguard the public interest and ensure the accountability of public spending;

168. Welcomes the new parking policy developed in Parliament's car parks aimed at promoting the use of electric vehicles, namely bicycles, cargo-bikes, scooters and cars, through the installation of electric charging stations; calls for that policy to be extended to all Parliament car parks;

([15]) Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC (OJ L 315, 14.11.2012, p. 1).

169. Stresses that Parliament has to honour its commitments regarding the fight against climate change, and must consequently take appropriate steps in all its buildings to make sufficient bicycle internal and external parks, where bicycles are protected against theft, vandalism and the elements, available to all staff, and at the very least offer the same arrangements currently available in staff car parks; a system whereby vignettes are used as a means of identification could also be very worthwhile in this regard;

170. Welcomes the significant increase of use of bicycles in Brussels in 2019 compared to 2018;

171. Notes the environmental impact of Parliament's recurrent relocation to Strasbourg;

Interpretation and translation

172. Recalls that, in 2019, the Directorate-General for Logistics and Interpretation for Conferences had 530 members of staff and managed 2,6 % of Parliament's overall budget;

173. Commends the 'One-Stop Conference Organisation (OSCO)' project, concluded in 2019, which considerably streamlined work processes related to conference organisation and allowed the Directorate-General for Logistics and Interpretation for Conferences to become the single interface for a range of high-quality conference services for meeting, conference and event organisers at Parliament;

174. Observes that the revised Code of Conduct for Multilingualism, adopted by the Bureau in July 2019, gave an updated framework in which to operate and ensured that high-quality interpretation could be provided in a resource-efficient way, adapted to the needs of its users; deplores that the revised Code of Conduct for Multilingualism still assimilates Union primary law-based budgetary and discharge exercise to non-legislative work, which obliges Parliament's Committee on Budgets and Committee on Budgetary Control, each year, to request authorisation from the Bureau to exceed its annual reserve of 45 pages for texts submitted for translation; calls on Parliament to ensure that the Code of Conduct for Multilingualism is applied in a way that allows Parliament's Committee on Budgets and Committee on Budgetary Control to exercise Parliament's core budgetary and discharge functions without having to request such an annual derogation;

175. Notes with appreciation the social dialogue held between the management and the representatives of the staff interpreters resulting in the new working conditions of 8 September 2018; supports the continuous efforts by both representatives of the administration and of interpreters to guarantee resource efficient full multilingualism;

176. Notes that many communications and documents are only available in English; also notes that working meetings are held without the possibility of interpretation; requests that Parliament respects the principles, rights and obligations laid down in the Charter of Fundamental Rights and Regulation No 1/1958, as well as in internal guidelines and decisions, such as the Code of Good Administrative Behaviour; consequently, calls on Parliament to provide the necessary human resources to ensure that multilingualism is respected, by increasing the number of staff responsible for translation and interpretation;

177. Recalls that in 2019, the Directorate-General for Translation had 1 117 members of staff and managed 0,5 % of Parliament's overall budget;

178. Commends the implementation of a system for the accreditation of external translators in order to bring about an increase in the quality of outsourced translations, with a focus on using 'accredited' translators who have been tested on their translation ability, enhancing the quality control of outsourced translations by the language units and reinforcing contractual consequences in the event of sub-standard quality;

179. Calls on the Secretary-General to examine the feasibility of the introduction of international sign language interpretation for all plenary debates, in line with the requests adopted by the Plenary, and to implement this decision in respect of the principle of equal access to all citizens;

Finance and Administration

180. Recalls that in 2019, DG FINS had 222 members of staff and managed 22,7 % of the Parliament's overall budget;

181. Condemns the large backlogs regarding reimbursements of travel expenses in 2019; calls for the ensuring and maintaining of sufficient resources for DG FINS and for those resources to be allocated in a way that avoids the accumulation of backlogs;

182. Notes that Parliament's new travel agency started operating on 1 January 2019; notes that Members experienced difficulties reaching the travel agency's call centre during and outside working hours; calls for an improvement in availability; observes that, for Members, the travel agency follows the directives of the Members' Travel and Subsistence Unit, according to which the flights offered should always be based on the most direct route between departure and destination point and on the cheapest fares whenever there are several airlines proposing the same connection; notes that any revenue received by the travel agency as a result of the turnover made on the services delivered to Parliament must be reimbursed to Parliament; notes that compared to the previous year, the yearly number of complaints remained stable with 63 complaints registered in 2019, representing 0,043 % of the total 144 913 transactions that year, and that the majority of registered complaints concerned the quality of services rendered by the new travel agency, resulting from the transition and the commencement of its operations, including late cancellations and travel delays;

183. Strongly questions paragraph 40 of Parliament resolution of 14 May 2020 ([16]) on Parliament's estimates of revenue and expenditure for the financial year 2021 (2019/2214(BUD)) asking the Bureau to revise the Implementing Measures of the Statute for Members of Parliament so that Members are reimbursed for flexible economy airline tickets when travelling within the Union, with exceptions accepted for flights longer than four hours of duration or flights with a stopover; calls for the continuation of equal treatment of Members in terms of tickets offered; also recalls Parliament's goals of further reducing its emissions and underlines that the least polluting methods of necessary air travel are direct flights and flexible airline tickets;

General Expenditure Allowance

184. Recalls the decision that all Members should have a separate bank account for the purpose of receiving the general expenditure allowance; welcomes Parliament's strict implementation of this obligation which resulted in a 100 % compliance rate;

185. Recalls Rule 11(4) of Parliament's Rules of Procedure, as adopted by the Bureau on 11 March 2019, which provides that 'The Bureau shall provide the necessary infrastructure on Members' online page on Parliament's website for those Members who wish to publish a voluntary audit or confirmation, as provided for under the applicable rules of the Statute for Members and its implementing rules, that their use of the General Expenditure Allowance complies with the applicable rules of the Statute for Members and its implementing measures'; notes that such publications are made individually and optionally under the Members' own responsibility and that Parliament's administration is not responsible for compiling the information provided; calls on Parliament's services to send a yearly reminder to Members in relation to this possibility; calls on Parliament to regularly inform the discharge authority of how many Members follow these recommendations in order for the spending of Union taxpayers' money to become more transparent and accountable;

186. Recalls that Members exercise their mandate freely and independently as stated in Rule 2 of the Rules of Procedure; stresses that any body tasked with elaborating ethic rules and standards should be limited to its assigned tasks and must ensure that its recommendations do not limit or hamper the free mandate of Members;

187. Stresses that the general expenditure allowance is a lump-sum allowance and underlines the necessity of independence of the free mandate as stated in the Rules of Procedure; welcomes the decision of the Bureau to task a working group with the evaluation of the operation of general expenditure allowance during the last years and with finding feasible methods to manage the general expenditure allowance; invites the Bureau to take a decision until the end of 2021; stresses that the management of the general expenditure allowance should not lead to increased level of bureaucracy for members offices and Parliament's administration;

([16]) Texts adopted, P9_TA(2020)0123.

188. Highlights the fact that the 2018 Bureau decision on the general expenditure allowance stipulates that the Bureau will maintain this decision until the end of 2022 and will evaluate it on the basis of the experience gained during the 9th parliamentary term; regrets that the bureau continues to ignore the plenary's will expressed on numerous occasions ([17]) to further reform the general expenditure allowance, thereby actively preventing Members' expenses of Union taxpayers' money from becoming more transparent and accountable; urges the Bureau to immediately implement the Plenary's decisions from the 2017 and 2018 Parliament's discharge reports introducing changes to the rules governing the general expenditure allowance; stresses that any new voluntary and/or optional measures for greater transparency and financial accountability should not create unnecessary bureaucracy for Members and their offices;

189. Underlines that good governance is based on sound financial management and proportionality; invites the Bureau to take into account the cost-effectiveness and proportionality of any further investments and the benefits achieved through further expenditure of tax payers money and increased bureaucracy;

Annual report on contracts awarded

190. Recalls that the Financial Regulation lays down the information to be provided to the budgetary authority and to the public concerning the award of contracts by the institution; notes that the Financial Regulation requires publication of the contracts awarded with a value greater than EUR 15 000, a value that corresponds to the threshold above which a competitive tendering procedure becomes compulsory;

191. Notes that, of a total of 225 contracts awarded in 2019, 83 were based on open or restricted procedures, with a value of EUR 597,3 million, and 141 were based on negotiated procedures, with a value of EUR 208,5 million; notes that the total number of contracts awarded by negotiated procedures increased in terms of value as a percentage of the total value of contracts awarded from 6 % in 2018 to 26 % in 2019, as well as in terms of volume from EUR 35,86 million in 2018 to EUR 208,53 million in 2019;

192. Notes the following breakdown of contracts by type awarded in 2019 and 2018, including building contracts:

Type of contract	2019		2018	
	Number	Percentage	Number	Percentage
Services	177	78 %	199	79 %
Supply	33	15 %	37	15 %
Works	13	6 %	12	5 %
Building	2	1 %	3	1 %
Total	225	100 %	251	100 %

Type of contract	2019		2018	
	Value (EUR)	Percentage	Value (EUR)	Percentage
Services	581 610 182	72 %	256 374 627	42 %
Supply	85 741 237	10 %	210 526 209	35 %
Works	135 211 526	17 %	133 431 628	22 %
Building	4 260 000	1 %	5 039 824	1 %
Total	806 822 945	100 %	605 372 288	100 %

(Annual report on the contracts awarded by the European Parliament, 2019, p. 5)

([17]) Discharge 2017: General budget of the EU - European Parliament, 26 March 2019; Discharge 2018: General budget of the EU - European Parliament, 14 May 2020.

193. Notes the following breakdown of contracts awarded in 2019 and 2018 by type of procedure used, in terms of number and value:

Type of procedure	2019		2018	
	Number	Percentage	Number	Percentage
Open	82	36,44 %	89	35,46 %
Restricted	1	0,44 %	5	1,99 %
Negotiated	141	62,68 %	155	61,75 %
CEI list	—	—	1	0,40 %
Exceptional	1	0,44 %	1	0,40 %
Total	225	100 %	251	100 %

Type of procedure	2019		2018	
	Value (EUR)	Percentage	Value (EUR)	Percentage
Open	595 584 380	486 039 380	74	80
Restricted	1 735 269	0	83 433 046	14
Negotiated	208 533 296	26	35 859 040	6
CEI list	—	—	24 221	0
Exception	970 000	0	16 600	0
Total	806 822 945	100 %	605 372 288	100 %

(Annual report on the contracts awarded by the European Parliament, 2019, p. 7)

194. Regrets the fact that there have been 1 369 single bidder tenders among all public tenders for contracts for the purchase of goods and services by Parliament; notes that single bidder tenders carry a significant threat to the proper spending of public money; calls on Parliament to investigate the reasons for the apparent lack of competition and to take the necessary measures to prevent single bidder tenders in future procedures;

Political groups (budget item 4 0 0)

195. Notes that, in 2019, the appropriations entered under budget item 4 0 0, attributed to the political groups and non-attached Members were used as follows ([18]):

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

Group	2019 (1)					2018				
	Annual appropriations	Own resources and carried-over appropriations	Expenditure	Rate of use of annual appropriations	Amounts carried-over to next period	Annual appropriations	Own resources and carried-over appropriations	Expenditure	Rate of use of annual appropriations	Amounts carried-over to next period
European People's Party (EPP)	17 139	4 253	16 993	99,15	4 399	18 282	6 690	20 820	113,88	4 152
Progressive Alliance of Socialists and Democrats (S&D)	14 611	4 807	13 705	93,80	5 710	15 792	5 863	16 888	106,94	4 767
Renew Europe (former Alliance of Liberal and Democrats for Europe (ALDE))	7 721	1 627	5 510	71,37	3 838	5 823	1 824	6 033	103,61	1 614
The Greens/European Free Alliance (Greens/EFA)	5 573	1 388	4 585	82,27	2 376	4 478	1 579	4 669	104,27	1 388
Identity and Democracy (ID) (3)	3 244	0	1 629	50,22	1 615					
European Conservatives and Reformists (ECR)	6 053	1 946	5 730	94,66	2 270	6 182	2 962	7 200	116,47	1 944
European United Left/Nordic Green Left (GUE/NGL)	4 156	1 110	3 731	89,77	1 535	4 443	1 257	4 590	103,31	1 110
Europe of Freedom and Direct Democracy (EFDD) (2)	1 851	1 915	1 508	81,45	0	3 829	1 828	2 725	71,17	1 915
Europe of Nations and Freedom (ENF) (2)	1 620	653	1 609	99,34	0	3 238	1 094	3 612	111,55	720
Non-attached Members	2 019	367	481	23,84	738	1 153	314	537	46,57	442
Total	63 987	18 067	55 481	86,71	22 482	63 220	23 412	67 073	106,09	18 052

Notes to the above table:

(1) 2019 was an electoral year and political groups submitted their accounts in two parts for each of the two semesters. For political groups that continued their activity after the 2019 European elections, the figures for annual appropriations and expenditures refer to the sum of both semesters.

(2) For political groups dissolved after the 2019 European elections, figures are for the first semester only.

(3) For political groups that did not exist before the 2019 European elections, figures are for the second semester only.

196. Welcomes the fact that independent external auditors for the political groups issued only unqualified opinions for the financial year 2019;

European political parties and European political foundations

197. Notes that the Authority was created in 2016 with the task of assessing registration requests, registering new Union parties and foundations, monitoring their funding and imposing sanctions in cases of failure to respect their obligations; acknowledges that it became fully operational in 2017;

198. Notes that 2018 was the first year of implementation of Regulation (EU, Euratom) No 1141/2014 ([19]) in all its parts, especially with regard to the role of the Authority; observes that, pursuant to that Regulation, the Authority reviewed in 2019 for the first time, the accounts of European political parties and foundations relating to the financial year 2018;

199. Notes that in the framework of the 2019 European elections, the Authority, together with DG FINS, developed a set of principles to render operational the right of European political parties to campaign in European elections, while at the same time setting out its limits; acknowledges the practical difficulties created by the nature of the regulation and emphasizes the need for its revision; observes the automatic nature of sanctions and points out the need for enhanced proportionality and flexibility;

200. Welcomes the move from the Authority towards more transparency, which included the publication, for the first time in 2020, of its Annual Activity Report for 2019 without restriction on its release and the participation of its director in the annual hearing for the Parliament discharge held on 16 November 2020;

201. Calls on the Authority to ensure that information covering the registration and financial situation of European political parties and foundations, to the greatest extent possible, be made publicly available in a user-friendly, complete and updated manner;

202. Notes that, in 2019, the appropriations entered under budget item 4 0 2 were used as follows ([20]):

Party (2019)	Abbreviation	Own resources	EP final contribution ([1])	Total revenue	EP contribution as % of reimbursable expenditure (max. 90 %)	Revenue surplus (transfer to reserve or loss)
European People's Party	EPP	1 751 449	13 433 000	15 184 449	90 %	116 515
Party of European Socialists	PES	1 091 101	8 405 284	9 496 385	90 %	115 131
Alliance of Liberals and Democrats for Europe Party	ALDE	851 728	4 848 119	5 699 847	90 %	801 704
European Green Party	EGP	539 667	3 471 165	4 010 832	90 %	603 669

([19]) Regulation (EU, Euratom) No 1141/2014 of the European Parliament and of the Council of 22 October 2014 on the statute and funding of European political parties and European political foundations (OJ L 317, 4.11.2014, p. 1).
([20]) All amounts in thousands of EUR.

Party (2019)	Abbreviation	Own resources	EP final contribution ([1])	Total revenue	EP contribution as % of reimbursable expenditure (max. 90 %)	Revenue surplus (transfer to reserve or loss)
Party of the European Left	EL	312 832	1 772 817	2 085 649	90 %	—
European Democratic Party	PDE	100 944	671 170	772 114	90 %	49 246
European Free Alliance	EFA	200 053	1 219 623	1 419 676	90 %	55 400
European Conservatives and Reformists Party	ECR Party	607 157	3 493 333	4 100 490	90 %	158 166
European Christian Political Movement	ECPM	140 512	1 000 214	1 140 726	83 %	—
Identity and Democracy party	ID Party	114 250	615 067	729 317	90 %	—
TOTAL		5 709 693	38 929 792	44 639 485		1 899 831

Notes:

Note ([1]): Composed of second part of 2018 final funding and first part of 2019 final funding according to the Bureau Decision of 18 January 2021.

203. Notes that, in 2019, the appropriations entered under budget item 4 0 3 were used as follows ([21]):

Foundation (2019)	Abbreviation	Affiliated to party	Own resources	EP final grant	Total revenue	EP grant as % of eligible costs (max. 95 %)	Revenue surplus (transfer to reserve or loss)
Wilfried Martens Centre for European Studies	WMCES	EPP	622 669	5 971 543	7 433 520	95 %	255 171
Foundation for European Progressive Studies	FEPS	PES	662 446	5 142 293	5 906 538	92 %	—
European Liberal Forum	ELF	ALDE	202 565	1 798 601	2 114 273	95 %	90 914
Green European Foundation	GEF	EGP	79 513	1 368 333	1 484 738	95 %	—
Transform Europe	TE	EL	110 698	1 096 144	1 217 889	92 %	7 401

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

Foundation (2019)	Abbreviation	Affiliated to party	Own resources	EP final grant	Total revenue	EP grant as % of eligible costs (max. 95 %)	Revenue surplus (transfer to reserve or loss)
Institute of European Democrats	IED	PDE	23 261	421 786	472 185	95 %	—
Coppieters Foundation	Coppieters	EFA	84 666	534 179	618 845	95 %	38 624
New Direction - Foundation for European Reform	ND	ECR Party	253 558	1 636 452	1 995 962	95 %	—
Sallux	SALLUX	ECPM	23 537	365 590	448 654	95 %	3 282
Association pour l'Identite et Democratie Fondation	ID Foundation	ID Party	23 000	436 999	978 653	95 %	—
TOTAL			2 085 913	18 771 920	22 671 257		395 392

204. Welcomes the Commission's intention to review Regulation (EU, Euratom) 2018/673 ([22]) at the end of 2021, with a view to going beyond the current objective of addressing financing and transparency rules and easing the registration conditions under Article 3 of Regulation (EU, Euratom) No 1141/2014 and opening membership to all Union citizens to provide for a more inclusive representation of political parties active at the European level;

205. Notes with concern that several existing trans-national political parties active in European politics and represented in Parliament are not permitted to register officially as European political parties due to requirements listed in Regulation (EU, Euratom) 2018/673, consequently hindering the democratic representation of smaller political parties at the European level; suggests that in this view the Commission should make an ambitious reform proposal by the end of 2021.

([22]) Regulation (EU, Euratom) 2018/673 of the European Parliament and of the Council of 3 May 2018 amending Regulation (EU, Euratom) No 1141/2014 on the statute and funding of European political parties and European political foundations (OJ L 114 I, 4.5.2018, p. 1).

DECISION (EU, EURATOM) 2021/1546 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2019, Section II – European Council and Council

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2019 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2019 (COM(2020) 0288 – C9-0222/2020) ([2]),

— having regard to the Council's annual report to the discharge authority on internal audits carried out in 2019,

— having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2019, 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 2019, 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) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([5]), and in particular Articles 59, 118, 260, 261 and 262 thereof,

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

— having regard to the opinion of the Committee on Constitutional Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0056/2021),

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 2019;

2. Sets out its observations in the resolution below;

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

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([1]) OJ L 67, 7.3.2019.
([2]) OJ C 384, 13.11.2020, p. 1.
([3]) OJ C 377, 9.11.2020, p. 13.
([4]) OJ C 384, 13.11.2020, p. 180.
([5]) OJ L 193, 30.7.2018, p. 1.

RESOLUTION (EU) 2021/1547 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 2019, 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 2019, Section II – European Council and Council,

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

— having regard to the opinion of the Committee on Constitutional Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0056/2021),

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

1. Welcomes the fact that the Court of Auditors (the 'Court'), in its annual report for 2019 (the 'Court's report'), observed that no significant weaknesses had been identified in respect of the audited topics relating to human resources and procurement for the European Council and Council (the 'Council');

2. Notes with satisfaction that based on its audit work, the Court concluded that the payments as a whole for the year ended 31 December 2019, comprising administrative and other expenditure of the Council, were free from material error and that the examined supervisory and control systems were effective;

3. Regrets, as an general observation, that chapter 9 'Administration' of the Court's report has a rather limited scope and conclusions, notwithstanding the fact that the Multiannual Financial Framework Heading 5 'Administration' is considered low risk; requests that the audit work for that chapter be more focused on issues which are of high relevance or even of critical importance for the Council;

Budgetary and financial management

4. Observes that the Council's budget is mostly administrative with a large part of it being used for expenditure in relation to persons, buildings, furniture, equipment and miscellaneous running costs; regrets that the longstanding request to divide the budget of the European Council and the Council into a separate budget for each of the two institutions for transparency reasons and to improve accountability for both institutions has not been considered and urges the Council, as it has done repeatedly in previous discharge resolutions, to prepare separate budgets for the European Council and the Council for reasons of transparency and to improve accountability and expenditure efficiency for both institutions;

5. Notes that in 2019 the Council had an overall budget of EUR 581 895 459 (compared to EUR 572 854 377 in 2018 and EUR 561 576 000 in 2017), with a global implementation rate of 92,3 % (compared to 91,9 % in 2018 and 93,8 % in 2017); notes a descending budget increase amounting to EUR 9 million (compared to EUR 11,3 million in 2018 and EUR 16,5 million in 2017), equivalent to an increase of 1,6 % (compared to 2 % in 2018 and 3 % in 2017);

6. Recalls that appropriations carried over from 2018 to 2019 amounted to a total of EUR 56 599 584, equivalent to a carry-over rate of 10,7 %, coming mainly from categories such as computer systems (EUR 19,5 million), buildings (EUR 16,0 million) and interpretation (EUR 11,9 million); welcomes the fact that the implementation of carry-overs in 2019 amounted to payments in total of EUR 49 240 654 or 87,7 %, including for computer systems (EUR 18,7 million), for buildings (EUR 12,5 million) and for interpretation (EUR 10,4 million);

7. Recognises a slight reduction in the carry-over rate which amounted to 9,8 %, from 2019 to 2020 (as compared to a carry-over of 10,7 % from 2018 to 2019 and 11,5 % from 2017 to 2018); reminds the Council, however, that carry-overs are exceptions to the principle of annuality and should reflect actual needs; calls on the Council to strengthen its efforts to avoid budget over-estimates;

8. Congratulates the Council on the successful commitment and payment rate of 100 % for the budget line 'Delegations' travel expenses'; notes also the 100 % commitment rate for the budget lines 'Computer systems' and 'Information' but points to these budget lines' carry-over rate to 2020 of 35,4 % and 32,9 %, respectively;

9. Is informed that the number of 'institutional' and 'other' meetings amounted to 7 668 in 2019 (compared to 6 338 in 2010); notes that the total number of meetings organised in 2019 was 0,8 % (or 65 meetings) less than in 2018 because of the reduction in legislative activity in the second semester due to European elections and the election or appointment of new members in all the Union institutions;

10. Notes that, in line with the decrease in meeting activity and despite a 2 % increase in the i-slot price (EUR 10 higher than in 2018), interpretation costs decreased by 11 % (EUR 62,2 million compared to EUR 70 million in 2018) and that these costs covered 62 480 interpreter days, a 13 % decrease compared to 2018;

11. Notes that the number of legal acts published in the *Official Journal of the European Union* in 2019 amounted to 1 326 (compared to 1 210 in 2018, 1 130 in 2017 and 825 in 2010); agrees that the increase in the number of legal acts is mainly explained by the need to adopt as many legal acts as possible before the 2019 European elections;

12. Reminds the Council that conducting impact assessments is one of the key factors set out in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making and of the Council's promise to carry out impact assessments in relation to substantial amendments it makes to proposals from the Commission; regrets that the Council has so far not carried out impact assessments on any of its amendments;

Internal management, internal control, performance

13. Notes, in the context of modernisation, the steps taken by the Council to create a flatter management structure, through removing layers of hierarchy with the aim of improving communication, through making decision-making easier and through empowering staff by allowing greater ownership of files; notes the introduction of a well-tested HR IT tool (SYSPER) and other IT tools used for managing the mission lifecycle; appreciates these steps and invites the Council to continue such actions;

14. Acknowledges that an internal control framework is in place to provide reasonable assurance of achievement of objectives; welcomes the fact that in relation to 2019 neither misuse of funds nor irregularities have been mentioned in the control reports by the internal auditor or the Court, or in the opinions of the audit committee; notes further that all departments applied risk management by keeping risk registers containing information on identified risks, assessments thereof and selected risk treatment; notes that no critical risk levels were reported in 2019 and that no significant risks materialised; welcomes the fact that 93 % of the issued recommendations during the years 2016 to 2018 have been or are in the process of being implemented;

15. Welcomes the improvements in the Council's financial management and performance systems such as the launch of the integrated financial and activity planning project in October 2019 which will result in the integration of the annual and multiannual budget planning and the establishment of a link between financial planning and budget implementation at activities level;

16. Notes that in the context of improving the cash flow position, the average delay in payment of invoices was 19 days in 2019 with the maximum delay being 30 calendar days;

17. Recalls that key performance indicators are a generally acknowledged tool to measure achievements reached against objectives set; calls on the Council to provide a synthesis in its management reports of the major key performance indicators and the related results;

Human resources

18. Notes that the number of posts in the establishment plan for 2019 was fixed at 3 033 (compared to 3 031 posts in 2018 and 3 027 posts in 2017); welcomes the efforts to streamline the organisation by transforming 30 AST5 posts into 30 AD5 posts as part of the continuation of administrative modernisation; welcomes in general the process of administrative modernisation with the objective of enhancing the quality of the Council's organisation and the proper use of resources;

19. Asks the Council to report on the process of simplifying and improving HR procedures and all related actions such as the follow-up to the staff survey that took place in autumn of 2018, the enhancing of career opportunities for staff, the reinforcement of sharing experience and knowledge, the promotion of modern communication tools and sustaining the prevention of psychosocial risks; encourages the Council to complete the existing flexible working arrangements with a protection of the staff members' right to disconnect;

20. Welcomes the positive action programme of the general secretariat of the Council for trainees with disability which facilitates 4 to 6 paid traineeships a year to Union citizens with a recognised disability, as well as the reasonable accommodation policy of the Council which enables persons with disabilities to perform a job on an equal basis with others;

21. Calls on the Council to report on its gender action plan and the measures taken to ensure equal opportunities for persons with disabilities at the Council, the related procedures put in place and actions taken to achieve a balance between women and men at all hierarchical levels; calls further on the Council to provide information on the proportion of persons working with disabilities among its staff, as well as on geographical balance, and the measures that have been taken in order to ensure balance;

22. Recalls Parliament resolution of 17 December 2020 on the need for a dedicated Council configuration on gender equality, requesting ministers and secretaries of state in charge of gender equality to create a dedicated institutional forum to ensure stronger integration of gender equality into Union strategies and policy processes, coordination of all related policies, as well as harmonisation of the protection of women's rights and gender equality in the Union via an intersectional approach; underlines that such specific configuration would represent a key element in unlocking negotiations on the main files related to gender equality;

23. Calls on the Council to tackle gender and geographical imbalances in order to establish a proper representation of nationals from all Member States, including at management level;

Conflict of interest, harassment, whistleblowing

24. Regrets not having received more information about improvements to the Council's ethical culture and standards such as a dedicated website link presenting specific training on public ethics, a code of conduct applicable to all members of staff setting out the expectations regarding integrity and ethical values, and internal guidance on frequently-asked questions on ethical matters or procedures relating to whistleblowers' protection;

25. Is aware of the key role of the Council in nominations and appointments procedures for the Union institutions and bodies, in particular for the European Council, the Commission, the Court and the consultative Committees (the Committee of the Regions and the European Economic and Social Committees); strongly recommends a review of that role in the view of ethical principles adopted by the Union, including with respect to integrity and dignity; recalls the Court's statement that ethical conduct 'contributes to sounder financial management and increased public trust, which is indispensable if public policies are to succeed' and, in particular, that 'any unethical behaviour by staff and Members of the EU institutions attracts high levels of public interest and reduces trust in the EU'; considers it necessary therefore to avoid the appointment as members of Union institutions and bodies of candidates who represent a reputational risk for the Union as a whole, such as candidates with unethical behaviour confirmed by OLAF or with legal proceedings underway against them;

26. Expresses its grave concern over the Council's repeated appointments of candidates to become ECA Members against the adverse opinion on the candidate expressed in a rejection vote by the vast majority in Parliament's Plenary due to candidates' lack of sufficient competences and personal or political impartiality;

27. Is concerned at the absence of a chapter on an ethical framework on the official website of the Council consisting of rules to prevent, identify and avoid potential conflicts of interest; calls on the Council to align with other Union institutions in this respect such as with the Court of Justice of the European Union which has a website with a dedicated section on transparency; calls on the Council to present a plan to introduce such measures with clearly set deadlines;

28. Shares the Court's concern about the absence of a common EU ethical framework governing the work of Member States' representatives in the Council; in view of the Court's and the European Ombudsman's repeated requests to enhance the institution's ethics and transparency, emphasises the importance for the Council, including the Member States' representatives working in the Council, of harmonising ethics rules and enforcing already existing ethics rules; recalls the Council's obligation to deal with high-level conflicts of interest, revolving doors and lobby transparency rules;

29. Strongly reiterates its call on the Council to bring the code of conduct for the President of the European Council in line with those of Parliament and the Commission in order to have rules in place to approve activities related to Union legislation after the President of the European Council leaves his or her post;

30. Underlines the fact that the general secretariat of the Council sent a letter on 21 January 2020 to delegations providing information regarding the occupational activities of former senior officials of the general secretariat after leaving the service in line with the third and fourth paragraphs of Article 16 of the Staff Regulations of Officials of the European Union for 2019 and with the implementing rules;

31. Reiterates its deep concern with respect to the conflicts of interests of a number of Member State representatives involved in policy and budget decision-making processes; repeats Parliament's strong call on the Council to ensure that Member State representatives who stand to benefit directly from Union subsidies through the businesses they own do not participate in related policy or budgetary discussions and votes; requests the Council to provide Parliament with information on the necessary measures put in place to avoid conflict of interests;

Buildings

32. Welcomes the fact that the final payment of the amount due to the Belgian authorities for the Europa building project took place in 2019 as it was not possible to sign the related final act of sale in 2017; notes that the appropriations amounting to EUR 4,1 million carried over by decision from 2017 to 2018 were duly committed in 2018, but not paid, and were carried over to 2019 for payment;

33. Reiterates its concerns about the alarming information reported by the media regarding the construction of the new Europa building; calls on the Council to thoroughly research the main contractor and the entire chain of subcontractors (up to 12 according to the media), as well as the working conditions of the workers employed, and to provide Parliament's Committee on Budgetary Control with all its findings;

34. Welcomes the efforts by the Council to reduce its environmental footprint across its buildings, which have been registered under the European eco-management and audit scheme (EMAS) since 2016; welcomes the publishing of a detailed environmental statement in October 2020 based on 2019 data;

Digitalisation

35. Notes that in 2019 the Council's digital service department (SMART) delivered an extensive range of services to the Council and that significant investments were made in developing new tools, such as the translation management system, the briefings tool, the trilogue table editor for creating and managing trilogue tables, EDiT for collaborative drafting and editing of legislative texts, eAgenda, and other technical platforms;

36. Encourages the Council to use open-source technology in order to prevent vendor lock-in, to retain control over its own technical systems, to provide stronger safeguards for the privacy and data protection of the users, as well as to increase security and transparency for the public;

37. Encourages the Council to follow the recommendations of the European Data Protection Supervisor to renegotiate the inter-institutional licensing agreement and implementation contract, signed between the Union institutions and Microsoft in 2018, with the objective of achieving digital sovereignty, avoiding vendor lock-in and lack of control, and ensuring the protection of personal data;

Transparency

38. Notes the fact that the draft guidance for best practice for Council presidencies on the issue of sponsorship were sent on 29 June 2020 by the general secretariat of the Council to the delegations, following the Council's approval of the recommendation of the European Ombudsman (the 'Ombudsman') on guidance for Member States related to sponsorship and the regular reminders by Parliament's Committee on Budgetary Control; reiterates that conflicts of interest jeopardise the reputation of the Council and the Union as a whole;

39. Notes that the Member States are expected to finance their own Council presidencies and regrets that they resort to corporate sponsorship to cover some of their expenses; is highly concerned about the possible reputational damage that this practice might cause to the Council and the Union; urges that presidencies avoid resorting to corporate sponsorship to cover expenses and asks the Council, in that regard, to envisage the budgetisation of the presidencies;

40. Encourages the Council to advise the presidencies properly in establishing clear and transparent rules on sponsorship, paying particular attention to possible conflicts of interest in cases where the corporate sector has explicit interests in decisions made by the Council; calls on the Council to make progress with respect to the guidelines without delay, and in particular to reflect on the currently non-binding character of the guidance;

41. Recalls that the Ombudsman opened an investigation (OI/2/2017) on the transparency of the Council's legislative work in 2017 in order to allow citizens to more easily follow the legislative process of the Union; welcomes the recent positive reception by the Ombudsman of the new transparency steps taken by the Council, such as proactively publishing progress reports on negotiations on draft laws, which are fully in line with the proposals made by the Ombudsman as a result of her inquiries and the requests of the last discharge resolutions;

42. Recalls that the Parliament in its resolution of 17 January 2019 on the Ombudsman's strategic inquiry OI/2/2017 on the transparency of legislative discussions in the preparatory bodies of the Council of the EU overwhelmingly supported the Ombudsman's proposals on legislative transparency and demands that the Council further improves legislative transparency, particularly by recording and publishing member state positions and by making available more trilogue documents; urges the Council to step up its transparency efforts by, inter alia, publishing Council working documents in a machine-readable format; invites the Council to report on other measures taken in order to improve legislative transparency;

43. Draws attention to the Ombudsman's decision in case 1946/2018/KR where the Ombudsman requested the General Secretariat of the Council to keep a full record of any meetings held between lobbyists and the President of the European Council or members of his cabinet; strongly supports the Ombudsman's statement that members of the President's cabinet should only meet with, or attend events organised by, interest representatives that are registered in the transparency register; is concerned that this statement has gone unnoticed and calls for a reply to be given to the Ombudsman;

44. Is pleased that the three institutions, Parliament, Council and Commission, reiterated their common ambition of reaching an agreement on a tri-institutional transparency register to boost the transparency of interactions with interest representatives; congratulates the Council on the positive steps and further achievements under the German Presidency which led to a political agreement on a mandatory transparency register on 15 December 2020, and encourages all actors involved to sign the interinstitutional agreement that was approved by Parliament on 27 April 2021, so that the registry will become mandatory through the inclusion of the Council; urges the Council to expand the scope of the agreement in making it mandatory for lobbyists to register in order to meet with the ambassadors of the current and succeeding presidencies and their deputies in the Committee of the Permanent Representatives as well as with the Council's secretary-general and directors-general;

45. Notes that seven complaints were lodged with the Ombudsman and that one strategic inquiry took place, all concerning transparency; notes that out of the seven complaints, the Ombudsman in two cases considered that there had been cases of maladministration; notes that one case was closed, and two were considered not to entail maladministration while the remaining two complaints are still pending; notes that in the inquiry, which concerned the transparency of the bodies involved in preparing Eurogroup meetings, the Ombudsman found that the Council had taken steps to further improve its transparency policy and decided to close this strategic inquiry;

Communication

46. Agrees that improving the accessibility of the Council's website, which was part of the external audit recommendations in 2018, took priority in 2019; welcomes as one of the encouraging results the fact that the so-called 'policy pages', which offer background information about the major initiatives and legislation under discussion in the Council, constituted the fastest growing section of the website;

47. Welcomes the fact that the improvements resulted in a better web user experience, including for persons with disabilities as measured by the accessibility score which has risen from 47 % at the end of 2018 to 67 % in December 2019; notes that the remaining audit recommendations, which are primarily related to user experience and content creation standards, will be implemented in 2020; asks the Council to further report to the discharge authority on the results and achievements of the audit recommendations, particularly regarding access of persons with disabilities;

48. Notes that the Council's audio-visual broadcast infrastructure and production facilities were further improved in 2019 in order to increase efficiency in operations and make the infrastructure futureproof and more resilient to be able to handle the increasing volume of video coverage;

Council's role in appointing the European prosecutors to the European Public Prosecutor's Office (the 'EPPO')

49. Recalls that in 2019 and 2020 national pre-selection committees nominated candidates for evaluation and the European selection panel deliberated on the qualifications of the 22 European prosecutors to be appointed to the EPPO in 2020; recalls that according to Implementing Decision (EU) 2018/1696 ([1]), the European selection panel evaluates the candidates and provides the Council with a ranking which the Council shall take into consideration;

50. Recalls that Implementing Decision (EU) 2020/1117 ([2]) states that regarding the 'candidates nominated by Belgium, Bulgaria and Portugal, the Council did not follow the non-binding order of preference of the selection panel, on the basis of a different assessment of the merits of those candidates which was carried out in the relevant preparatory bodies of the Council';

51. Recalls that on 27 July 2020, Austria, Estonia, Luxembourg and the Netherlands published a statement highlighting that 'a competition between rankings of national selection panels and the ranking of the European selection panel must be avoided, at the risk of eroding the European component of the appointment procedure';

52. Regrets that Council did not reply properly to several parliamentary written questions between July and September 2020 asking it to explain why it decided not to follow the recommendations by the European selection panel and asking for elaborations on the assessment process for arriving at the decision not to follow the recommendations of the European selection panel;

53. Is very concerned about media revelations that the Portuguese government provided Council with wrongful information about the title and experience of the candidate ranked second by the European selection panel, thereby leading to his appointment as Portuguese European prosecutor;

54. Recalls that the European prosecutors must be independent and any suspicion of an intervention by a national government in favour of a candidate against the recommendation of the European selection panel would have a severe negative impact on the reputation, integrity and independence of the EPPO as an institution;

State of play in the refusal of discharge

55. Emphasises Parliament's prerogative to grant discharge pursuant to Article 319 of the Treaty of the Functioning of the European Union as well as the applicable provisions of the Financial Regulation and Parliament's Rules of Procedure in line with current interpretation and practice, namely, the power to grant discharge in order to maintain transparency and to ensure democratic accountability towards Union taxpayers;

56. Notes that over the course of almost twenty years Parliament has developed the practice of granting discharge to all Union institutions, bodies, offices and agencies;

([1]) Council Implementing Decision (EU) 2018/1696 of 13 July 2018 on the operating rules of the selection panel provided for in Article 14(3) of Regulation (EU) 2017/1939 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO') (OJ L 282, 12.11.2018, p. 8).

([2]) Council Implementing Decision (EU) 2020/1117 of 27 July 2020 appointing the European Prosecutors of the European Public Prosecutor's Office (OJ L 244, 29.7.2020, p. 18).

57. Whereas the case-law of the Court of Justice of the European Union supports the right of taxpayers and the public to be kept informed about the use of public revenues;

58. Repeats that both openness and transparency in Union administration and the protection of the financial interests of the Union require an open and transparent discharge procedure where every Union institution is accountable for the budget it executes, according to Article 59 of the Financial Regulation;

59. Reiterates the need to improve cooperation between the institutions in the framework of the discharge procedure through a memorandum of understanding between Parliament, the Council and the Commission on the cooperation between Parliament and the Council during the annual discharge procedure;

60. Emphasises that, pursuant to Article 13 of the Treaty on European Union, each institution shall act within the limits of the powers conferred on it in the Treaties and in conformity with the procedures, conditions and objectives set out therein, and that the institutions are to practice mutual sincere cooperation;

61. Recalls the difficulties repeatedly encountered in the discharge procedures to date due to a lack of cooperation from the Council and recalls that Parliament refused to grant discharge to the secretary-general of the Council in relation to the financial years 2009 to 2019;

62. Stresses that the current situation, where Parliament can only check the reports of the Court and of the European Ombudsman as well as the information on the Council's website but does not receive written or oral answers from the Council during the annual discharge procedure, makes it impossible for Parliament to make an informed decision on granting discharge, and that this has a lasting negative effect on both institutions and discredits the procedure for political scrutiny of budget management;

63. Underlines the need to re-start negotiations with the Council with a view to reaching a mutually satisfactory agreement to finally overcome this situation of deadlock;

64. Repeats that a negotiating team on behalf of Parliament is in place and that a letter was sent by Parliament's Committee on Budgetary Control on 25 May 2020 to the secretary-general of the Council suggesting that negotiations commence;

65. Remains convinced that an agreement on this matter is possible and therefore calls on the Council to resume negotiations without undue delay in order to find a solution that respects the citizens' right to accountability;

66. Notes that the roles of the respective institutions in the discharge procedures should be distinguished from each other; emphasises that Parliament does not accept that the two institutions have an equivalent and reciprocal role in the discharge procedure;

67. In respect of the Council's specific role as an institution giving recommendations on the discharge procedure, reiterates its requests to the Council to give discharge recommendations with respect to the other Union institutions;

68. Recognises that the positive trend of this process was interrupted by the COVID-19-epidemic; notes with concern, however, that in autumn 2020 all attempts from Parliament's side to meet for an initial preliminary exchange with the Council failed;

69. Points out that as long as no negotiations are taking place between the parties, Parliament's view stands, and that negotiations between the parties are a precondition for resolving the issue;

70. Recalls the statements by Vice-President Věra Jourová and Commissioner Johannes Hahn in their hearings before Parliament in 2019 that they are willing to engage in this matter in order to help achieve more transparency on the implementation of the Council's budget; considers that the negotiations could be extended to include the Commission so as to ensure that Parliament is provided with the necessary information on how the Council is implementing its budget;

71. Notes that many communications and documents are only available in English; also notes that working meetings are held without the possibility of interpretation; requests that the Council respects the principles, rights and obligations laid down in the Charter of Fundamental Rights and Regulation No 1/1958, as well as in internal guidelines and decisions, such as the Code of Good Administrative Behaviour; calls therefore on the Council to provide the necessary human resources to ensure that multilingualism is respected, by increasing the number of staff responsible for translation and interpretation.

DECISION (EU, EURATOM) 2021/1548 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2019, Section IV – Court of Justice of the European Union

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2019 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2019 (COM(2020) 0288 – C9-0223/2020) ([2]),

— having regard to the annual report of the Court of Justice of the European Union to the discharge authority on internal audits carried out in 2019,

— having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2019, 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 2019, 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) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([5]), and in particular Articles 59, 118, 260, 261 and 262 thereof,

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

— having regard to the opinion of the Committee on Legal Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0064/2021),

1. Grants the Registrar of the Court of Justice discharge in respect of the implementation of the budget of the Court of Justice of the European Union for the financial year 2019;

2. Sets out its observations in the resolution below;

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

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([1]) OJ L 67, 7.3.2019.
([2]) OJ C 384, 13.11.2020, p. 1.
([3]) OJ C 377, 9.11.2020, p. 13.
([4]) OJ C 384, 13.11.2020, p. 180.
([5]) OJ L 193, 30.7.2018, p. 1.

RESOLUTION (EU) 2021/1549 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 2019, Section IV – Court of Justice of the European Union

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2019, Section IV – Court of Justice of the European Union,

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

— having regard to the opinion of the Committee on Legal Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0064/2021),

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

Budgetary and financial management

1. Notes with satisfaction that, in its annual report for 2019, the Court of Auditors identified no significant weaknesses in respect of the audited topics relating to human resources and procurement for the Court of Justice of the European Union (the 'CJEU');

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 2019 for administrative and other expenditure of the CJEU were free from material error and that the examined supervisory and control systems were effective;

3. Regrets, as a general observation, that chapter 9 'Administration' of the annual report of the Court of Auditors has a rather limited scope and conclusions, notwithstanding the fact that the Multiannual Financial Framework Heading 5 'Administration' is considered to be low risk; requests that the audit work for that chapter be more focused on issues of high relevance or even critical importance for the CJEU;

4. Notes that the CJEU's budget amounted to EUR 429 468 936 (EUR 410 025 089 in 2018 and EUR 399 344 000 in 2017) and that the implementation rate was 98,7 % (compared to 99,18 % in 2018 and 98,69 % in 2017); notes the high implementation rates for both Title 1 (persons working with the institution) and Title 2 (buildings, furniture, equipment and miscellaneous operating expenditure), amounting to an implementation rate of 98,4 % (compared to 99 % in 2018 and 98,6% in 2017) for Title 1 and of 99,6 % (compared to 99,8 % in 2018 and 98,1 % in 2017) for Title 2;

5. Notes that almost 75 % of the CJEU's budget was allocated to expenditure on the members and staff (Title 1) and almost 25 % to infrastructure expenditure (Title 2) -particularly buildings and information technologies; notes that appropriations carried over from 2018 to 2019 amounted to EUR 21 092 468 (mainly from buildings which amount to EUR 15 038 328), of which 87,21 % were used in 2019 as compared to 85,45 % in 2018;

6. Notes with concern that the CJEU continues to overestimate some commitments as was stated in the discharge resolution of 2017: for 'missions for members', budget line 104, EUR 299 750 committed compared to EUR 34 340 paid; for 'missions persons working with institution', budget line 162, EUR 498 500 committed compared to EUR 272 898 paid; for 'training for members', budget line 106, EUR 270 065 committed compared to EUR 164 263 paid; and for 'training persons working with institution', budget line 1612, EUR 1 528 061 committed compared to EUR 706 717 paid; notes, however, that substantial amounts were paid in 2020 from the commitments carried forward; calls on the CJEU to pursue its efforts to ensure sound financial management for all budget lines in order to avoid significant discrepancies between commitments and payments;

Human resources

7. Notes that 2 256 persons were employed by the CJEU in 2019 (compared to 2 217 in 2018 and 2 180 in 2017); notes that the distribution of posts by sector of activity remains similar to that of previous years, with almost 85 % of posts dedicated to jurisdictional and linguistic activities; notes with regard to the occupation rate of posts that it remains at a very high level of around 97 % in 2019, similar to in 2018; notes, however, certain difficulties in recruitment, due to more limited career development opportunities and the low level of the basic salaries for starting grades as compared to high living costs in Luxembourg; reiterates its concerns about the growing problem of the purchase power disparity suffered by Union civil servants posted to Luxembourg;

8. Stresses the importance of addressing the lack of gender balance within the college of judges; underlines the commitment of the Parliament's Committee on Budgetary Control to gender balance; acknowledges, however, the fact that efforts in the field of equal opportunities are becoming increasingly visible at the administrative level with the proportion of women in middle management amounting to 41 % and in senior management amounting to 40 %; notes that the overall staff has a distribution of 39 % men and 61 % women and for AD staff a distribution of 46 % men and 54 % women;

9. Underlines the need for improvements in the geographical balance of staff, in particular for management positions, in view of the fact that, by mid-2020, 15 out of 58 heads of unit (25,8 %) and two out of 15 directors (13,3 %) came from Member States that have joined the Union since May 2004 (compared to 15 out of 57 heads of unit and two out of 13 directors in 2018); calls on the CJEU to strengthen its efforts in this regard by encouraging applications from candidates whose nationality is underrepresented and by making use of interinstitutional exchanges;

10. Asks the CJEU's equal opportunities and diversity cell to assess the possibilities of further strengthening and integrating the principle of equal opportunities in recruitment, training, career development and working conditions as well as to raise staff awareness of these aspects;

11. Notes with concern the high number of cases of burnout reported in recent years within the CJEU; welcomes the fact that in 2019 the CJEU undertook several actions to prevent and address cases of burnout such as the hiring of a psychologist, training for staff and an obligatory training programme for managers including a significant well-being component; considers that any decisions regarding budgetary cuts and staff reduction measures should be consistent with the principle of maintaining high quality deliverables, should respect staff well-being and satisfaction, and should take into consideration the constantly increasing workload of the CJEU over the past number of years; urges the CJEU to closely monitor the effectiveness of the newly introduced measures to address the increasing workload and to make more substantial efforts to prevent burnout; encourages the Court to complete the existing flexible working arrangements with a protection of the staff members' right to disconnect;

12. Welcomes the steps taken by the CJEU to assess whether the workload is distributed proportionally across the different teams and members of staff in order to reduce cases of burnout and to increase efficiency; notes that the presidents of the Court of Justice and the General Court, respectively, have responsibility for allocating cases by taking into account the current and anticipated workload; highlights the fact that tools have been made available to assess the situation accurately including an analysis of workload every six weeks; notes that for the administrative services, by taking into account the continuous increase in the workload and the limited resources available, the managers monitor the workload and its distribution among the different members of staff on an ongoing basis in order to be able to make the necessary adjustments;

13. Is concerned that only 48,5 % of traineeships at the CJEU were paid in 2019; notes, however, that this share rose from 31,7 % in 2018; recognises that 2019 was a transition year towards the gradual introduction of the new regime (CJEU's decision of 3 December 2018, providing for the possibility of taking on trainees paid by the institutions); notes the estimation that, for 2020, the CJEU will remunerate 75 % of its trainees; notes that all traineeships cancelled in the context of the COVID-19-crisis were unpaid traineeships; urgently calls on the CJEU to hire its trainees on paid contracts and provide allowances covering living expenses at a minimum, with the exception of cases where trainees receive payments from other sources, in line with interinstitutional agreements signed by the CJEU;

14. Notes with satisfaction that seven additional judges joined the General Court in 2019 in the context of the third and final stage of the structural reform that was adopted in 2015, leading to the doubling of the number of judges at the General Court;

15. Points out that, in 2019, five members left the Court of Justice, with four arriving, and eight members left the General Court, with 14 arriving; notes that, in line with the decision to gradually double the number of judges, there are now 52 judges at the General Court; points out that the quality of judicial decisions and the ongoing reform of the General Court did not form part of the review by the Court of Auditors in 2017, but that the Court of Auditors refers to Article 3(1) of Regulation (EU, Euratom) 2015/2422 which sets out that 'by 26 December 2020, the Court of Justice must report to the European Parliament, the Council and the Commission on the functioning of the General Court, covering […] its efficiency, the necessity and effectiveness of the increase to 56 Judges, the use and effectiveness of resources and the further establishment of specialised chambers and/or other structural changes [1]';

16. Asks the CJEU to inform the discharge authority of any improvements made in the efficiency of administrative processes, which seem to be essential in face of an ever-increasing workload; reiterates the necessity of on-going reforms to ensure that the CJEU is well equipped to respond to future challenges and to enhance further its overall performance in order to avoid unreasonable delays in the treatment of cases;

Ethics and integrity policy

17. Welcomes the changes to the internal legal framework concerning Members' journeys, in particular with regard to the use of official cars and drivers; notes that the use of a driver is now only possible in two specific cases: prior authorised business trips carried out by members for the purpose of external activities (the rules governing such business trips do not provide for any situation, unless there are exceptional circumstances, in which a driver could be asked to travel to the member's country of origin or to any other country without transporting the member in the vehicle), and trips dictated by special circumstances (health or medical reasons, safety or security grounds and cases of force majeure);

18. Notes that one alleged case of harassment was reported in 2019 and that it was concluded that the alleged facts did not constitute harassment as defined by Article 12a of the Staff Regulations; notes that in 2019 one investigation was concluded following complaints of harassment by members of staff and that this case was handled by means of an administrative inquiry led by a former judge of the Civil Service Tribunal; notes that no other complaints were received and that there was no expenditure in terms of court case management or sentences; notes with satisfaction that the anti-harassment rules and procedures are published on CJEU's intranet site in order to promote a respectful working environment and to prevent any form of harassment;

19. Notes that there was one case of whistleblowing in 2019 which was also the first to trigger the application of the CJEU's rules on whistleblowing adopted in 2017; welcomes the fact that this case showed that the rules are 'fit for purpose'; notes that it was not considered necessary to inform the European Anti-Fraud Office (OLAF) as the information at the CJEU's disposal allowed it to take the appropriate decisions; nevertheless asks the CJEU to report on this case to the discharge authority;

20. Welcomes the training entitled 'Rules of good conduct' conducted in 2019 with the participation of 63 members of staff; notes that such training has been organised in order to inform newcomers and other staff members of their obligations under the Staff Regulations and the Conditions of Employment of Other Servants; notes with satisfaction that the courses cover topics such as harassment, whistleblowing, prevention of conflicts of interests and other ethical issues; welcomes the fact that whistleblowing and conflicts of interests have also been included in the content of financial training; encourages the CJEU to continue conducting that training systematically for newcomers and periodically for the rest of the staff; invites the CJEU to promote other training of a similar nature;

[1] Special Report 14/2017: 'Performance review of case management at the Court of Justice of the European Union'.

21. Notes that, as regards cases relating to complaints brought before the European Ombudsman, two cases were pending on 1 January 2019 and one case was opened in 2019; welcomes the fact that these three cases were all closed in 2019 without any instance of maladministration being found by the European Ombudsman;

22. Welcomes the creation of the equal opportunities and diversity cell within the human resources and personnel administration directorate which aims to develop and implement a policy paying particular attention to integrating the principles of equal opportunities and diversity into the various human resources management procedures; asks the CJEU to report on the implementation and on the results of the work to the discharge authority;

23. Is concerned that the CJEU was not able to provide information about its internal procedures related to 'revolving doors' for senior members of staff; recalls the request from Parliament's Committee on Budgetary Control to establish and publish strict rules in this regard without delay; recalls also the initiative of the European Ombudsman in 2018 on how to best implement the provisions laid down in the Staff Regulations on 'revolving doors';

24. Notes the rules in place governing post-office employment of the members of the CJEU; notes that the code of conduct sets out various kinds of restrictions such as a three-year waiting period during which former members must not represent parties in cases before the CJEU; notes further that former members must not be involved, in any manner whatsoever, in cases which were pending before the court of which they were a member or in cases connected with other cases, whether pending or concluded, which they had dealt with as a member of that court;

25. Welcomes the fact that, following the request of Parliament's Committee on Budgetary Control, the CJEU published on its website a list of the external activities of its members; urges that further detailed information should be published, in the interest of transparency, on such matters as purpose, date, venue, travel and subsistence costs for the listed events and whether these costs were paid by the CJEU or by a third party; notes that engagement in outside activities is subject to prior authorisation, must fall within the scope of the duties of the members with respect to dissemination of case law and must be compatible with the requirements of the code of conduct;

26. Encourages the CJEU to strengthen its efforts to finalise a general package of measures in relation to the code of conduct for staff; recalls that the most recently revised code of conduct for members entered into force on 1 January 2017; reiterates the need for detailed provisions related to issues such as conflicts of interests, outside activities, occupational activities after leaving service and gainful employment of spouses; notes that the additional workload owing to the current health situation has delayed the process;

27. Is concerned that declarations of financial interests continue to be of a self-declaratory nature; calls on the CJEU to accelerate the process of examining whether this mechanism could be improved with regard to the principle of judicial independence and to report back to Parliament's Committee on Budgetary Control; notes that each member submits a declaration of financial interests upon taking office and updates it when necessary; notes that the president of each court examines the declarations with a view to avoiding conflicts of interests when assigning cases to the different judge rapporteurs; reiterates, however, that it should be for a third independent party to review declarations of financial interests and to assess the existence of conflicts of interests;

28. Welcomes the CJEU's willingness to ensure greater transparency; encourages the CJEU to publish on its website the members' CVs and calls on the CJEU to take into consideration the approaches followed by the other institutions and the Member States in this area;

Buildings and security

29. Welcomes the entry into service of the 5th extension to the Palais of the Court of Justice, including the new Tower C in July 2019; notes the total surface area of 42 631 m^2, of which approximately 14 850 m^2 is office space, which enabled the CJEU to terminate the lease of the previous building rented over recent years at Kirchberg; notes that changes were carried out to the office layout, following a survey on open space, changes which have proven satisfactory and which have allowed the CJEU to provide appropriate solutions for services and staff members;

30. Asks the CJEU to report on the results of the findings of the respective equal opportunities committees (Intercopec) on the subject of disability and on the subject of possible improvements for people with reduced mobility or other disabilities, including emergency evacuation of these people that encompasses reasonable modifications to the CJEU's buildings with respect to access and adequate office equipment;

31. Recognises that the CJEU has equipped itself with crisis bodies, enabling it to react effectively to any eventuality in order to guarantee the security of staff, buildings and information and to ensure business continuity, and that the usefulness and proper functioning of these bodies were proven during the COVID-19-crisis in 2020; notes that the additional expenditure in the budgetary line 2026 'Building security and surveillance' in 2019 amounted to approximately EUR 500 000;

Environmental dimension

32. Appreciates that the CJEU is continuously improving its environmental performance by applying Regulation (EC) No 1221/2009 ([2]) (EMAS III) which requires monitoring of different environmental aspects based on indicators; welcomes the fact that most of the 11 indicators, in the form of a ratio per FTE (Full-Time Equivalent), showed a favourable trend in 2019 compared to 2015, the base year of the CJEU's EMAS system; encourages the CJEU to continue reducing its environmental footprint by implementing carbon-neutral work solutions and clean sources of energy;

Communication

33. Notes with interest that one of the main points of the CJEU's communication activities in 2019 was the increased use of proprietary social media in order to ensure a greater dissemination of its information; notes that in November 2019 the CJEU started to actively use LinkedIn to inform interested parties of its work; encourages the CJEU to establish a presence on free and open-source social media networks, such as Mastodon, in order to achieve further transparency and broader outreach; welcomes the fact that in 2019, the CJEU's website received a total of 8 150 232 visits (compared to 8 270 495 in 2018) and 36 065 064 page-views (compared to 32 808 573 in 2018); notes that in both 2018 and 2019 a total of EUR 60 000 was budgeted for the outsourcing of some media-monitoring work, which could no longer be carried out in-house due to the need to redeploy certain human resources to other tasks;

34. Encourages the CJEU to enhance transparency and welcomes the CJEU's decision to livestream the delivery of the judgments of its grand chamber through Europe by Satellite (EbS); notes that the livestreaming of hearings themselves would be a complex and costly matter since it operates in 24 languages and, without access to simultaneous interpretation, would be extremely difficult for the vast majority of Union citizens to follow; welcomes also the fact that as of November 2019 the CJEU publishes requests for preliminary ruling from national courts, internal research notes and national judicial decisions on the website of the Judicial Network of the European Union (RJUE);

35. Highlights the development of collaboration with national magistrates, 2 824 of whom were received at the Court for seminars, training, visits or internships in 2019, compared with 2 292 in 2018;

36. Appreciates the positive turn taken by RJUE and congratulates the CJEU for fostering transparency by making procedural and doctrinal documents from the RJUE platform freely accessible on the CJEU website in 2019, as recommended by Parliament's Committee on Legal Affairs in its opinion for Parliament's Committee on Budgetary Control that formed part of the 2018 discharge procedure; welcomes the progress made in the digital field, including in the form of the new 'Judicial Documentation' tool, which facilitates access to relevant documentation and information for the handling of certain cases brought before the Court;

Interinstitutional cooperation

37. Welcomes the fact that the CJEU has always fully cooperated with OLAF and that the CJEU is committed to continuing with this positive cooperation; underlines that in 2019 a disciplinary measure was taken following an OLAF investigation carried out in 2018 and notes that OLAF has been informed accordingly; notes furthermore that an OLAF investigation was opened in 2019 which is still ongoing and has given rise to an intense period of cooperation with OLAF;

([2]) Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS), repealing Regulation (EC) No 761/2001 and Commission Decisions 2001/681/EC and 2006/193/EC (OJ L 342, 22.12.2009, p. 1).

38. Appreciates the new chapter in the annual activity report of the CJEDU which deals with fees, services and related matters in relation to service level agreements with other Union institutions and bodies as requested in the discharge resolution 2018; notes that the CJEU has continued to develop a multi-pronged strategy of interinstitutional cooperation with the total value of the interinstitutional service level agreements amounting to EUR 7 852 221 in 2019; notes the organisation of interinstitutional calls for tenders, in which the CJEU is either a partner or the leader, in order to benefit from better market prices and to optimise the associated management costs; notes the cooperation in the field of translation and interpretation within the context of the Interinstitutional Committee for Translation and Interpretation;

39. Welcomes the CJEU's participation in interinstitutional groups or networks in various areas, such as buildings and security, environmental protection, legal infomatics, vocational training, library, information and communication; notes that the shared applications common to the CJEU and other institutions cover the main areas of administrative management such as human resources, payroll, budget and financial and accounting management; notes that the CJEU is working actively with the Commission to improve the e-translation tool; notes the participation of the CJEU in the interinstitutional monitoring group with the Irish authorities and other Union institutions to prepare for the lifting of the derogation applicable to the Irish language on 1 January 2022;

40. Acknowledges the CJEU's careful consideration of the recommendations of Parliament's Committee on Budgetary Control as expressed in the discharge resolutions; highlights the importance of this feedback as presented in the CJEU's follow-up document to the discharge authority;

Digitalisation, cybersecurity

41. Highlights and welcomes the fact that, during 2019 and in line with the CJEU's digital strategy, the CJEU continued to work on the integrated case management system programme (the SIGA programme) which aims to build an integrated system that will replace the majority of the judiciary applications used by the Court of Justice and the General Court; notes that the SIGA programme started in mid-2018 following a recommendation by the Court of Auditors; welcomes the fact that the CJEU continues to improve its IT situation; notes that investment in projects and equipment was increased by EUR 1,3 million in 2019 compared to 2018;

42. Acknowledges that the CJEU continued to ensure the security of its IT operations in close collaboration with the Computer Emergency Response Team for the EU institutions, bodies and agencies; notes that during 2019 the CJEU was able to handle all cyber-attacks with which it was faced and to ensure the protection of the entire IT landscape without major incident; welcomes the fact that, besides the technical and operational measures taken to ensure cyber protection, the CJEU in 2019 launched major awareness raising initiatives;

43. Welcomes the fact that the CJEU reinforced its internal legal framework in the field of data protection in order to establish independent supervision authorities responsible for monitoring the processing of personal data by the Court of Justice and the General Court when acting in their judicial capacity;

44. Notes that the CJEU established an innovation lab in order to explore the use of artificial intelligence (AI) for judiciary systems; is concerned about the human rights impact of using AI in judiciary systems; asks the CJEU to provide more information about the activities of the innovation lab to Parliament;

45. Notes that the CJEU was the subject of two investigations by the European Data Protection Supervisor (EDPS) in 2019; highlights that the first investigation, launched in 2018, concerned the use of web services on the CJEU's website; welcomes the fact that following the EDPS' recommendations and in the light of a judgment of the Court of Justice ([3]), the website has been adapted; notes that a second investigation into the CJEU's use of Microsoft products is ongoing; notes that the CJEU's policy is that of having a flexible approach, by considering both open-source technologies and commercial off-the-shelf software and hardware, depending on its needs;

46. Encourages the CJEU to follow the EDPS recommendations to renegotiate the interinstitutional licensing agreement and implementation contract, signed between the Union institutions and Microsoft in 2018, with the objective of achieving digital sovereignty, avoiding vendor lock-in and lack of control, and ensuring the protection of personal data;

([3]) Judgment of the Court of Justice of 1 October 2019, *Bundesverband der Verbraucherzentralen und Verbraucherverbände - Verbraucherzentrale Bundesverband e.V. v Planet49 GmbH*, C-673/17, ECLI:EU:C:2019:801.

47. Welcomes the increased high rate of utilisation of e-Curia at the Court of Justice in 2019 (80 % of all the procedural documents lodged before that court in 2019 were lodged through this channel) and that the percentage has further increased during the COVID-19-crisis in 2020; encourages the CJEU to continue to increase the utilisation of digital tools in its proceedings to the extent possible; fully understands the concerns of the Court of Justice that imposing the use of e-Curia in all circumstances could be disproportionate and possibly lead to a restriction in access to justice;

48. Highlights the fact that the introduction of e-Curia in November 2011 had a major impact on the reduction of postal costs (whereas those costs amounted to EUR 720 598 in 2011, they amounted to only EUR 89 954 in 2019, thus representing a reduction of more than 87 % over eight years); further encourages the CJEU in its commitment to the establishment of an integrated case management system, implementing the digitalisation of all stages of the judicial process to the extent possible;

49. Welcomes the steady increase in the number of accounts for accessing the e-Curia application (6 588 in 2019 as compared to 4 865 in 2018) and the fact that it is used in all Member States, demonstrating that the platform works efficiently and that effective action has been taken to raise public awareness of the existence, efficiency, speed and advantages of the application; welcomes also the fact that the percentage of procedural documents lodged through e-Curia is increasing, reaching 93 % in the case of the General Court (compared to 85 % in 2018) and 80 % in the case of the Court of Justice (compared to 75 % in 2018);

Internal management, internal control, performance

50. Welcomes the completion of the third phase of structural reform in 2019, bringing significant structural changes at the General Court, in particular the creation of specialised chambers for intellectual property and staff cases, the greater involvement of the presidents and the vice-president in judicial work, and the modernisation of systems for the statistical monitoring of the performance of the chambers and for the mid-term planning of the General Court;

51. Welcomes the fact that the two courts comprising the CJEU closed a combined total of 1 739 cases in 2019, which represents a high level of productivity in spite of a slight reduction compared to 2018 (1 769 cases); notes, furthermore, that there was a record total number of cases brought before the two courts in 2029, 1 905 compared to 1 683 in 2018, and in this regard welcomes the introduction on 1 May 2020 of a mechanism for prior determination as to whether appeals should be allowed to proceed which should ease congestion in the Court of Justice;

52. Points out that the Court of Justice registered a large number of new cases in 2019, 966, a 13,78 % increase compared to 2018; points out that a large number of new cases were also brought before the General Court in 2019, 939, compared to 834 in 2018; welcomes the record number of closed cases at the Court of Justice, 865, a 13,8 % increase compared to 2018; notes with concern that the number of cases closed at the General Court in 2019, 874, is significantly down from 2018 (1 009);

53. Is concerned nonetheless at the increase of approximately 7 % in the number of cases pending compared to 2018 (2 500 cases pending on 31 December 2019 compared to 2 334 on 31 December 2018);

54. Points out that in 2019 the issues dealt with by the Court of Justice related mainly to competition and state aid and the area of freedom, security and justice, while the issues dealt with by the General Court concerned mainly state aid and intellectual and industrial property; notes that the main issues dealt with by the General Court remained unchanged from 2018 to 2019, whereas the main issues dealt with by the Court of Justice in 2018 included freedom of movement and establishment, the internal market and intellectual and industrial property, in addition to those relating to the area of freedom, security and justice;

55. Recalls the importance of reporting on the major key performance indicators set up in line with the structural reform process in order to measure the achievements against the strategic objectives; asks the CJEU to provide a synthesis in the next annual activity report;

56. Welcomes the change in the structure of this year's management report of the CJEU, which presents the information in a clearer and more comprehensible manner;

57. Welcomes the reduction of the average length of proceedings before the Court of Justice and the General Court, and notes that 2019 saw a very significant increase in the number of new cases brought before the Court of Justice (an increase of 14 % as compared to 2018), to a great extent attributable to the considerable rise in the number of appeals;

58. Recalls that the effective and efficient functioning of an internal control system must be a priority of the CJEU; notes that the internal control framework, as adopted by decision of the administrative committee on 29 January 2019, is based mainly on the principles of autonomy and accountability at each level of management; welcomes the fact that in 2019 a guide to internal control was prepared with the purpose of helping the services in the implementation and monitoring of the new framework; notes that the framework exists among other instruments of a centralised *ex ante* verification service, a highly effective integrated account and budget management system and an independent internal audit service (IAS);

59. Notes that, as stated in the annual report of the IAS, audits were completed in 2019 in the areas of 'review of participation in interinstitutional bodies' and 'analysis of good practices in the supervision of external in-house service providers'; notes that in 2019 the IAS continued to provide advice in several areas of activity in the context of the reform of the judicial architecture and the increased workload in some services of the CJEU;

60. Welcomes the fact that the IAS regularly monitors action taken in response to the recommendations made in the audits carried out in previous years; notes that in the context of a 'review of the CJEU's strategy to combat fraud, corruption and any illegal activity detrimental to the interests of the European Union' one of the main recommendations is a periodic re-evaluation of risk registers; notes, moreover, the value of improving information sharing; appreciates the fact that the intranet site was supplemented with a section dedicated to ethics and professional conduct; welcomes further the mandatory induction training programme with sessions devoted to physical security, data protection and information security;

Multilingualism

61. Notes that the CJEU has continued its efforts with respect to the project 'Optimisation of the input of external translation' which started in 2015; notes that the overall rate of externalisation of legal translations rose from 31,2 % in 2015 to 40,6 % in 2019; underlines however, that there are limitations to externalisation for reasons of confidentiality and insufficient supply; is aware that all CJEU translations are technical, legal and of a high level of complexity which means that freelance translators must, insofar as possible, be lawyers or otherwise possess experience in legal translation.

DECISION (EU, EURATOM) 2021/1550 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2019, Section V – Court of Auditors

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2019 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2019 (COM(2020) 0288 – C9-0224/2020) ([2]),

— having regard to the Court of Auditors' annual report to the discharge authority on internal audits carried out in 2019,

— having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2019, 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 2019, 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) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([5]), and in particular Articles 59, 118, 260, 261 and 262 thereof,

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

— having regard to the report of the Committee on Budgetary Control (A9-0059/2021),

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 2019;

2. Sets out its observations in the resolution below;

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

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([1]) OJ L 67, 7.3.2019.
([2]) OJ C 384, 13.11.2020, p. 1.
([3]) OJ C 377, 9.11.2020, p. 13.
([4]) OJ C 384, 13.11.2020, p. 180.
([5]) OJ L 193, 30.7.2018, p. 1.

RESOLUTION (EU) 2021/1551 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 2019, 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 2019, Section V – Court of Auditors,

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

— having regard to the report of the Committee on Budgetary Control (A9-0059/2021),

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

1. Notes that the annual accounts of the Court of Auditors (the 'Court') are audited by an independent external auditor in order to apply the same principles of transparency and accountability that the Court applies to its auditees; notes with satisfaction the auditor's opinion that the financial statements give a true and fair view of the Court's financial position;

2. Notes that in 2019 the Court's budget amounted to a total of EUR 146 890 000 (compared to EUR 146 469 000 in 2018 and EUR 141 240 000 in 2017) and that 98 % of all appropriations were committed by the end of 2019 (compared to 96,21 % in 2018 and 97,73 % in 2017);

3. Recalls that the Court's budget is mostly administrative, with a large amount being used for expenditure concerning persons working within the institution (Title 1) and concerning buildings, movable property, equipment and miscellaneous operating costs (Title 2);

4. Recalls that the execution rates for Title 2 are not sufficiently improving with the rate of commitments amounting to 64,17 % (compared to 59,13 % in 2018 and 57,13 % in 2017) and the rate of payments amounting to 62,21 % (compared to 55,11 % in 2018 and 55,75 % in 2017); stresses the confirmation by the Court in its follow-up document to the 2018 discharge resolution that it will continue its efforts to improve the execution rates and to consider carefully their budget estimates;

5. Notes the Court's comment that it is more appropriate to monitor the budgetary execution of Title 2 from a two-year perspective; acknowledges that over the two-year period 2018-2019, 91,38 % of the payments on appropriations and 98,04 % of the payments on commitments were made;

6. Notes the continuation of carry-overs, e.g. of EUR 3 057 772 in 2019 under Chapter 21 (Data processing, equipment and movable property: purchase, hire and maintenance) compared to EUR 4 310 280 in 2018 due to on-going IT projects; states that the total carry-over for Title 2 from 2018 to 2019 amounted to EUR 6 068 597 and considers it a positive thing that this resulted in payments of EUR 5 777 454 on carry-overs;

7. Notes that the carry-over of appropriations for Title 1 and 2 from the financial year 2018 to the financial year 2019 amounted to EUR 7 406 944 and gave rise to payments amounting to EUR 6 553 576, a utilisation rate of 88,48 % which is equal to the utilisation rate in 2018;

8. Appreciates the fact that the Court is considering the suggestion in the 2018 discharge resolution that an independent annual report on the Union institutions should be presented as part of the reflections on the Court's strategy for the 2021-2025 period which should be adopted by the end of 2020; reiterates in this regard the need for a deeper examination by the Court of each and every institution in order to allow Parliament to fulfil its duties as discharge authority;

9. Welcomes the Court's dedication to prepare the first report on the performance under the Union budget, following the request by Parliament, aimed at assessing the results achieved from spending under the Union budget and, in particular, by providing an assessment of the performance under each Union policy; believes that performance audit is essential to evaluate the real impact of Union investments;

10. Regrets that the Court's follow-up to the 2018 discharge resolution provided only limited responses to Parliament's remarks; stresses that the follow-up is essential to enable Parliament's Committee on Budgetary Control to determine whether the Court has implemented Parliament's recommendations; calls on the Court to include all necessary responses and more detailed explanations on the implementation of Parliament's recommendations in its next follow-up report, making explicit reference to each paragraph of the discharge resolution and providing all necessary documentation;

11. Echoes the Court's recommendation that the Commission publish the annual management and performance report at an earlier point every year in order to examine and report on the regularity of the information presented; acknowledges the constraints following the COVID-19 pandemic that forced the Court to publish its 2019 annual report in November 2020;

Human resources

12. Notes that at the end of 2019, there were 853 permanent and temporary posts compared to 891 posts in 2013, constituting a decrease of 4,26 %; notes in particular that permanent posts decreased by 6,91 percentage points while temporary posts increased by 10,07 percentage points; asks the Court to assess whether the increasing tendency of using temporary posts is a response to the Court's specific needs or rather is a response to budgetary constraints; notes that the staff level is continuously reviewed and that the Court's establishment plan remains the same as in 2017 and in 2018 with 853 posts; notes that following the UK's withdrawal from the Union, and in accordance with the result of the negotiations, the establishment plan was adapted during 2019;

13. Appreciates the fact that the Court, in accordance with its 2018 to 2020 strategy, has extended its contacts with researchers, academia and think-tanks and that the Court as of 1 June 2020 has seconded 15 staff members to other international bodies; notes that the Court regularly hosts staff seconded from other international bodies and that the Court also provided 55 internships (compared to 60 in 2018) for university graduates for periods of three to five months; notes that, in 2019, six internships were unpaid; asks the Court to offer an allowance to interns that covers at least their living costs, even in the case of short-term internships; welcomes the fact that the Court entered into several partnerships with universities and professional organisations with a view to future cooperation;

14. Notes the fact that the Court's recruitment policy, based on the 2016 reform and the general principles and employment conditions of the Union institutions, makes the Court a task-based organisation; notes that members of staff are allocated to a Court-wide pool from which resources are allocated to audit chambers and tasks; notes that in the process of assigning members of staff from the pool to the tasks, the Court pays particular attention to ensuring that the necessary expertise and staff resources are made available in good time and that an adequate rotation of staff takes place across teams through a regular mobility exercise;

15. Appreciates that the Court followed up on the 2018 staff satisfaction survey and implemented activities related to staff well-being, such as the Court's network of confidential contact persons across the organisation to provide professional and, if requested, anonymous support to members of staff; notes that the Court also provides five free sessions with psychologists and organises presentations on how to deal with burnout and, for managers, on how to detect and deal with harassment;

16. Is concerned about the decrease in the number of female directors from 30 % in 2018 to 20 % in 2019 and the decrease in the number of female heads of unit from 39 % in 2018 to 35 % in 2019; notes, however, the slight increase in female Court members from 21 % in 2018 (6 out of 28 members) to 25 % in 2019 (7 out 28 members); underlines the commitment of Parliament's Committee on Budgetary Control to support a revision of the nomination process for Court members in order to reach gender balance (7 women and 21 men were members in 2019); recalls the invitation to Member States to be more active in encouraging women to apply for these kind of positions; reiterates that the Council should always present at least two candidates, one female and one male, during the appointment procedure;

17. Welcomes the Court's continuous efforts on the administrative level to promote equal career opportunities for staff and in particular to achieve gender balance in management positions; notes that the Court launched a leadership development programme in 2019, aimed at developing the skills of potential managers with equal participation by men and women;

18. Appreciates the participation of the Court in the Joint Committee of Equal Opportunities and in the equal opportunities action plan for the 2018-2020 period which also addresses the issues of age and disability; asks the Court to report on the implementation of the action plan to the discharge authority;

19. Urges the Court to strive for further improvements in the context of geographical balance of staff (specifically for AST functions groups 1-4 and 5-9 in which there is a significant overrepresentation of certain nationalities); calls on the Court to prepare an action plan for the recruitment of new staff members with attention to geographical balance, as stipulated in Article 7 of the Staff Regulations;

20. Notes that flexible working arrangements are available for all members of staff except for certain categories where this is not possible for practical reasons; notes, however, that a large majority of members of staff benefiting from those working arrangements in 2019 were women (87 % of staff working part-time and 68 % of staff who took parental leave); calls on the Court to reflect on this situation in the context of its career opportunities and diversity policies; encourages the Court to complete the flexible working arrangements with a protection of the staff members' right to disconnect;

21. Echoes the Court's remarks regarding the high cost of living in Luxembourg as constituting one of the main factors leading to difficulty in hiring and retaining staff; reiterates its concern about the growing problem of the purchase power disparity suffered by Union civil servants posted to Luxembourg;

Buildings, security

22. Welcomes the K2 building modernisation with the purpose of upgrading the building's technical installations, taking into consideration new environmental concerns, and transforming the current archiving spaces, which are no longer needed because of digitalisation, into a set of common collaborative and well-being spaces, such as meeting and videoconference rooms and coffee corners;

23. Values the fact that the Court performed a preliminary study in 2017 and that the outcomes of the study were taken into account in the current modernisation project; notes that the Court continues with the use of individual offices and only a few collaborative spaces; welcomes the fact that dedicated sessions were organised to share the project with the staff and that the feedback received was generally positive;

24. Welcomes the improvements to the security perimeter, in particular the construction of additional fences, new parking barriers and an entry lock for the car park in the K3 building, a project that was to be completed in 2020; notes that in 2019, in addition to regular expenses such as the periodical controls of installations, the Court invested EUR 123 000 in physical security;

25. Takes note of the measures taken with respect to the safety of staff, namely a contingency plan to deal with large-scale incidents, an internal procedure in case of a possible nuclear accident and a service level agreement with the European External Action Service to benefit from its advice regarding missions to countries with a high and critical level of threat;

Environment

26. Notes that an external eco-management and audit scheme (EMAS) audit was carried out at the end of 2019 and that as a result the Court has successfully renewed its EMAS certification for the period 2020 to 2022 and adopted a new action plan to face the climate emergency; notes that the Court's CO_2-balance is published on its site every year in order to track the Court's efforts to reduce its carbon footprint as part of the broader EMAS project and to achieve the Europe 2020 growth strategy goal of sustainable development, which was approved in 2010 by the European Council;

Digitalisation, cybersecurity

27. Welcomes the fact that the Court adopted a cyber-security action plan in mid-2018 with a three-year timeframe; notes that during 2019 the following objectives were achieved: a more effective and regular remedying of software vulnerabilities, the prevention of unauthorised access to cloud services, the review of information security governance and the improvement of security monitoring capabilities; welcomes the cyber-security awareness-raising session for the Court's staff; notes that the Court is also benefitting from the cyber-security services and infrastructure provided by the Computer Emergency Response Team for the EU institutions, bodies and agencies;

28. Welcomes the setting up of the digital steering committee with the aim of progressing the digital transformation of the audit under an initiative called 'ECA audit goes digital'; notes that in 2019, the ECA Lab, the Court's inter-disciplinary innovation laboratory focusing on the digital transformation of audit using data and technology, supported ten audit tasks, including a pilot project on using big data for performance audit; asks the Court to report to Parliament on any obstacles encountered while requesting data in a machine readable format from Union institutions;

29. Welcomes the fact that the Court's Decision No 6-2019 on the open data policy and the reuse of documents was published in April 2019 and that the Court's IT systems are based on solid architectural principles that take into account a cost-benefit approach in relation to mainstream technologies procured inter-institutionally; welcomes the fact that open source technologies are used at the Court in accordance with those principles; encourages the Court to prioritise open source technologies in order to prevent vendor lock-in, retain control over its own technical systems, provide stronger safeguards for the privacy and data protection of users and increase security and transparency for the public;

30. Notes with satisfaction that the Court set up an action plan in 2016 to be prepared for the Regulation (EU) 2016/679 ([1]) and to be compliant with that Regulation as soon as it became applicable to Union institutions, bodies, offices and agencies; notes that responsibilities for data protection and information security were restructured in 2019 in order to allocate and reinforce the resources allocated;

31. Encourages the Court to follow the recommendations of the European Data Protection Supervisor to renegotiate the interinstitutional licensing agreement and implementation contract, signed between the Union institutions and Microsoft in 2018, with the objective of achieving digital sovereignty, avoiding vendor lock-in and lack of control, and ensuring the protection of personal data;

Interinstitutional cooperation

32. Encourages the Court to develop further synergies and rationalisation with other Union bodies through inter-institutional cooperation; notes that the Court uses tools and services provided by or jointly with other institutions such as a service level agreement with the paymaster office of the Commission covering the management of pensions, financial rights and payroll; notes that the Court uses the Commission's IT tools in fields such as missions, HR, training and translation; welcomes the participation in joint procurement procedures with various other institutions for IT, translation, etc.;

33. Acknowledges the fact that, following the interinstitutionally agreed methodology, the cost of outsourcing translations in 2019 was EUR 2 740 366 and that if the corresponding translations had been done by in-house services, the total cost of the same pages would have been EUR 4 647 880;

34. Asks the Court to provide information on any improvements made with respect to the efficiency of administrative processes which are essential in light of an ever-increasing workload; recalls further the necessity of on-going reforms to ensure that the Court is well equipped to respond to future challenges;

35. Asks the Court to explore the possibility of joining the Transparency Register on the basis of a service level agreement; acknowledges the interinstitutional cooperation between the Court and other Union institutions and bodies through service level agreements; requests information as to whether a cost benefit analysis takes place before entering into any agreement;

([1]) Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).

36. Welcomes the administrative arrangement signed in 2019, providing a structured framework for cooperation between the Court and the European Anti-Fraud Office (OLAF) and facilitating a timely exchange of information under Regulation (EU, Euratom) No 883/2013 [2], and the Court's decisions related to internal investigations; welcomes the fact that the arrangement has already resulted in more efficient cooperation between the Court and OLAF, the establishment of permanent contact points allowing frequent exchanges, and faster and more regular feedback on cases transmitted by the Court to OLAF; notes that this arrangement also contains provisions on non-operational issues such as the organisation of training sessions, workshops and exchange of staff; notes that in 2019, the Court reported ten cases of suspected fraud to OLAF, compared to nine cases in 2018 (eight identified in the course of audit work and two denunciations made by third parties);

37. Notes that the European Public Prosecutor Office (EPPO) and the Court agreed to discuss a future administrative agreement to provide a framework for their cooperation; asks the Court to inform Parliament's Committee on Budgetary Control accordingly; welcomes the fact that the Court contributed to the creation of the EPPO's internal audit service;

38. Welcomes the fact that a memorandum of understanding with the European Central Bank (ECB) was signed in October 2019, setting out the practical arrangements for sharing information about the ECB's supervisory activities;

39. Appreciates the Court's cooperation with the supreme audit Institutions of the Member States, enabling the Court to promote independent external audit work in the Union and its Member States; takes note of the Court's involvement in the work of the International Organisation of Supreme Audit Institutions (INTOSAI), the European Organisation of Supreme Audit Institutions (EUROSAI) and the European Regional Group of INTOSAI, in particular in its working groups on environmental auditing, information technologies and the audit of funds allocated to disasters and catastrophes, and its task force on audit & ethics;

40. Notes that the European Ombudsman invited the Court (in the context of a consultation undertaken with all Union institutions) to comment on the Ombudsman's draft Practical recommendations for the EU administration on the use of official EU languages when communicating with the public (case SI/98/2018/DDJ) to which the Court replied by indicating that its current policy is already compliant; requests that national sign languages be included in this process;

Communication

41. Underlines the Court's efforts to further improve the way it communicates with its stakeholders, media and the general public; is aware that following the 2019 European elections the Court created a publications portal providing all Members of Parliament with relevant facts and figures; welcomes that this publications portal is now also publicly available on the Court's website and allows a quick and easy search of reports and publications; welcomes the current revamping of the Court's website to make the work and products more accessible and easier to follow;

42. Welcomes the fact that the Court sees a strong increase in media interest with particularly heavy coverage of its special reports;

Internal management, internal control, performance

43. Recognises that the Court applies a set of key performance indicators to monitor progress made; notes with appreciation that the Court's analysis showed that 96 % of the recommendations made in the 2015 annual report and 94 % of the recommendations made in the 2015 special reports have been implemented in full, mostly or in some respects; notes that the Court issued 6 annual reports, 36 special reports, 3 opinions, 18 audit previews and 4 other publications, being part of the altogether 67 publications it issued in 2019; notes that in 2019 approximately 52 % of the Court's audit resources were used for its statement of assurance work and the financial audits of the Union agencies and other bodies; asks the Court to report on the impact and satisfaction of its special reports and other products, as well as on the selected audit topics;

[2] 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).

44. Calls on the Court to explore ways of providing more information on the administrative expenditure of other Union institutions in the context of the discharge; reiterates that the Court's overall audit approach necessitates further auditing work and more targeted assessment; repeats its call for a more dedicated review of the administrative expenditure and support activities of other Union institutions, specifically on topics that are becoming of higher or even critical relevance;

45. Welcomes the Court's efforts, in line with the Financial Regulation, to produce its special reports generally within 13 months while noting that the average time to produce the special reports still exceeds that time limit;

46. Welcomes the internal audit undertaken with respect to members' and high-grade officials' mission expenses, members' representation expenses and the use of the Court's car fleet with the objective of checking the reliability of the Court's management and control systems applicable to members and high-grade officials; notes that the vast majority of randomly selected operations examined by the internal audit service (IAS) complied with the rules and procedures applicable within the Court;

47. Notes that in his Opinion of 17 December 2020 ([3]), the Advocate General of the Court of Justice indicated that one particular member had breached the Court's code of conduct for members by abusing the rights and privileges attached to his position in the context of activities unrelated to his duties, leaving for unjustified absences and failing to declare external activities, transmitting confidential information in an unauthorised fashion, as well as having a conflict of interest; welcomes the fact that the Court asked OLAF to conduct an investigation, that it brought the case before the Court of Justice and that it is committed to complying with the recommended sanctions in order to recover all losses to the Union budget;

48. Notes that the audit showed that the case of the particular member investigated by OLAF was an isolated case; notes that the report concluded that the Court's management and control systems were affected by certain shortcomings which have, however, been effectively remedied since then and that in general the management and control procedures currently in place are reliable; takes into account the fact that the IAS made recommendations aimed at improving further the management and control system, that the audit report was strictly confidential, and that all members as well as the secretary-general of the Court received the report;

49. Notes that in the Opinion of the Advocate General of 17 December 2020, in which he clearly states that a breach of the obligations arising from the office of being a member of the Court took place, he recommends a sanction corresponding to the deprivation of two thirds of the particular member's pension rights and connected benefit as from the date of the judgment in the present case;

50. Notes that all audit tasks from the IAS' annual work programme 2019 have been closed with the exception of three which will continue in 2020: 'PMO service agreement', 'Audit of the building/facilities contract management model' and 'Training other than linguistic'; notes that in 2019 the IAS closed two remaining selected tasks from the annual work programme 2018; notes that the IAS confirmed the strategic importance of the horizontal committee responsible for the Court's quality assurance reviews related to audit policies, standards and methodologies; welcomes the fact that the IAS recommendation to develop the quality control arrangements is being implemented;

51. Acknowledges that the IAS reviewed the draft decision on the Court's internal control framework in 2019; notes that the IAS suggested including in the draft decision an additional provision to clearly instruct the authorising officers by delegation to implement the internal control principles and characteristics in 2019 and to conduct an overall assessment of the implementation and functioning of the entire internal control framework at least once a year, and that this should be done for the first time in the context of the 2020 annual activity report, at the latest;

([3]) Opinion of Advocate General Hogan delivered on 17 December 2020, *European Court of Auditors v Karel Pinxten*, C-130/19, ECLI:EU:C:2020:1052.

52. Welcomes the fact that the IAS considers that in general reliable ex-post controls have been conducted for most of the high risk areas of the work of the directorates of the secretariat-general, based on the risk register and the operational objectives; appreciates being informed, particularly in the context of the past problems identified by an OLAF investigation of a particular member of the Court, that the IAS has not observed any shortcomings that are of such importance as to seriously call into question the overall reliability of the internal control systems put in place by the authorising officer by delegation with regard to the legality and regularity of financial operations in 2019; would appreciate receiving such updates also in the future;

53. Agrees with the Court's current strategy to improve the added value of the statement of assurance, focus more on the performance aspects of Union action and make sure to deliver clear messages to the audiences; notes that in 2019 a group of four supreme audit institutions, being the supreme audit institutions of Estonia, the Netherlands, Denmark and the United States of America, carried out a peer review of the Court's strategy; notes that the report was published in March 2020 and provides valuable input for the next strategy;

Transparency

54. Notes that members are authorised to use official vehicles in the performance of official duties; notes that the use of official vehicles for other journeys is not included in the performance of such duties, and that since 1 January 2017 the costs and kilometres related to the use of official cars have decreased significantly; emphasises the new rules on the use of official cars and drivers to ensure that members' journeys are related only to the execution of their duties; reiterates its opinion that the use of official vehicles for private use should not take place under any circumstance, considering that this practice may harm the reputation of the Court and, in general, of the Union institutions; notes that the new rules entered into force on 1 January 2020 and introduced a monthly EUR 100 contribution for the non-official use of the vehicles as well as a liability on the part of the members and the secretary-general for certain costs and charges;

55. Regrets that only very limited follow up was done by the Court with respect to paragraph 18 of the 2018 discharge resolution on the need for a register of leave for members of the Court; notes that the Court will consider carrying out a comparative analysis of the rules and best practices existing in other Union institutions as regards the presence and absence of Union high-level public office holders as defined in Regulation (EU) 2016/300 ([4]); recalls that Parliament has called clearly on the Court to establish procedures for keeping a register of members' annual leave, sick leave and absence from work for other reasons in order to ensure that all leave taken by members is effectively recorded; stresses that the current practice could undermine the trust of Union citizens and institutions in the Court;

56. Notes that, in light of the obligations of the members to attend all meetings of the Court, of the chambers and of the administrative committee to which they belong, an attendance register is kept by the Court's secretariat; notes that it reflects the presence and absence of members and shows also which absences are considered as excused by the president of the Court; notes that the attendance register is part of the Court's rules implementing its rules of procedure;

Conflict of interest, harassment, whistleblowing

57. Asks the Court to provide information on the results of three harassment complaints reported and investigated in 2019; notes that they were handled in accordance with the procedures laid down in the policy for maintaining a satisfactory working environment and combating psychological and sexual harassment; acknowledges that in terms of expenditure, the investigations of each case were carried out internally and thus did not entail any additional costs; welcomes the intention to evaluate the Court's policy on protecting staff against harassment every three years and that this exercise was due to be carried out in 2020;

58. Highlights the fact that the supreme audit institutions of Poland and Croatia carried out a significant peer review of the Court's ethical framework; notes that in the opinions of the peers the Court's ethics control system should be further improved by a more comprehensive assessment of ethics risks, by greater consistency and clarity in its rules on ethics, and by improved information and communication activities;

([4]) Council Regulation (EU) 2016/300 of 29 February 2016 determining the emoluments of EU high-level public office holders (OJ L 58, 4.3.2016, p. 1).

59. Supports the conclusions of the peer review with respect to the need to introduce regular updates of declarations of interest, which would increase their reliability; continues to reiterate its concern that the declarations of interest are of a self-declaratory nature and that, given the current legal framework, neither the Court nor its ethics committee have any investigative powers to ensure the veracity and the exhaustiveness of the declared data; calls on the Court to ensure that members submit declarations of interest instead of declarations of the absence of conflicts of interest; underlines that the current procedures, including those of the ethics committee, need to be reinforced to ensure the absence of conflicts of interests; agrees that the ethics committee plays a crucial role to the extent that the president and the members of the Court may seek its advice on any question pertaining to ethics and on the interpretation of the code of conduct; notes, moreover, that the committee is entrusted with approving any external activity undertaken by the members, including former members who intend to carry out an activity in the two years after they leave the Court, but this cannot be considered in itself an effective instrument to ensure the absence of conflicts of interest as already underlined in last year's discharge resolution; welcomes the adoption of the revised Code of Conduct for members and former members of the Court of Auditors ([5]) and in particular the more extensive information required in Declarations of Interest and the enhanced role of the Ethics Committee; notes that the Court will publish a yearly report on the application of its Code of Conduct; further notes that the Court is currently reviewing the ethical framework concerning its staff.

([5]) OJ L 30, 28.1.2021, p. 10.

DECISION (EU, EURATOM) 2021/1552 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2019, Section VI – European Economic and Social Committee

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2019 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2019 (COM(2020) 0288 – C9-0225/2020) ([2]),

— having regard to the European Economic and Social Committee's annual report to the discharge authority on internal audits carried out in 2019,

— having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2019, 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 2019, 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) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([5]), and in particular Articles 59, 118, 260, 261 and 262 thereof,

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

— having regard to the report of the Committee on Budgetary Control (A9-0057/2021),

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 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision and the resolution forming an integral part of it to the European Economic and Social Committee, the European Council, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([1]) OJ L 67, 7.3.2019.
([2]) OJ C 384, 13.11.2020, p. 1
([3]) OJ C 377, 9.11.2020, p. 13.
([4]) OJ C 384, 13.11.2020, p. 180.
([5]) OJ L 193, 30.7.2018, p. 1.

RESOLUTION (EU) 2021/1553 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 2019, 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 2019, Section VI – European Economic and Social Committee,

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

— having regard to the report of the Committee on Budgetary Control (A9-0057/2021),

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

1. Welcomes the fact that, based on its audit work, the Court of Auditors (the 'Court') concluded that the payments as a whole for the year ended 31 December 2019, comprising the administrative and other expenditure of the European Economic and Social Committee (the 'Committee'), were free from material error and that the examined supervisory and control systems were effective;

2. Recalls that the Committee's budget is mostly administrative, with a large amount being used for expenditure concerning persons, buildings, furniture, equipment and miscellaneous running costs;

3. Regrets, as a general observation, that chapter 9 'Administration' of the annual report of the Court for 2019 (the 'Court's report') has a rather limited scope and conclusions, notwithstanding the fact that the Multiannual Financial Framework Heading 5 'Administration' is considered to be low risk; requests that the audit work for that chapter be more focused on issues of high relevance or even critical importance for the Committee;

4. Notes with satisfaction that, in the Court's report, the Court observed that no significant weaknesses had been identified in respect of the audited topics relating to human resources and procurement for the Committee;

5. Notes that in 2019 the Committee's budget amounted to EUR 138 502 768 (compared to EUR 135 630 905 in 2018 and EUR 133 807 338 in 2017) with an implementation rate of 98,1 % (compared to 98,7 % in 2018 and 96,5 % in 2017);

6. Notes that the Committee has been moderate in its budget estimates and has largely followed the Commission guidelines that indicate a nominal freeze for all non-salary related expenses; notes that from 2016 to 2020 the nominal increase in the Committee's budget was 9,2 %, an increase in real terms of 1,9 %;

7. Reiterates that the final appropriations for 'travel and subsistence allowances for members' amounted to EUR 20 383 977 (compared to EUR 20 247 625 in 2018 and EUR 19 819 612 in 2017) which is stable when compared to the preceding years and raises no particular concerns; requests nevertheless that the Committee increase the use of new technologies and working methods and applies video-conferencing to the greatest extent possible;

8. Is deeply concerned about the case handled by the European Anti-Fraud Office (OLAF) concerning inconsistent travel declarations by a member of the Committee which amounts to approximately EUR 91 000; notes that the amounts unduly paid out have been recovered; regrets that the former code of conduct did not provide for strong sentencing or the suspension of fraudulent members; urges the Committee to apply all means available under the revised code of conduct to take far-reaching measures against this kind of fraud; notes that improvements were proposed to the current framework for reimbursing members' travel and subsistence costs such as a general deadline of six weeks for submitting reimbursement claims in order to reduce the reimbursement time, thereby also reducing the need for carry-overs on these budget lines; calls, however, for a diligent and cautious approach rather than a swift handling of travel declarations cases; notes that it is unknown how many fraud cases remain under the radar; underlines that time pressure should not undermine a decent and thorough assessment of reimbursement requests; calls for an increase of the amount of samples of travel declarations examined as part of the Committee's internal audit procedure to achieve a higher discovery rate for travel declaration fraud;

9. Recalls the comment in the 2018 discharge resolution relating to avoiding budget overestimates; notes, however, that the carry-forward mainly relates to the budget lines 'buildings' and 'data processing' and that this is due to the historical backlog for these budget lines; notes that the amount carried forward for the budget lines 'members of the institution and delegates/travel and subsistence allowances for members' was necessary in order to handle the delayed reimbursement claims of members;

10. Welcomes the fact that the implementation rate of appropriations carried forward from 2018 to 2019 was 82,1 % as compared to 77,5 % for appropriations carried forward from 2017 to 2018;

11. Underlines the fact that the Committee is encouraging shared transport solutions and facilitating the use of low cost flights; welcomes the fact that the Committee requires its travel agency, the same as the one providing services to Parliament, not only to negotiate special rates with airlines, but also to systematically propose to Committee beneficiaries suitable cost-efficient alternatives for their travels;

12. Notes that the Committee launched a call for tender in October 2018 in order to analyse and propose improvements to the current system concerning cost reimbursements for Committee members, delegates and experts; asks the Committee to provide information on the results of that analysis, in particular on possible improvements to the current travelling and reimbursements system including various possible scenarios; notes the delays in the implementation due to the COVID-19 crisis;

13. Regrets that the Committee's bureau in 2020 adopted a decision allowing for the reimbursement of expenses for remote participation in cases where a member was prevented from travelling to Brussels as a result of COVID-19 related issues; calls on the Committee to withdraw this decision, which is not proportionate to the real cost of participation, represents a considerable loss for the Union budget and damages the reputation of the Committee; requests the Committee to present a report on the financial impact of this decision, including specific and detailed information on the decision and the reasons for such reimbursement; asks the Committee to look into new remuneration practices to ensure a fair and proportionate remuneration for members which is not based mostly on travel expenses and does not rely solely on the physical presence of members in Brussels;

14. Underlines the importance of the role of the Committee but expresses concerns with respect to the impact of its work;

15. Notes the importance of political dialogue between the Committee and Parliament to make sure that a valid contribution from the Committee can be made to the work of Parliament and, in that light, reiterates its request to pursue efforts to strengthen political cooperation between the Committee and Parliament;

Digitalisation, cybersecurity, security

16. Welcomes the fact that the Committee followed Parliament's recommendation made in recent resolutions to ask for an increased budget share for IT costs (up to 4,5 % of the total budget compared to 3 % in 2018); notes that in the long run the figure of 4,5 % should ideally increase to 6 %, which would allow for a smooth implementation of the digital strategy within the foreseen timeframe and also allow the Committee to catch up and close the gap vis-à-vis the other Union bodies; welcomes the fact that the total appropriations committed for IT projects, services and equipment represent an increase of 13,2 % compared to 2018 and that this positive trend has continued in 2020;

17. Is aware that in June 2019, the Committee's bureau adopted the digital strategy presenting a vision for the Committee's IT environment and identifying the major IT challenges; welcomes the results such as the members' portal module to support paperless meetings, the development of the new back-office application for processing amendments and paperless workflows and procedures, especially for financial management; welcomes the work in relation to the digital workplace project which covers the redesign of the end-user environment and its underlying digital infrastructure; notes that the tools for office automation, mail and unified communication were upgraded in 2019;

18. Welcomes that the Committee uses free and open source software whenever possible; notes that for 2019 39 open source software applications were included in the inventory of software packages;

19. Welcomes the fact that during 2019, the IT security officer remained active in raising cybersecurity user awareness for staff, including a briefing for the IT steering committee and sectoral briefings at the level of individual departments; notes that in 2019, two additional projects were launched concerning cybersecurity; encourages the Committee to continue its close cooperation with other committees, especially the Committee of Regions (CoR), to further develop synergies;

20. Welcomes the interinstitutional cyber cooperation in which the Committee received assistance from the Computer Emergency Response Team for the EU institutions, bodies and agencies such as on-the-job training for cloud security and cyber threat intelligence information for targeted attacks against Union bodies; notes that many of the digitalisation projects concern the digitalisation of human resources and financial processes, where the Committee uses the SYSPER and ABAC systems provided by the Commission; asks the Committee to consider the possibility of negotiating better conditions with the Commission to enhance the process of application sharing and make it financially attractive;

21. Encourages the Committee to follow the recommendations of the European Data Protection Supervisor to renegotiate the interinstitutional licensing agreement and implementation contract, signed between the Union institutions and Microsoft in 2018, with the objective of achieving digital sovereignty, avoiding vendor lock-in and lack of control, and ensuring the protection of personal data;

22. Highlights all the initiatives related to security such as a special training programme to face criminal and terrorist threats, the cooperation with Parliament regarding specific security training courses, the investigations into security incidents and the relaunch of the security screening of external contractors' staff together with the other Union bodies; notes all the work related to (building) security with the main objective being to increase the level of security and the service provided for members, staff and visitors;

23. Welcomes the fact that a series of measures have been implemented by the Committee to ensure adequate building security standards such as the installation of new equipment for access control; notes that the related security standards have reached the same level as the standards of Parliament and the Commission;

Buildings

24. Notes that extra offices for 200 staff members have to be found once the B68 and TRE74 buildings have been exchanged for the VMA building; notes that the bureaus of the Committee and the CoR gave a mandate to their secretaries-general in February 2020 to undertake negotiations with the European External Action Service for the purpose of concluding an agreement allowing the Committee and the CoR to take over the rental contract of the Belliard 100 building as of early 2021; welcomes the fact that the staff committee and staff in general have been informed about these developments;

25. Notes the fact that the VMA building is fully compliant with all regulatory requirements on asbestos applications and that an asbestos safe certificate was delivered in September 2019; expresses concerns over the health of workers and the presence of asbestos in the VMA building, although the asbestos-safe certificate says that it does not represent any risks for the users of the building; welcomes the fact that all relevant information about asbestos in the Committees' buildings, such as asbestos policy, asbestos safe certificates and asbestos inventories, has been published on the intranet; notes that work to renovate the VMA building is planned to start in 2021;

26. Welcomes the fact that the joint VMA working group defined the guiding principles for the future allocation of space as well as objective parameters allowing for the equal treatment of all services and entities; notes that the staff representatives were involved and that the staff has been kept informed regularly through different channels and will be consulted and involved in the upcoming phase of the detailed design for floor arrangements and the assignment of individual workspaces for the services concerned;

Environmental dimension

27. Asks the Committee to develop a global sustainability plan; congratulates the Committee on the ongoing efforts in the framework of the environmental management system as regards the lowering of the carbon footprint and reducing plastic, food and paper waste; agrees that lowering the carbon footprint is among the most important objectives for the coming years; calls on the Committee to pay due attention to the energy mix of its sources of electricity and encourages the procurement of electricity generated by wind, solar, bio and hydroplants; encourages the Committee to participate in projects in areas which are related with other Union bodies and to draw up a comprehensive plan for the Committee for the implementation of the principles and recommendations presented in the European Green Deal, with the general objective of becoming climate neutral by 2030;

Interinstitutional cooperation

28. Is aware of the new service level agreement launched in 2019 between Parliament and the Committee which allows the Committee to benefit from the services of Parliament's interpreters (for which payment will be made) each time the Committee uses Parliament's premises for its meetings and occasionally also for meetings in the Committee's premises; acknowledges that the agreement contributes to the optimisation of the use of Parliament's interpreters; acknowledges the existing cooperation agreements between Parliament, the Committee and the CoR; invites the Committee to identify further potential synergies and savings and other areas in which back-office functions could be shared; is aware of the requests expressed by both the Committee and CoR in the frame of the discharge procedure for the ongoing cooperation agreement to be respected so that the Committee and CoR are compensated for the posts transferred to Parliament;

29. Recalls that the cooperation agreement between Parliament and the Committee of 5 February 2014 provides for compensation for the loss of translation capacity by providing additional amounts for both the Committee and the CoR; notes that an amount of EUR 2 million has been provided for the externalisation of translation with the possibility that a potential surplus can be used for further political work and an additional amount of EUR 1,1 million for increased political work; notes that the transfers took place in 2015 and 2016 with a reduction already being made during the conciliation process in 2017; notes that yearly savings resulting from the transfer of 36 posts can be estimated at EUR 3,42 million; asks Parliament, the Committee and the CoR to jointly report to Parliament's Committee on Budgetary Control on the ongoing revision of the agreement; acknowledges that the agreement allows for more flexibility to the advantage of Parliament, the Committee and the CoR; notes that reallocation of unspent funds to other policy areas is part of this flexibility;

30. Agrees with the need to further enhance political cooperation with respect to annual and multi-annual programming, the joint declaration of Parliament, the Council and the Commission on legislative priorities and the monitoring of the annual work programme; encourages the Committee to work on concrete proposals for improved communication at the level of the Committee and the Parliament rapporteurs in order to develop a more systematic approach to political cooperation;

31. Observes that the total cost of outsourced translation for the Committee and the CoR was EUR 6 043 592 in 2019 with the Committee's share amounting to EUR 3 550 762 and that the total cost of translation in-house would have been EUR 8 781 075 with the Committee's share amounting to EUR 5 159 101;

32. Encourages the Committee to join the Union Transparency Registry on the basis of a service level agreement in order to increase the transparency of lobbying meetings; acknowledges the interinstitutional cooperation through service level agreements between the Committee and other Union institutions and bodies such as with the Commission to further optimise processes in HR, finance, IT and other administrative areas; is interested in being informed if cost benefit analysis takes place before entering into any agreement;

33. Welcomes the good cooperation between the Committee and the CoR in the administrative area, leading to considerable synergies and economies of scale; notes that the current administrative agreement has been extended until the end of June 2021; notes that two points have not been implemented so far, namely a more balanced distribution of posts within the joint services which currently favour the CoR, and an equal distribution of spaces (the share of office space was 53 % for the Committee and 47 % for the CoR); welcomes the fact that the negotiations for the renewal of the administrative agreement have the objective of increasing efficiency further and generating potential savings;

34. Asks the Committee that it be kept informed of any improvements made on the efficiency of administrative processes, which seem to be necessary by virtue of an ever-increasing workload and a rapidly changing world; reiterates the necessity of on-going reforms to ensure that the Committee is well equipped to respond to future challenges;

Communication

35. Recognises that in 2019 the Committee made a particular effort to support Parliament in promoting the European elections by participating in the interinstitutional campaign, including a social media campaign of several months' duration (with nearly 17 000 engagements such as likes, comments and retweets and an overall reach of 18,4 million persons); agrees that the outreach of the Committee's political work goes beyond quantitative indicators and that the Committee achieves this not only via its treaty-based consultative function but also through local outreach activities that aim to raise civil society's awareness of the work of the Committee and its role in the Union decision-making process;

36. Remarks that at the end of 2019 the Committee's main Twitter account had 43 300 followers, while the main Facebook account had 32 600 followers; notes that the Committee's fastest growing social media presence is on LinkedIn, which saw an increase during 2019 of 54 % in the number of followers to 14 500 at the end of 2019; notes that with this combination of channels, the Committee reaches a well-balanced group of followers;

37. Welcomes the Committee's efforts to build a more diverse and inclusive work environment and culture by taking actions in favour of people with disabilities, such as making the intranet and website digitally accessible to persons with visual impairment; asks for follow-up action with respect to obtaining the relevant certification of equal access to its website for people with disabilities;

38. Notes that a complex approach is needed in order to make the websites of Union institutions and bodies accessible to persons with various kinds of disabilities, including the availability of national sign languages; suggests that disability-related organisations be involved in this process;

Internal management, internal control, finance

39. Welcomes the Committee's efforts in relation to crisis management and business continuity by setting up a website with all the information necessary for business continuity operations including up-to-date crisis management and business continuity management documents and an updated description of the various intervention teams, their composition and their role; underlines that the first full-scale exercise by the members' repatriation team was held in September 2019, based on four scenarios, and that the conclusions of the exercise are subject to systematic follow-up;

40. Notes with concern that the Committee's total annual budget has increased from EUR 108 000 000 in 2006 to more than EUR 138 000 000 in 2019 while the overall number of opinions and reports produced by the Committee has decreased significantly (from 215 in 2018 to 127 in 2019); understands that the reduction in opinions delivered may be connected to the electoral cycle, but is concerned about the raise of the cost per opinion (EUR 1,1 million in 2019 compared to EUR 630 000 in 2018), and expresses concerns about the outsourcing to external companies of reporting work; notes with concern that out of the 127 opinions and reports, only 55 were own-initiative opinions;

41. Notes that for 2019, the Committee's most consulted opinion (on Blockchain and distributed ledger technology) did not reach more than 2 500 page views, while the other top five opinions reached just between 1 000 and 2 000 views; encourages the Committee to increase its efforts to achieve a broader dissemination of its opinions;

42. Notes that the annual activity report for 2019 only gives a general overview of the Committee's activities and does not offer a deeper qualitative and quantitative evaluation of its work; calls on the Committee to introduce other key performance indicators in its annual activity report, such as the rate of implementation in Union legislation of the recommendations in its opinions, in order to enable an impact assessment of the Committee's work;

43. Asks the Committee to rationalise its internal bodies and refocus the remits of its structures, as stated in the follow-up to the 2018 discharge, including providing clarifications of savings made in connection with this process; notes the steps taken by the bureau in setting up a six-member ad hoc group to provide a comprehensive review on how to streamline the Committee's working structures and bodies, including the question of the remits of the sections and the Consultative Commission on Industrial Change (CCMI); asks the bureau to extend the streamlining to all other existing bodies and to report back to Parliament on the findings;

44. Recognises that the Committee has developed a large set of key performance indicators for all its administrative areas, of which some measure the level of performance (e.g. payment lead times), while others measure the level of activity (e.g. production volume); asks the Committee to provide in the next annual activity report, in addition to that very detailed information, a consolidated version of the major objectives and the results achieved;

45. Notes that in 2019 an exercise to assess compliance with the internal control standards took place and that this showed improvements compared to 2018; notes, however, that not all standards were fully implemented and that follow-up actions were identified; notes that two follow-up actions were postponed to 2020, namely a formal assessment of sensitive functions and the implementation of a multiannual internal communication strategy; reminds the Committee of the recommendation made in the Court's report to implement a policy for dealing with sensitive functions; acknowledges the Committee's replies explaining the steps proposed and the fact that preparatory activities started in the first semester of 2020; notes that the Committee communicated that the new policy should be operational by 2021; requests the Committee to provide Parliament with a detailed description of that new policy, including a definition of sensitive functions, and of the state of play of its implementation;

46. Notes that the Committee implemented a third follow-up action to the aforementioned exercise consisting of the harmonisation of processes and procedures across directorates and units; calls on the Committee to set up a centralised registry of processes and procedures to ensure that written documentation is harmonised; reiterates that this approach will help to enhance the respect for existing processes and procedures, and supports that all the main activities of the Committee are subject to a process or procedure;

47. Notes that in 2019 two audits were finalised by the internal audit service (IAS), one on compliance with institutional deadlines and the other on interpretation; notes that, regarding the first audit, the Committee is in the process of implementing the administrative measures set out in the action plan, such as highlighting institutional deadlines in documents used by the Committee in order to better organise its work and compiling statistics on the Committee's compliance with deadlines in a consistent manner; welcomes the continued efforts of the Committee to better contribute to the Union legislative process; notes the importance of the audit on interpretation given that it is an instrumental component of Union decision-making, and is impacted upon both by significant budget cuts and by higher costs of interpretation, as witnessed by the fact that, today, the Committee can afford only around 75 % of the interpretation it could afford in 2014; notes that the purpose of that operational audit was to examine procedures, in particular as to whether any cost savings can be made without compromising the quantity and the quality of interpretation provided; observes that an analysis of selected cases showed that the procedures for provision of interpretation were well established, and that interpretation was provided as requested; notes that the overall satisfaction among end-users is high; notes that an agreed action plan is currently being implemented and includes ongoing identification of areas with potential for saving of costs;

48. Observes that an audit of ethics and well-being at work was proposed in the 2019 work programme but was deferred until the 2020 work programme; notes that the audit started in 2019, but that the approach was altered following the Court's special report on ethics published on 19 July 2019; notes that it is the intention of the IAS to follow the approach chosen by the Court when assessing the ethical framework established within the Committee; advises the IAS to include in the audit the implementation of the currently reformed ethical framework;

49. Welcomes the fact that 11 500 (79 %) of the invoices received by the Committee in 2019 were in electronic format, which is compliant with the provisions of Directive 2014/55/EU [1]; congratulates the Committee on the fact that in 2019 it had the highest take-up of e-invoices, in both absolute and relative terms, of all Union bodies;

[1] Directive 2014/55/EU of the European Parliament and of the Council of 16 April 2014 on electronic invoicing in public procurement (OJ L 133, 6.5.2014, p. 1).

50. Underlines that, during 2019, the public procurement department updated the written instructions and templates and continued to provide guidance and advice to all financial actors concerned; welcomes that the use of templates, together with expert guidance, has produced a significant qualitative improvement in procurement procedures and reduced the errors detected in *ex ante* controls; acknowledges that to improve the efficiency and effectiveness of controls, the Committee's verification department works closely with the public procurement department;

Human resources

51. Notes that the establishment plan indicates 668 posts in 2019, the same as in 2018; notes that there is no change in the work force and that the total number of staff employed (officials, temporary agents, contract agents, seconded national experts and medical adviser) was 702 on 31 December 2019 (compared to 705 in 2018);

52. Is aware that the Committee continues to implement its action plan 2017-2020 for equal opportunities and diversity; notes that the Committee's managerial staff achieved gender balance in 2018 and this remains relatively stable; regrets that the new political leadership of the Committee does not reflect this trend with only one out of seven section presidents and none of the three group presidents being women, especially in view of the fact that, for its 2020-2025 term of office, the Committee has the highest number of new and female members since 2010; welcomes the awareness raising events organised in relation to diversity, such as the 'united in diversity' conference on communication in a multicultural environment with the aim of fostering respectful relations at work while taking diversity into account; welcomes in particular the specific activities and measures linked to disability; encourages the Committee, however, to also put in place concrete measures such as gender equality training in order to avoid unconscious bias for members in selection panels;

53. Observes the slight improvement in geographical balance compared to 2018 with 19 % of the Committee's managers currently being from Member States who joined the Union after 2004 (compared to 16 % in 2017 and 18,5 % in 2018); notes with concern the overrepresentation of certain nationalities among the Committee's staff; urges the Committee to develop specific measures to address this imbalance; calls on the Committee to continue to take steps to achieve a geographical balance of its staff in order to ensure a proper representation of nationals from all Member States, as addressed in rule 4 of the rules of procedure for members of the bureau, including at management level;

54. Asks the Committee to report to the discharge authority on the concrete achievements of the action plan for equal opportunities and diversity, in particular on the results of the measures taken as regards strengthening diversity and making the Committee a more inclusive workplace for persons with disabilities;

55. Appreciates that the establishment of a register on specialised posts, i.e. posts not covered by the mobility scheme, was completed, following an in-depth analysis in 2019, and that such a list did not exist previously; notes that the final list of all exempted specialised posts was notified to all staff and includes both the head of the legal service and all lawyers of the Committee;

56. Recognises the measures put in place related to well-being such as the relaunch of a mentoring scheme for newcomers, which is part of a preventative approach in the management of psychosocial risks; notes the exchanges of best practice with a view to continuously improving that scheme; notes the extensive updating of the rules on teleworking that offer more flexibility for workers; encourages the Committee to complete the implementation of flexible working arrangements with a protection of the staff members' right to disconnect;

57. Notes with satisfaction the actions related to long-term sick leave, in particular those aimed at facilitating return to work;

58. Expresses serious concerns about the public disquiet caused by certain recruitment procedures used by the Committee; calls on the Committee to set out clear internal guidelines regarding the publication of vacancies and a clear explanation of the interest of the service in case of temporary moves of members of staff; stresses the importance of strictly ensuring that each phase is conducted in a fully transparent manner, without exception, as established in the Committee's rules of procedure and in the Staff Regulations, throughout the entire recruitment procedure (publication, selection, appointment and establishment) in order to avoid any reputational risk not only for the Committee but for all the entities of the Union;

59. Notes that in 2019 the Committee hosted 54 long-term trainees who received a monthly maintenance grant from the Committee, 15 short-term trainees who received no grant from the Committee, and one trainee who received a grant awarded by an outside public body; recommends that the Committee pays an adequate grant to short-term trainees also, unless they receive payments from other sources;

Transparency

60. Welcomes the fact that the Committee started to promote respect in the workplace with the aim of ensuring that all staff are familiar with the current ethical framework; notes that a wide-ranging awareness-raising campaign started in 2019 called respect@work, which takes on board a number of proposals from the Report of the European Ombudsman on dignity at work in the EU institutions and agencies (SI/2/2018/AMF); welcomes the fact that the network of confidential counsellors was reinforced; notes that, following a decision of the European Ombudsman, the Committee adopted its guidelines on managing conflicts of interests of staff in the performance of their duties and provided relevant information to all staff; notes that the guidelines are intended to serve as a practical handbook for staff in cases where they need to perform overlapping duties, such as management duties in parallel with staff representation activities; invites the Committee to make further progress with measures to respond to the Ombudsman's report;

61. Requests the Committee to report on any achievements related to the European Ombudsman's recommendation such as the guidelines on external activities; notes that in 2019 the Ombudsman published her report on the publication of information in relation to former senior staff so as to enforce the one year ban on lobbying and advocacy (SI/2/2017/NF) and that the Committee examined the possibility of revising its decision on external activities; invites the Committee to take this opportunity to reinforce its system to avoid any potential case of conflict of interest;

62. Expresses its concern with respect to the investigations carried out by the European Anti-Fraud Office (OLAF) in 2019; notes that two cases were closed concerning members and misappropriation of Union funds; notes with satisfaction that the amounts have been recovered by the Committee; notes that two cases were opened (one in relation to a member and one in relation to a staff member), of which the first case is ongoing and the second case was closed in 2020 with no infraction found; notes that in 2020 two cases were opened, of which one, a case from 2018, was closed within the same year with fraudulent action by a member confirmed and one is ongoing; notes that another case against a member has been opened and is ongoing; notes that to the best of the Committee's knowledge there are currently two open OLAF investigations, both concerning members and not related to harassment;

63. Notes that the Committee's current approach to confirming the presence of members at meetings is in line with the best practices of other Union entities such as Parliament and the CoR; notes that the system requires a single signature and a declaration of attendance at a meeting; notes that article 4(a) of the financial statute for members stipulates that 'in order to benefit from reimbursement of expenses or payment of allowances, the beneficiary must a) sign the attendance list at meetings, whenever such a list is kept, b) complete the standard expenses declaration form for each day of the meeting, and c) submit the appropriate supporting documents';

64. Urges the Committee to keep the discharge authority informed about the procedures and processes the Committee has rolled out or intends to roll out in order to avoid cases of harassment or similar issues concerning staff in the future in order to ensure that regrettable developments which have caused suffering to victims in the past and which have damaged the reputation of the Committee and the Union at large will not be repeated;

65. Reiterates its request for clear and strong protection and support measures for the victims of harassment; urges the Committee to introduce specific rules and procedures on harassment; is of the view that the fact that the Staff Regulation cannot be imposed on a member of the Committee cannot be regarded as an excuse for inaction;

Refusal of discharge in 2018, conflict of interest, harassment, whistleblowing

66. Recalls that several members of staff suffered acts of psychological harassment by the then president of Group I over a long period of time; regrets that the anti-harassment measures in place in the Committee failed to tackle and remedy this case sooner because of the senior position of the member concerned; regrets the fact that the measures taken to protect the victims up until the end of the investigation by OLAF seem to have been improvised and insufficient, especially in light of the judgement of the Civil Service Tribunal of 12 May 2016 ([2]) which should have served as a lesson for the Committee; notes with concern that shortcomings in the internal proceedings, including an unclear division of reporting responsibilities at the senior management level, resulted in the inaction by the Committee's administration which translated into a breach of the duty of care and of the obligation to report to OLAF; condemns the length of time that the Committee took to take the necessary measures to adapt the Committee's rules of procedure and code of conduct in order to avoid such situation in the future;

67. Recalls that OLAF identified the victims of harassment in its 2018 investigation; regrets that the victims were forced to initiate the process through their own means because of the lack of action by the Committee's administration; notes that the follow-up of the formal requests initiated by the victims under Article 24 of the Staff Regulations started in January 2020; notes with concern that the formal recognition of the status of victim only occurred on 2 October 2020, although the Committee claims to have implicitly recognised their status months before;

68. Points out that the Committee's failings in this case have resulted in a material loss of public funds with respect to legal costs, sick leave, victim protection, reduced productivity, meetings of the bureau and other bodies, etc.; considers it therefore to be a matter of concern regarding accountability, budgetary control and good governance of human resources in the Union institutions, bodies, offices and agencies; in this sense reiterates what the Court stated in its Special Report 13/2019, The ethical frameworks of the audited EU institutions: scope for improvement, namely that ethical conduct in public affairs contributes to sounder financial management and increased public trust, and that any unethical behaviour by staff and members of the Union institutions and bodies attracts high levels of public interest and reduces trust in Union institutions and bodies;

69. Recalls that Parliament refused to grant the Committee's secretary-general discharge in respect of the financial year 2018, among other reasons on the ground of a flagrant breach of the duty of care and the lack of action by the administration, along with the financial consequences; reminds the Committee that being refused discharge is a serious matter, requiring immediate action; deeply regrets the lack of decisive action, in particular prevention and reparative measures, by the then director of HR and finance, now secretary-general, until the refusal of the 2018 discharge;

70. Notes that during the 2018 and part of the 2019 discharge procedures, the secretary-general was unable to provide sufficient, transparent and reliable information to Parliament's Committee on Budgetary Control as evidenced by the number of times that the information provided was refuted by whistleblowers, the Committee's trade unions, by the defence team of the victims or by the perpetrator himself; calls on the Committee to take notice of the damages caused to the victims and whistleblowers, both in material and moral terms, resulting from insufficient support and lack of rightful rehabilitation and compensation; is deeply concerned that the victims had to file a complaint because of the inaction of the Committee's administration in the rehabilitation procedure; reminds the Committee of its obligation to protect victims and whistleblowers;

71. Acknowledges that the Committee is striving to further strengthen its capacity to tackle unethical behaviours; notes that a detailed action plan was to be endorsed at the latest by the end of 2020; agrees that the Committee must continue to raise staff and management awareness through more targeted internal communication on the structures already available to help address any kind of difficult situation in the workplace; asks the Committee to make training sessions on ethics and integrity mandatory for its members; requests the Committee to provide Parliament with a complete overview of all actions undertaken;

([2]) Judgment of the Civil Service Tribunal (Third Chamber) of 12 May 2016, *FS v European Economic and Social Committee (EESC)*, F-50/15, ECLI:EU:F:2016:119.

72. Calls on the Committee to swiftly reach a settlement agreement with the victims of harassment and misconduct; considers that the new leadership should take an active role in negotiating a settlement with the victims, with the aim of reaching a fair and satisfactory agreement supported by all sides as well as to avoid any conflicts of interests; expects the settlement with the victims to be based on principle of transparency and decency and to include a public apology, fair conditions in the settlement, the full rehabilitation of the victims in their working environment and guaranteed protection against adverse consequences from the case; strongly opposes the applying of any pressure on victims to sign non-disclosure clauses and to prevent them from confidentially providing any information regarding the settlement to Parliament's Committee on Budgetary Control; calls on the Committee to report in detail on the protective and compensatory measures offered; asks the Committee to report on the current situation of the victims identified;

73. Notes the decisions taken by the general assembly of the Committee with a large majority on 28 January 2021 and welcomes the adoption of a new code of conduct, which repeals and replaces the code adopted in March 2019, and the establishment of a framework dedicated to ethics and integrity; observes that the code of conduct now contains a sanctions regime that is in proportion to the severity of the unethical behaviour; welcomes in particular the introduction of financial sanctions and the possibility of expelling a member from the Committee; urges the Committee to enforce sanctions when necessary, as well as the improved provisions on the declaration of financial interests and on conflict of interest; urges that Parliament, the Council and the Commission be informed of the names of Committee members who are found to be responsible for breaching the code of conduct; congratulates the Committee on the ambitious, comprehensive and reinforced code of conduct which addresses Parliament's observations as well as the relevant recommendations of the European Ombudsman; notes with satisfaction the emphasis on the appropriate behaviour of Committee members and the respect of the dignity and integrity of the members of staff; expects a strict observance by the members as well as a coherent attitude by the Committee's political leadership, including the three internal groups representing employers, workers and civil society;

74. Underlines that on the basis of the observations made by Parliament's Committee on Budgetary Control, the report by OLAF and the reflections of the Committee's advisory committee on the conduct of members, the Committee set up a joint internal working group on the ethical framework with a mandate to review all potential gaps in the current framework with a view to recommending improvements; notes that the advisory committee also has the opportunity of liaising with the joint internal working group in order to ensure coherence of the overall ethical framework within the Committee and to explore possible synergies; notes that the advisory committee on the conduct of members became the ethics committee and that a provision on the appointment of reserve members has been added, as well as the possibility for one of its members to recuse himself or herself or to be removed if found guilty of breaching the code of conduct; welcomes the fact that the Committee now has explicit investigative powers in order to carry out its mission and may also seek advice from external experts; strongly suggests that the ethics Committee establishes permanent consultation with the Committee's legal service, rather than optional consultation, especially when an investigation is opened; notes that the Committee has also updated its ethics and integrity framework through the adoption of an action plan for a stronger ethics framework which entered into force on 7 January 2021; expects a robust and reliable set of measures regarding protection, prohibition of retaliation and support for victims;

75. Notes that the mandate given by the bureau in June 2020 to draft proposals to revise the code of conduct and the provisions of the rules of procedure concerning the code of conduct was postponed by the bureau on 15 September 2020 because a particular member, acting as president of Group 1, advised that the advisory committee's decision on the rules of procedure be carried over to after October 2020; is concerned that that particular member who was found responsible for harassment was still active in the bureau after the OLAF recommendation and managed to delay the adoption of the new code of conduct for members;

76. Asks the Committee to provide its legal service with a formal working strategy to ensure that it is officially and systematically involved in the most important matters of the Committee without leaving the decision on whether to consult it up to the different services; considers the replies received to the questions in this regard insufficient and asks the Committee to report to Parliament on what has been done to include its legal service in a more systematic and independent manner;

77. Appreciates that an internal audit on ethics and integrity will take the form of a mapping exercise followed by an analysis aimed at establishing a comprehensive overview of rules, standards and measures in relation to ethics and integrity; notes that the audit will also tackle issues such as gifts and entertainment, outside activities and assignments, conflicts of interests and post-Union employment;

78. Is concerned that despite the bureau decision of July 2020 on 1 December 2020 the Bureau approved the establishment of the investigated member as representative of Group 1 for the category on transport, automatically putting him in contact with staff of Group 1, including his victims;

79. Welcomes the meeting held with OLAF in July 2019 in order to clarify the interpretation of the administrative agreement between OLAF and the Committee so that possible harassment cases related to members are considered as high priority; notes that at this stage, the Committee cannot rely on an external independent investigative capacity for harassment cases (apart from OLAF); notes that the contacts with the network of agencies and with the disciplinary office of the Commission have not been conclusive to date; appreciates that this issue is also currently being looked into as part of the ongoing revision of the decision on administrative enquiries;

80. Emphasises in relation to the OLAF findings of harassment against a member of the Committee and pursuant to the decision of 9 June 2020 of the Committee's bureau that the member in question was fully discharged from all tasks related to the management and administration of the Group I secretariat's staff until the end of his mandate; notes that on 7 September 2020 the member withdrew his candidacy for the position of the president of the Committee; regrets that, given the legal principle of non-retroactivity of sanctions, the enforced sanctions regime under the revised code of conduct cannot be applied in this specific case; is, however, gravely concerned that the perpetrator has been appointed by the Council as member for a new mandate; and that victims and whistleblowers risk facing retaliation by him or by people supporting him in the Committee; highlights the fact that he does not acknowledge or regret his wrongdoings, which demonstrates a complete lack of self-reflection and respect for the victims concerned;

81. Reiterates its concern of the fact that the Committee's website still features a statement by the member concerned in his capacity as president of Group I that is in reality a personal testimony of self-defence with the aggravating factor that the cases mentioned are either pending or expected before the Union judicial authorities and the Belgian authorities;

82. Notes that in the context of the application for interim measures lodged by the above mentioned member with the General Court (*KN v EESC*, T-377/20), seeking to suspend the execution of the decision of 9 June 2020 of the Committee's bureau, the General Court rejected the application as it did not meet the condition of urgency; notes that the main proceedings in the case, seeking the annulment of the abovementioned decision, are ongoing;

83. Notes that the plenary session of the Committee on 15 and 16 July 2020 confirmed the decision of 9 June 2020 of the bureau as regards the Committee joining as a civil party in the procedure that will be opened by the Brussels Labour Auditor before the Brussels Criminal Court; notes that the Brussels Labour Auditor has been informed of the waiving of the member's immunity, but no further information about the proceedings have been received to date;

84. Is deeply concerned that in April 2021, the EESC is still failing in its duty of care towards the victims of harassment and grave misconduct given the fact it only concluded settlement agreements with two out of the four victims and has not yet published the public apology it promised.

DECISION (EU, EURATOM) 2021/1554 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2019, Section VII – Committee of the Regions

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2019 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2019 (COM(2020) 0288 – C9-0226/2020) ([2]),

— having regard to the Committee of the Regions' annual report to the discharge authority on internal audits carried out in 2019,

— having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2019, 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 2019, 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) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([5]), and in particular Articles 59, 118, 260, 261 and 262 thereof,

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

— having regard to the report of the Committee on Budgetary Control (A9-0055/2021),

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 2019;

2. Sets out its observations in the resolution below;

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

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([1]) OJ L 67, 7.3.2019.
([2]) OJ C 384, 13.11.2020, p. 1.
([3]) OJ C 377, 9.11.2020, p. 13.
([4]) OJ C 384, 13.11.2020, p. 180.
([5]) OJ L 193, 30.7.2018, p. 1.

RESOLUTION (EU) 2021/1555 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 2019, 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 2019, Section VII – Committee of the Regions,

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

— having regard to the report of the Committee on Budgetary Control (A9-0055/2021),

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

1. Notes with satisfaction that the Court of Auditors (the 'Court'), in its annual report for 2019 (the 'Court's report'), 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. Welcomes the fact that, based on its audit work, the Court concluded that the payments as a whole for the year ended 31 December 2019, comprising the administrative and other expenditure of the Committee, were free from material error and that the examined supervisory and control systems were effective;

3. Regrets, as a general observation, that chapter 9 'Administration' of the Court's report has a rather limited scope and conclusions, notwithstanding the fact that the Multiannual Financial Framework Heading 5 'Administration' is considered to be low risk; requests that the audit work for that chapter be more focused on issues of high relevance or even critical importance for the Committee;

4. Recalls that the Committee's budget is mostly administrative, with a large amount being used for expenditure concerning persons working within the institution (Title 1) and concerning buildings, movable property, equipment and miscellaneous operating costs;

5. Notes that in 2019 the Committee had an approved budget of EUR 98 751 000 (compared to EUR 96 101 000 in 2018 and EUR 93 295 000 in 2017); notes that the execution rate for commitments was 99,6 % in 2019 (compared to 99,3 % in 2018 and 98,1 % in 2017) and that the execution rate for payments in 2019 of 88,8 % was lower than the execution rates for payments of 91,0 % in 2018 and of 89,9 % in 2017; notes, however, that the final execution rate for payment for 2019 will be higher at the end of the budget cycle (after payment of carry-overs);

6. Underlines that the execution rate of commitments for Title 1 was 99,6 % and for Title 2 was 99,7 %; notes with satisfaction that approximately EUR 400 000 (0,4 %) remained uncommitted at the end of the year and therefore returned to the Union budget, which represented a reduction compared to 2018 when approximately EUR 700 000 (0,7 %) remained uncommitted;

Human Resources

7. Notes that the total number of staff was 576 in 2019 (compared to 538 in 2018 and 533 in 2017); notes that the number of posts in the establishment plan amounts to 491 which is considered by the Committee as insufficient; recognises the results of a workload assessment finalised in 2019 for a potential reorganisation with the objective of making further efficiency gains and create synergies; is informed that the Committee wants the Union budgetary authorities to address the issue and to balance the current staff situation progressively; encourages the Committee to deepen its administrative cooperation with the European Economic and Social Committee (EESC) via the joint services arrangement to pool resources in order to develop more synergies;

8. Acknowledges the Committee's continued efforts to reinforce its political role and to face the increased need for permanent expertise in political and administrative domains; notes the talent pool created to motivate and retain experienced staff in the Committee; notes that the first general internal competition in the history of the Committee was finalised in the first half of 2019 with a total of 40 laureates out of 113 candidate members of staff; asks the Committee to explain the concrete professional prospects offered to the laureates;

9. Notes that the transfer of 24 translation posts from the Committee to the Parliament was estimated to result in yearly savings amounting to approximately EUR 2,9 million, invites the Committee to present a report on the impact of this transfer;

10. Regrets that the situation in terms of gender balance in middle and senior management positions has not improved but has rather remained relatively stable since 2018, with 35 % of these positions being filled by women; acknowledges that a new equal opportunity strategy containing concrete objectives to be reached by 2025 has been adopted; calls upon the Committee to present the roadmap for the adoption and planned impact of the new equal opportunity strategy, and to report, on an annual basis, to the discharge authority on its implementation and on its preliminary results;

11. Welcomes the appointment of an equal opportunities officer working centrally in the HR directorate, as well as the 'equal opportunities roadshows'; asks the Committee to report on the concrete achievements of the new strategy, including the results of the actions taken with regard to improving diversity and to making the Committee a more inclusive workplace for persons with disabilities;

12. Notes that all Union nationalities were represented in 2019, with the exception of Luxembourg; calls on the Committee to continue to strive for the achievement of geographical balance among its staff in order to establish a proper representation of nationals from all Member States, including at management level; encourages the Committee to enhance its communication efforts in those countries that are under-represented;

13. Encourages the Committee to continue its efforts to achieve gender balance at all hierarchical levels and welcomes actions such as the mandatory presence of both genders on selection panels, the active encouragement of female applicants for all managerial positions, specific training sessions for female staff who wish to prepare for a managerial career and more flexible working arrangements, including the possibility for part time work and telework; notes the range of incentives put in place by the Committee such as the formal recognition of management responsibilities below head of unit level and the creation of an informal network for gender balance in management, launched with the support of the administration;

14. Acknowledges the fact that the new equal opportunity strategy also focuses on disability and diversity; notes the training regarding unconscious bias provided for managers and HR staff involved in selection procedures; asks the Committee to report to the budgetary authority on the specific objectives, actions and indicators within the strategy;

15. Appreciates the Committee's focus on developing and upholding high-quality health and well-being services based on prevention and early intervention through close cooperation between the HR services concerned, and on awareness-raising programmes for both managerial and other staff; welcomes the training sessions held with managers at both junior, middle and senior level on the topic of absence management and the successful integration of colleagues after long-term absence; notes that ten cases of burnout were registered in 2019; notes that the Committee's social service provides assistance during the illness period and upon return to work; asks the Committee to include burnout detection in its health and well-being services; welcomes the increased flexitime and teleworking arrangements to improve the work-life balance of staff, as well as the continuation of the stress and burnout prevention programme; encourages the Committee to complete the flexible working arrangements with a protection of staff members' 'right to disconnect';

16. Underlines that the Committee uses mainly contract staff to provide appropriate support in the form of replacements for mid to long term absences and for specific projects in different directorates with the objective of providing additional support to members of the Committee; recalls, however, that the use of contract staff also entails considerable loss of knowledge and expertise for the Committee at the end of their contracts and therefore encourages the Committee to continue negotiating the enlargement of its establishment plan; notes that in 2019, as a consequence of the cooperation between the Committee and Parliament, the number of long-term contract staff decreased in the directorate for translation of the Committee and the EESC as compared to the years 2013 to 2017;

17. Notes that the Committee needs to upgrade its security control systems and ensure a safe workplace for its members and staff, something that requires additional specialised resources, and that the ratio of resources dedicated to both physical security and IT support per member of staff is very low in comparison to other Union entities; encourages the Committee to continue preparing new projects to boost cybersecurity;

18. Notes that the Committee identified additional projects in the area of modernisation of administration and communication, such as support for better law-making through *ex ante* and *ex post* monitoring of implementation of Union legislation on the ground as well as outreach activities to involve all local and regional authorities in the process, and that these additional projects require adequate resources;

Communication

19. Underlines that an external evaluation of the communication strategy of the Committee was carried out in accordance with the standards applied by all other Union entities using a shared framework contract; notes that the quality of the Committee's communication did not always meet audience needs but is effective in an overall sense as key stakeholders have a positive perception of the Committee; invites the Committee to improve digital communication with the public and to enhance the visibility of its studies for stakeholders and for Union citizens; encourages the Committee to reach out to Parliament to enhance cooperation, for instance through the organisation of joint meetings and events;

20. Requests that the Committee report on how it will implement the recommendations of the evaluation report; notes that the biggest successes of the Committee's communication are the citizens' dialogues with the Commission and the Committee's own local dialogues, the flagship events 'EuroPCom' (European conference on public communication) and the 'European week of the regions and cities';

Digitalisation, cybersecurity

21. Welcomes the fact that the bureau of the Committee adopted a digital strategy at the beginning of 2019, on the basis of the Tallinn Declaration on e-Government with its core principle of 'Digital by default', and that implementation started following the adoption; notes that the main deliverables of the strategy are member-oriented information systems to support the political work of the Committee, information systems to support paperless administrative processes and a digital workplace programme; invites the Committee to enhance digitalisation through interinstitutional cooperation also;

22. Welcomes the interinstitutional cyber cooperation for which the Committee received the assistance of the Computer Emergency Response Team for the EU institutions, bodies and agencies, such as on-the-job training for cloud security and cyber threat intelligence information for targeted attacks against Union bodies; notes that many of the digitalisation projects concern the digitalisation of human resources and financial processes, where the Committee uses the SYSPER and ABAC systems provided by the Commission; asks the Committee to examine the possibility of negotiating better conditions with the Commission to enhance and make the process of application sharing financially attractive;

23. Notes that the IT budget is shared with the EESC; highlights the fact that the IT budget was increased in 2019, based on budget transfers, from EUR 7 963 825 in 2018 to EUR 9 082 838,76 in 2019; welcomes the fact that the IT unit worked to deliver information systems supporting four operational domains, namely political work, document management, communication and HR/finance, and that, as regards the digital workplace, progress has been made with all aspects of the programme;

24. Welcomes the Committee's active policy on open-source technology; encourages the Committee to prioritise open source technology in order to prevent vendor lock-in, to retain control over its own technical systems, to provide stronger safeguards for the privacy and data protection of the users, and to increase security and transparency for the public; notes that 39 open source software applications were included in the inventory of software packages in 2019 and that there are currently active projects taking place to implement a new digital signature portal and a management console based on open source technology;

25. Encourages the Committee to follow the recommendations of the European Data Protection Supervisor to renegotiate the interinstitutional licensing agreement and implementation contract, signed between the Union institutions and Microsoft in 2018, with the objective of achieving digital sovereignty, avoiding vendor lock-in and lack of control, and ensuring the protection of personal data;

Buildings, security

26. Welcomes the fact that a series of measures has been implemented to ensure adequate building security standards, such as the installation of new equipment for access control and the installation of a new closed-circuit television (CCTV) system; notes that the related security standards have reached the same level as those of Parliament and the Commission and that, moreover, the procurement process has started for the new visitor's management system planned to be installed in 2020;

27. Notes the guiding principles of the Committee's building strategy which include the geographical concentration of buildings, the preference for ownership rather than lease, a sustainable building management and multi-annual planning; notes that the working group set up jointly with the EESC established guidelines for the use and the distribution of office space, taking into account the situation in other Union bodies; appreciates that these parameters were presented to and discussed with staff representatives; acknowledges the Committee's transparent and cooperative approach vis-à-vis staff representatives; notes that a total of 241 work stations are not in use and asks the Committee to explain its plans for those work stations within the current building strategy;

28. Recognises that the Committee together with the EESC has given instructions to remove asbestos in autumn 2020 while fully respecting the necessary protection measures during the works as requested in the 2018 discharge resolution; welcomes the fact that most of the buildings of both the Committee and the EESC are asbestos free; expresses concerns over the health of workers and the presence of asbestos in the VMA building; acknowledges, however, that the Committee has received an asbestos-safe certificate;

Internal management, internal control, finance

29. Underlines the fact that the Committee formulates clear key performance indicators for its different administrative areas by formulating objectives and results and setting out the related number of human resources; asks the Committee to provide in the next annual activity report in addition to that very detailed information a consolidated version of the major objectives and the results achieved and to explore data visualisation options for more reader-friendly key performance indicator tables;

30. Notes that a compliance and effectiveness exercise was launched in 2019 to assess to what extent the Committee complies with the 16 internal control standards; notes that the 2019 compliance exercise showed that the overall state of implementation and effectiveness of the requirements remained satisfactory and stable as compared to 2018; notes, however, that areas for further improvement were identified including the alignment of the Committee's mission and organisational structure with new priorities, administrative cooperation between the Parliament and the Committee, further digitalisation of data storage and simplification of administrative processes, as well as an in-depth revamp of the existing business continuity plan arising from the experiences acquired during the current COVID-19 situation; calls on the Committee to report on the implementation of these much needed improvements in a follow-up to the 2019 discharge;

31. Notes that monitoring of the internal audit function is provided by the audit committee composed of one member per political group of the Committee's commission of financial and administrative affairs and one high-level external advisor; observes that in 2019 the audit committee held two meetings where the 2018 annual internal report and the 2020 work programme were presented and members were informed about the progress achieved with regard to ongoing audits and open recommendations as well as related risks; notes that 57 % of very important recommendations were closed after six months (target for 2019 to 2020: 75 %) and 100 % of very important recommendations were closed after 12 months (target for 2019 to 2020: 100 %); suggests that the Committee include a summary of the audit recommendations in its annual activity report;

32. Observes that the internal financial rules for the implementation of the Committee's budget were updated on 1 January 2019 by its decision No 0014/2018 and have been implemented throughout 2019; notes with satisfaction the inclusion of the operational agents as formal actors in the financial approval workflow and the appointment of managers responsible for operational management as authorising officers by sub-delegation;

33. Welcomes the fact that for the 2019 exercise all authorising officers by sub-delegation signed their individual declarations of assurance, that all reports on exceptions were mentioned in the relevant declarations of assurance, and that corrective measures are being implemented and monitored to prevent these exceptions from recurring;

34. Calls on the Committee to strengthen its efforts to analyse the situation with a view to attaining a fully paperless tendering environment for all procurement procedures; notes that this would make it necessary to acquire the public procurement management tool developed by the Commission's Joint Research Centre, alongside the development or acquisition of an improved back-office document management system; notes that the existing 'paperless workflow from invoice to payment' procedure was extended to a number of additional units and directorates in the course of 2019 and that the Committee's objective for the coming years is to further extend the scope of paperless workflows to other types of transactions, taking into account available IT resources;

Multilingualism

35. Appreciates the fact that based on the European Ombudsman's Practical recommendations for the EU administration on the use of official EU languages when communicating with the public (case SI/98/2018/DDJ), the Committee distributed these practical recommendations to all staff; notes that in 2019 the Committee also took the initiative of issuing a guide on staff complaints to the European Ombudsman in order to ensure an accurate follow-up;

36. Notes that the total cost of outsourced translation for the Committee and the EESC was EUR 6 043 592 in 2019 with the Committee's share amounting to EUR 2 492 830 and that the total cost of translation in-house would have been EUR 8 781 075 with the Committee's share amounting to EUR 3 621 974;

37. Requests the Committee to provide information on the on-going rationalisation process in the area of translation which mainly consists of a merger between different translation units; asks the Committee to report on any achieved efficiency gains made due to rationalisation and any related risks;

Interinstitutional cooperation

38. Emphasises the importance of interinstitutional cooperation and notes that the Committee paid approximately EUR 6 million under service level agreements made with other Union bodies in 2019; notes that this cooperation ensures synergies and is in addition to the joint services arrangement between the Committee and the EESC; notes that the Committee holds its plenary sessions in Parliament's and the Commission's premises, that it purchases interpreting services from Parliament and the Commission, and that it cooperates with several Union entities with respect to HR, IT and other administrative areas;

39. Appreciates the cooperation agreement of 5 February 2012 which remains in place between the Committee and Parliament and which covers political cooperation between Parliament and the Committee and administrative cooperation between Parliament, the Committee and the EESC; asks the Committee that it be informed on the outcome of the revision of this agreement;

40. Calls on the Committee to report on any achievements related to the negotiation of a new cooperation agreement with the Commission as the current cooperation agreement with the Commission (from 2005 with an addendum from 2007) ended on 31 December 2019, but was extended for one year;

41. Asks the Committee to report back on any control mechanism to ensure an efficient management of the joint services with the EESC; appreciates the importance of the administrative cooperation between the Committee and the EESC via the joint services, whereby the Committee and the EESC pool some 470 staff (of which around 170 staff belong to the Committee) and more than EUR 50 million yearly (of which some EUR 22 million come from the Committee), excluding salary related expenditure; notes that together with the concerned salary related expenditure, the yearly monetary value of the joint services arrangement exceeds EUR 100 million; notes that the negotiations for a new agreement for administrative cooperation with the EESC (the existing agreement has been entered into for the period 2016 to 2020) were postponed due to the COVID-19-crisis, something which added to the complexity of the changes of mandate of the Committee in early 2020 and the EESC in autumn 2020; notes that the Committee and the EESC agreed therefore to extend the term of the current agreement until 30 June 2021;

42. Invites the Committee, in light of the existing cooperation agreements between Parliament, the Committee and the EESC, to identify further potential synergies and savings, including other areas in which back-office functions could be shared;

43. Supports the Committee and the EESC in the view that, in the event of an extension of the current agreement or of a new agreement with Parliament, all outstanding issues must be settled such as the unbalanced situation for the Committee and the EESC, which transferred a total of 60 translators to Parliament (including 24 from the Committee) and in exchange only obtained the use of the services of the European Parliamentary Research Service; notes with concern that as a consequence the Committee and the EESC had to hire contract staff and outsourced their translation services which resulted in an effective budget reduction; is aware of the requests expressed by both the Committee and the EESC in the frame of the discharge procedure for the ongoing cooperation agreement to be respected so that the Committee and the EESC are compensated for the posts transferred to Parliament; asks the three involved parties to jointly report to Parliament's Committee on Budgetary Control concerning the ongoing review of the agreement;

44. Underlines the Committee's acknowledgement in its written answers to Parliament that cooperation with Parliament in 2019 continued to build on the achievements of previous years and revealed a satisfactory progress on several levels such as the relations between the commissions of the Committee and the committees of Parliament, new ways of cooperation including contributions to implementation reports and fact-finding missions, and a successful and impactful cooperation through Parliament's Intergroup on Climate Change, Biodiversity and Sustainable Development; stresses that the Committee has requested that political cooperation continue to be further developed while respecting the autonomy and the specific approaches of each parliamentary committee and each commission of the Committee; notes that the cooperation with Parliament has established the foundation for a sustainable working relationship between the Committee and Parliament and that the Committee achieved intensified cooperation with the parliamentary committees and secured involvement in European Semester work, a reserved seat during parliamentary committee meetings, the use of the services of the European Parliamentary Research Service, joint projects and synergies on translation, opening of pathways between the buildings of Parliament and the buildings of the Committee and EESC, a service level agreement including provisions of interpretation services and technical support by Parliament, regular use of Parliament buildings in Brussels as well as of Parliament's Liaison Offices in the Member States for events and activities, intensified cooperation in the area of infomatics, mutual access to canteens, multiple cooperation mechanisms to ensure a coherent approach and create synergies in the field of information and communication and, where necessary, legal advice in technical or administrative matters from Parliament's Legal Service;

45. Notes that the cooperation with Parliament at the administrative level is successful; agrees on the need to further enhance political cooperation with respect to annual and multi-annual programming, to the joint declaration of Parliament, the Council and the Commission on legislative priorities and to the monitoring of the annual work programme; supports the Committee's concrete recommendations to develop a more systematic approach to political cooperation given the importance of the Committee as the representative of regions and cities in the Union; appreciates the participation of the Committee in the Joint Committee on Equal Opportunities;

46. Stresses the importance of promoting the involvement of regional and local authorities in the shaping of Union policies via enhanced cooperation with the Commission and the co-legislators;

47. Asks the Committee to be kept informed of any improvements made with respect to the efficiency of administrative processes, which seem to be an unavoidable necessity due to an ever-increasing workload and a rapidly changing world; reiterates the necessity of on-going reforms in order to ensure that the Committee is well equipped to respond to future challenges;

48. Recognises and welcomes the Committee's involvement in Parliament's electoral campaign in 2019 by ensuring the mobilisation of all its internal and external networks in promoting both the 'This time I'm voting' ground game and the 'Choose your future' online video, as well as through the Committee's social media outreach; encourages further cooperation activities for the purpose of creating synergies in the field of communication;

Environmental dimension

49. Notes the Committee's efforts in the context of the environmental management system as regards the lowering of the carbon footprint and reducing plastic, food and paper waste; agrees that lowering the carbon footprint is among the most important objectives for the coming years; calls on the Committee to pay due attention to the energy mix of its sources of electricity and encourages the procurement of electricity generated by wind, solar, bio and hydroplants; encourages the Committee to participate in projects in areas which are related with other Union entities and to elaborate a comprehensive plan for the Committee to implement the principles and recommendations presented in the European Green Deal, with the general objective of becoming climate neutral by 2030;

Ethics and integrity policy

50. Underlines the fact that on 5 December 2019 the Committee adopted a code of conduct for its members laying down a detailed procedure in the event of alleged harassment of a member of staff by a Committee member, which is largely based on Parliament's Bureau's Decision of 2 July 2018 on harassment complaints; welcomes the fact that the code of conduct includes a number of sanctions in order to ensure its observance and that the Committee has set up an advisory board on harassment; asks the Committee to present a report on the implementation of the code of conduct;

51. Observes that the code of conduct is mentioned in the members' page of the Committee's website with link to a dedicated page; notes that the code of conduct includes provisions that specifically aim to avoid instances of conflicts of interests, including the obligation to submit a declaration of financial interests;

52. Welcomes the opening of a dialogue with different stake-holders in order to review the current internal decision No 362/2010 of 29 November 2010 concerning psychological and sexual harassment at work on the basis of a proposal for a changed framework to combat harassment which aims to broaden the scope of the matter by including prevention measures and means of conflict resolution, as well as reinforcing the principle of zero tolerance towards harassment, including courses on preventing harassment; calls on the Committee to establish a new framework on harassment as soon as possible and to report on its follow-up actions to Parliament;

53. Notes that no new cases of whistleblowing have been submitted in 2019; welcomes the fact that at the end of 2019 the Committee launched a survey on awareness of staff ethics, containing in particular numerous questions on the awareness of staff regarding whistleblowing procedures, and that the outcome has been followed up in 2020; notes that decision No 508/2015 defines the safe channels at the disposal of members of staff to address whistleblowing reports internally to any manager of the Committee of their choice or directly to the European Anti-Fraud Office (OLAF); notes that before launching such a procedure, guidance may be sought from the persons responsible for ethical and statutory matters;

54. Asks the Committee to follow the good example of other bodies in publishing on its website a chapter on ethics, consisting of rules to prevent, identify and avoid potential conflicts of interests and which are applicable to all members and staff of the Committee; expresses its interest in receiving updates on the ethical framework and related training courses on public ethics, including for incoming staff;

55. Asks the Committee to start the procedure for joining the interinstitutional agreement on the mandatory Transparency Register, which was recently reached between Parliament, the Council and the Commission; recalls the importance of a high level of transparency with respect to lobbying meetings which might influence members and staff in their advisory role to the Union institutions;

56. Reiterates what the Court stated in its Special Report 13/2019, the ethical frameworks of the audited EU institutions: scope for improvement, namely that ethical conduct in public affairs contributes to more sound financial management and to increased public trust, and that unethical behaviour by staff and members of the Union institutions and bodies attracts high levels of public interest and reduces trust in Union institutions;

57. Appreciates the progress on Mr McCoy's case in response to the 2018 Discharge; notes the work done by successive rapporteurs and shadow rapporteurs for other Institutions who opened the long-stalled dialogue; recalls that the third invalidity committee unanimously confirmed that the former internal auditor was invalided out on occupational grounds and that, subsequently, on 26 June 2019 the Committee formally endorsed this conclusion; notes that pursuant to article 78(5) of the staff regulations Mr McCoy was reimbursed in July 2019 in respect of all his contributions to the pension scheme from the date he started receiving the invalidity allowance (1 July 2007) to the day before he started receiving retirement pension (31 July 2010);

58. Recalls that, based on the 2017 discharge resolution, the appointment of a Member of Parliament as mediator took place and that all parties de facto entered into a mediation process to bring the dispute between the Committee and former internal auditor, Mr McCoy, to an end with the objective of reaching an amicable settlement; the first phase of mediation led to the signature of a Joint Statement on 4 December 2020 on the principles governing the resolution of Mr McCoy's bona fide whistle-blower case; notes that this concluded the non-financial part of the settlement; recalls that the second phase of the mediation, focusing on the financial settlement, has also been launched and is currently under way;

59. Appreciates the exchange held in the context of the 2019 discharge procedure on 10 November 2020 with the mediator, Mr McCoy and a representative of the Committee; recalls that Mr McCoy and the Committee were invited to a meeting of Parliament's Committee on Budgetary Control based on a suggestion by the 2018 rapporteur for the Other Institutions and approved by the coordinators of the political groups; underlines the importance of de-escalating the situation and reconciling the positions of Mr McCoy and of the Committee; welcomes the mediator's suggestion of a meeting between the president of the Committee and Mr McCoy as a starting point for reconciliation before the start of the negotiations;

60. Welcomes the letter of 10 November 2020 sent to the chairperson of Parliament's Committee on Budgetary Control by the chairperson of the Committee's committee on financial and administrative affairs confirming the readiness of the president of the Committee to meet Mr McCoy; welcomes the follow-up meetings between the mediator, the 2019 discharge rapporteur, the former internal auditor and the Committee's representatives; warmly welcomes the letter of 4 December 2020 announcing that the first phase of the procedure for an agreement was concluded with a joint statement signed by the Committee's representatives and Mr McCoy; encourage the parties to find an agreement to settle the financial part and reminds its disposal to support the negotiation; appreciates the efforts made by all parties, acknowledges that an important first step was taken and believes an agreement should be reached soon;

61. Welcomes the fact that the president and the secretary-general of the Committee readily made a firm commitment to reach an amicable settlement and thus conclude the case; notes that on 4 December 2020 with the contribution of Parliament's mediator, Parliament's Committee on Budgetary Control, Mr McCoy and the president and the secretary-general of the Committee concluded a joint statement on the principles governing the resolution of the case in line with Parliament's demands since 2004 and that the Committee, with Mr McCoy's consent, have published the joint statement on the Committee's website;

62. Acknowledges that in the joint statement, the Committee in particular accepts without reservation the OLAF report and its conclusions and acknowledges its past mistakes and shortcomings; recognises, like Parliament, that Mr McCoy was right to take his concerns directly to Parliament and that it should have done more to comply with Parliament's 2004 demands, including that Mr McCoy must suffer no adverse consequences as a result of having reported wrongdoing; recognises Mr McCoy as a bona fide whistleblower as conferred politically in 2004 by Parliament and is sorry that Mr McCoy was not protected despite having offered him the protection as a whistleblower in 2003; sincerely regrets the considerable harm the Committee has caused Mr McCoy, the way in which it treated him and its insufficient observance of its duty of care; accepts that the case should never have been allowed to remain unresolved for more than seventeen years;

63. Notes with satisfaction that the president and the secretary-general of the Committee has presented their formal apology to Mr McCoy on these grounds and for the Committee's mishandling of his case, that the Committee and Mr McCoy have committed to settle the financial aspects of the settlement with support from Parliament's legal service and under the political guidance of Parliament's Committee on Budgetary Control, and that the Committee has reiterated its full commitment to the rules and principles of whistleblower protection and, more particularly, to the inalienable principles of equity and fairness, has drawn the necessary conclusions from Mr McCoy's case and has taken all necessary steps in respect of its internal governance to ensure that such a situation cannot arise again; urges all parties to reach a financial agreement as soon as possible;

64. Acknowledges the efforts made by the negotiating teams to reconcile the two parties and commends them for brokering a potential basis for a fair, just and appropriately honourable resolution to this dispute;

65. Urges all parties to conclude an agreement on a fair financial settlement as a follow-up to the joint statement without further undue delay; recognises the sincerity of the request by the Committee to Parliament's Legal Service for its assistance in concluding such financial settlement;

66. Notes that the Committee was originally established to address important issues, as about three quarters of Union legislation is implemented at local or regional level for which reason it was necessary for local and regional representatives to have a say in the development of new Union laws; further notes that its original mission was to close the widening gap between the public and the process of European integration by involving regional representation;

67. Encourages the Committee to consider preparing a plan for reorganisation and streamlining of internal processes in order to achieve a closer cooperation with Parliament and the application of its knowledge in a more effective way;

68. Welcomes that the Committee publishes on its website annual reports on the impact assessments of its opinions since 2010; invites the Committee, furthermore, to set clear and measurable key performance indicators for the coming years in order to optimise its functioning.

DECISION (EU, EURATOM) 2021/1556 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2019, Section VIII – European Ombudsman

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2019 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2019 (COM(2020) 0288 – C9-0227/2020) ([2]),

— having regard to the European Ombudsman's annual report to the discharge authority on internal audits carried out in 2019,

— having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2019, 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 2019, 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) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([5]), and in particular Articles 59, 118, 260, 261 and 262 thereof,

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

— having regard to the report of the Committee on Budgetary Control (A9-0065/2021),

1. Grants the European Ombudsman discharge in respect of the implementation of the budget of the European Ombudsman for the financial year 2019;

2. Sets out its observations in the resolution below;

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

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([1]) OJ L 67, 7.3.2019.
([2]) OJ C 384, 13.11.2020, p. 1.
([3]) OJ C 377, 9.11.2020, p. 13.
([4]) OJ C 384, 13.11.2020, p. 180.
([5]) OJ L 193, 30.7.2018, p. 1.

RESOLUTION (EU) 2021/1557 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 2019, 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 2019, Section VIII – European Ombudsman,

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

— having regard to the report of the Committee on Budgetary Control (A9-0065/2021),

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

1. Notes with satisfaction that the Court of Auditors (the 'Court') identified no significant weaknesses in respect of the audited topics relating to human resources and procurement for the European Ombudsman (the 'Ombudsman');

2. Emphasises the fact that on the basis of its audit work, the Court concluded that the payments as a whole for the year ended on 31 December 2019 for administrative expenditure of the Ombudsman were free from material error;

3. Regrets, as an overall remark, that Chapter 9 'Administration' of the Annual Report of the Court has a rather limited scope and conclusions, even if Heading 5 'Administration' of the Multiannual Financial Framework is considered low risk; requests that the audit work for the chapter on Administration be more focused on issues which are of high relevance, or even on issues which are critical, for the Ombudsman;

4. Notes that 2019 was a transition year for the Ombudsman given that it coincided with the end of her first mandate and her re-election for the 2019-2024 parliamentary term; fully supports the objectives identified by the Ombudsman for her strategy 'Towards 2024' covering her second mandate;

Budgetary and financial management

5. Notes that the Ombudsman's budget is mostly administrative, with a large amount being used for expenditure related to persons, buildings, furniture, equipment and miscellaneous running costs; notes that it amounted in 2019 to EUR 11 496 261 (compared to EUR 10 837 545 in 2018 and EUR 10 905 441 in 2017);

6. Notes that the implementation rate in terms of commitments (including appropriations carried over from 2019 to 2020) is 92,3 % (compared to 95,3 % in 2018 and 93,91 % in 2017) and that of the total appropriations, 89,5 % were paid in 2019 (compared to 91,3 % in 2018 and 86,2 % in 2017);

7. Welcomes the improvements in carry-overs, such as the fact that the amount of appropriations carried over from 2019 to 2020 is EUR 323 410 representing 2,8 % of the 2019 budget (compared to EUR 433 866 carried over from 2018 to 2019, representing 4 % of the 2018 budget); notes furthermore that 90,36 % of the appropriations carried over to 2019 from 2018 were used (compared to 82,64 % in 2017);

8. Recognises the sound financial management of the Ombudsman; for example, whenever the underspending for certain budget lines appears to be systemic, the Ombudsman reduces the related appropriations in subsequent years, such as the budget line for publications, which was reduced proactively and progressively from EUR 219 000 in 2017 to EUR 123 000 in the 2021 draft budget;

9. Recalls that according to Article 228(1) of the Treaty on the Functioning of the European Union (TFEU) the Ombudsman 'shall be empowered to receive complaints (…) concerning instances of maladministration in the activities of the Union institutions, bodies, offices or agencies' except the Court of Justice of the European Union acting in its judicial role; acknowledges that the Ombudsman may conduct inquiries 'on his own initiative or following a complaint' (Article 3(1) of the Statute of the European Ombudsman) or 'through a Member of the European Parliament' (Article 228(1) TFEU); welcomes that the Ombudsman performs her duties in accordance with the Treaties and her mandate;

Inter-institutional cooperation

10. Is aware of an ever increasing workload and supports the strategy to adopt corporate solutions where possible, for example in the collaboration on administrative matters with the Commission and with the Paymaster Office (the 'PMO'), with a view to reallocating staff to handling of complaints; notes that the number of staff was smaller on 31 December 2019 than on 31 December 2018 with 74 posts compared to 78 posts; notes that this is due to vacant posts not filled on that date and a decrease in the number of contract agents;

11. Reiterates its support for the Ombudsman's request to raise the number of staff to address the increasing workload;

12. Welcomes the service agreements such as the implementation of a corporate tool (SYSPER personal file module) for the management of the personal files of members of staff and the delegation of the management of entitlements of individual members of staff to the PMO, signifying gains in administrative efficiency for smaller institutions in particular; notes that the information technology (IT) sector collaborates closely with Parliament and the Commission for the integration and maintenance of all Union corporate tools and for the use of inter-institutional IT framework contracts;

13. Encourages the Ombudsman to maintain and expand contacts with bodies at Union and national level, which serve the purpose of exchanging information and best practice and adopting common approaches (such as in relation to the guidelines developed via the Inter-institutional Online Communication Committee), where possible, on general administrative, financial, personnel and IT matters as well as on ethics, transparency and public integrity; welcomes the intense exchange with the offices of national ombudsmen, and the organising of meetings between the offices of national ombudsmen in order to identify topics for possible parallel inquiries;

14. Reiterates its call on the Ombudsman for closer cooperation with Parliament's Committee on Budgetary Control by making that Committee aware of relevant failures, in form of maladministration and/or institutions' negative replies to recommendations made by the Ombudsman in a concise and time-relevant format; appreciates however the fact that the Ombudsman includes a detailed account in its annual 'Putting it Right' report on how the institutions comply with her recommendations, and the Ombudman's confirmation that she will share her recommendations in individual cases directly with the responsible committee;

Human Resources

15. Repeats the need for gender balance at all hierarchical levels; acknowledges, in that regard, that the Ombudsman takes a proactive approach to maintaining a balance between male and female recruitments and that the Ombudsman has a highly qualified staff with gender balance in management positions;

16. Is aware of the difficulty posed for a small institution in striving for geographical balance but nevertheless notes that in 2019 the Ombudsman's staff represented 20 out of the 27 nationalities of the Member states; notes that the number of managers was seven, and that they were composed of five different nationalities (German, Irish, Italian, Polish and Swedish) compared to six different nationalities among managers in 2018; acknowledges plans for a reorganisation in 2020 to increase the Ombudsman's efficiency resulting in a reduction in the number of managers, while taking into account geographical balance, to the extent possible;

17. Notes that the Ombudsman updated its diversity policy, which addresses disability and gender balance; acknowledges that the guidelines for the implementation of the anti-harassment policy were finalised in 2019; notes that several other human resources policies and decisions were also finalised in 2019, such as those relating to 'back to school', reimbursement of removal expenses, part time work, return to work after sick leave of long duration, while the drafting of other policies, including on external activities, is ongoing;

18. Invites the Ombudsman to tackle personnel-related issues and look into ways of improving recruitment processes, so that vacant posts do not remain unfilled for an excessive period of time, which has a direct negative impact on the workload distribution and could - combined with the decrease in the number of contract agents - harm the efficiency of the institution;

19. Notes the flexible working arrangement offered to staff (flexitime, telework and part-time work) as well as training on team cohesion; encourages the Ombudsman to further enhance the staff well-being and to carry out satisfaction surveys to identify possible proposals for improvement proposals and to complete the flexible working arrangements with a protection of the staff members' right to disconnect;

20. Asks the Ombudsman to report on the concrete achievements of the updated diversity policy, the results of actions taken in regard to strengthening diversity and making the Ombudsman a more inclusive workplace for persons with disabilities;

Conflict of interest, harassment, whistleblowing

21. Recalls the Ombudsman's strategic initiative SI/2/2018/AMF on dignity at work in the Union institutions and agencies from 2018, as an example of best practice in the prevention of harassment; notes that raising staff awareness on harassment issues has become a priority for the Ombudsman by offering mandatory trainings to all staff on 'dignity and respect at work'; notes the training organised for ethics correspondents and conciliation committee members in order to prepare them for carrying out their functions in the context of the Ombudsman's anti-harassment policy; appreciates that information sessions on ethics covering matters such as ethical conduct and behaviour, harassment, whistleblowing, conflicts of interest, and external activities have become an integral part of the Ombudsman's induction training for new members of staff as well as trainees;

22. Congratulates the Ombudsman on its user-friendly website which contains a chapter on ethics in addition to all the information on its core business; appreciates the detailed list of missions undertaken by the Ombudsman in 2019, as published on the website for transparency reasons including information on destination, purpose and related costs, information which is also available in its annual activity report;

23. Notes that a complex approach is needed in order to make the European institutions' home pages accessible to persons with all kind of disabilities, including the availability of national sign languages; suggests that disability-related organisations be involved in this process;

24. Appreciates the Ombudsman's work on conflict of interest issues, especially its cooperation with the 'High Authority for Transparency in Public life' (HATVP) in France and its participation at events in the Parliament and the European Central Bank on this important topic;

Internal management, performance, internal control

25. Recognises the Ombudsman's clearly formulated set of key performance indicators (KPI); welcomes the reported efficiency gains such as in the case-handling processes, which surpassed the previous year's results, such as 'Decision on admissibility' taken within one month in 91 % of cases (compared to 90 % in 2018), 'Inquiry closed within 6 months' in 63 % of cases (compared to 57 % in 2018) and 'Inquiry closed within 18 months' in 90 % of cases (compared to 88 % in 2018);

26. Calls on the Ombudsman to examine how to measure the broader impact of the Ombudsman's inquiries and related recommendations on the Union institutions; is very well aware that the compliance with proposals is recorded at a particular point in time and does not capture change that occurs more slowly and which is often the result of wider investigations; notes an overall compliance rate of 77 % (compared to 81 % in 2018); requests finally that relevant data be presented as a specific KPI;

27. Welcomes the fact that the institutions reacted positively to 90 out of the 117 proposals for improvement made by the Ombudsman; notes that proposals were made in 69 cases, with 52 of these cases leading to the institutions taking steps to improve how they work; welcomes the fact that eleven institutions had a 100 % rate of compliance with proposals for improvement, while the Commission, which accounts for most cases, had a compliance rate of 70,9 %;

28. Observes that in 2019, the number of complaints registered was 2 171 (compared to 2 160 in 2018), that the number of new cases processed was 2 201 (compared to 2 180 in 2018) and that the number of cases within the Ombudsman's mandate was 871 (compared to 880 in 2018); notes that the Ombudsman opened 456 new inquiries based on complaints (compared to 482 in 2018) and closed a record number of 552 complaint-based inquiries (compared to 534 in 2018) and as a result of the high turnover of cases, only 117 inquiries were carried over to 2020 (compared to (222 carried over to 2019);

29. Notes that the categories of complaints that saw the biggest increase are: respect for fundamental rights, proper use of discretion (including infringement procedures), culture of service, transparency and respect for procedural rights; encourages the Ombudsman to continue reporting to the Parliament on the recommendations made to Union institutions in this regard;

30. States that the following are the results of inquiries closed by the Ombudsman in 2019: no maladministration found in 56 % of cases, settled by the institution, solutions achieved or solutions partly achieved in 33 % of cases, no further inquiries justified in 5 % of cases, maladministration found, recommendation agreed or partly agreed in 5 % of cases and 'other' in 0,9 % of cases;

31. Notes that the internal auditor's annual report for 2018 concluded that, subject to closure of the remaining action on business continuity management, the Ombudsman's risk management, control and governance systems were effective and efficient and provided reasonable assurance that it will attain its control objectives on a consistent basis; notes that the Ombudsman developed synergies with the Commission in order to use corporate tools and/or services for staff management, financial management and accounting, public procurement, management of missions and recruitment; asks the Ombudsman to inform it on any follow-up in relation to the actions carried over in respect of business continuity management;

32. Notes that the Ombudsman's response in her report on the follow-up to the discharge for the financial year 2018 related to the process for the revision of the Statute of the European Ombudsman; notes that once a new regulation governing the performance of the Ombudsman's duties has been adopted, the Ombudsman will review its implementing provisions accordingly and will include any developments in this regard in the future annual activity reports;

Transparency

33. Highlights the complaint-based inquiry in which the Ombudsman asked the general secretariat of the Council to keep a full record of any meetings held between lobbyists and the President of the European Council and/or members of his cabinet; agrees with the Ombudsman's statement that members of the President's cabinet should only meet with, or only attend events organised by, representatives of interests who are registered in the transparency register;

34. Takes the opportunity to congratulate the Ombudsman on the opening of an investigation (OI/2/2017) on the transparency of the Council's legislative work in 2017 in order to allow citizens to more easily follow the legislative process of the Union; welcomes the recent positive echoing by the Ombudsman of the new transparency steps taken by the Council, for example by proactively publishing progress reports on negotiations on draft laws, a development which is in line with proposals made by the Ombudsman as a result of her inquiries; nevertheless, recalls the Ombudsman's opinion that the Council should further step up its transparency efforts by, *inter alia*, publishing Member States' positions, Council legislative documents including minutes of Working Group meetings, trilogue and other milestone working documents; appreciates the Ombudsman's proposals to ensure a more systematic and effective approach to dealing with former members of staff moving to the private sector or people moving from the private sector to the Commission;

35. Acknowledges another good example such as the report on the fast-track procedure for public access cases and its implementation; welcomes the evaluation which was carried out indicating that the fast-track procedure had given rise to a three-fold decrease in the time taken to deal with access to documents cases;

36. Appreciates the finalisation of its user-friendly case handler handbook, combining all case-handling procedures in a dynamic and concise yet comprehensive way;

37. Welcomes the fact that the Ombudsman automatically publishes inquiries on its website unless a complainant has specifically requested confidentiality or a case contains personal data;

Digitalisation, cybersecurity, data protection

38. Asks the Ombudsman in the context of its policy for digitalisation to further develop the interaction between the website and the case management system by ensuring an automatic importation of information from the website to the complaint management system, enabling the complainant to add further correspondence to a complaint submitted online, and asks that the online account be used when interacting with the complainant throughout the process;

39. Welcomes the fact that the Ombudsman supports the importance of data protection, and commits to enhancing further the awareness of users of the importance of online data protection; congratulates the Ombudsman on her Action Plan for the European Union Data Protection Regulation produced in 2018 aimed at enabling the institutions to adapt to the new legislation, as well as the progress achieved implementing the 24 actions identified in the plan throughout 2019; appreciates the creation of the Register of records of processing operations of the European Ombudsman and the cooperation with the European Parliament;

40. Welcomes that the Ombudsman uses free and open-source software for external and internal communication; appreciates that the Ombudsman recognizes the added value of open-source software in order to increase transparency;

41. Encourages the Ombudsman to follow the European Data Protection Supervisor's recommendation to renegotiate the Inter-Institutional Licensing Agreement and implementation contract, signed between the Union institutions and Microsoft in 2018, with the objective of achieving digital sovereignty, avoiding vendor lock-in and lack of control, as well as of ensuring the protection of personal data;

Communication

42. Welcomes the fact that the Ombudsman exceeded the targets set for social media in 2019; notes that the Ombudsman reached 36 717 mentions on Twitter (the target was 20 000) and that the number of Twitter followers went from 22 600 at the end of 2018 to 26 300 in December 2019, which represents a 16 % increase; notes that the fastest-growing channel was Instagram, where the audience grew by 47 % during the year and that on LinkedIn, the number of followers increased by 21 %;

43. Congratulates the Ombudsman on the fact that the new intranet, SISTEO, went on line in December 2019, for which a review project started in 2018 aiming to facilitate the circulation of information and to facilitate access to internal processes and tools and to inter-institutional applications and platforms; welcomes also the fact that the European Network of Ombudsman (ENO) extranet project was completed in December 2019;

44. Underlines the importance of a good functioning collaboration among the ENO as Union law and policies are increasingly important for the everyday life of citizens of the member states;

45. Highlights the second edition of the award for good administration launched by the Ombudsman, which dealt with 54 inspiring projects originating from the main Union institutions, as well as many agencies and other bodies, which shows the high level of interest in the award; notes that the overall award for good administration went to the teams from the Commission that worked on the Union initiative to reduce plastic pollution and raise awareness about the problem;

Environmental dimension

46. Welcomes the Ombudsman's commitment to reducing its environmental footprint via concrete actions such as the extensive use of videoconference facilities for internal and inter-institutional meetings, and which have made it possible to reduce missions; notes the teleworking policy, which is used by many members of staff (and by all staff during the COVID-19 crisis), which limits individual transportation; encourages the Ombudsman to continue undertaking actions aiming at reducing the carbon footprint as well as to pay close attention to the energy mix used by the institution, with an emphasis on promoting clean and renewable sources;

47. Welcomes the initiatives taken by the Ombudsman's office to encourage the use of public transportation by providing financial support for yearly subscriptions and by limiting available car parking spaces.

DECISION (EU, EURATOM) 2021/1558 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2019, Section IX – European Data Protection Supervisor

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2019 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2019 (COM(2020) 0288 – C9-0228/2020) ([2]),

— having regard to the European Data Protection Supervisor's annual report to the discharge authority on internal audits carried out in 2019,

— having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2019, 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 2019, 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) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([5]), and in particular Articles 59, 118, 260, 261 and 262 thereof,

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0067/2021),

([1]) OJ L 67, 7.3.2019.
([2]) OJ C 384, 13.11.2020, p. 1.
([3]) OJ C 377, 9.11.2020, p. 13.
([4]) OJ C 384, 13.11.2020, p. 180.
([5]) OJ L 193, 30.7.2018, p. 1.

1. Grants the European Data Protection Supervisor discharge in respect of the implementation of the budget of the European Data Protection Supervisor for the financial year 2019;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1559 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 2019, 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 2019, Section IX – European Data Protection Supervisor,

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0067/2021),

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

1. Welcomes the conclusion of the Court of Auditors (the 'Court'), according to which the payments as a whole for the year ended on 31 December 2019 for administrative and other expenditure of the European Data Protection Supervisor (the 'EDPS') were free from material error and that the examined supervisory and control systems for administrative and other expenditure were effective;

2. Notes with satisfaction that in its annual report for 2019, the Court observed no serious weaknesses in respect of the audited topics related to the EDPS' human resources and procurement activities;

3. Regrets, as an overall observation, that chapter 9 'Administration' of the Annual Report of the Court has a rather limited scope and conclusions, notwithstanding the fact that the Multiannual Financial Framework Heading 5 'Administration' of the is considered low risk; requests that the audit work for the chapter on Administration be more focused on issues of high or even critical relevance for the EDPS;

4. States that in 2019, the EDPS had a total allocated budget of EUR 16 638 572 (compared to EUR 14 449 068 in 2018 and EUR 11 324 735 in 2017), which represented a 15,15 % increase compared to the 2018 budget; notes that the budget implementation rate in terms of commitments was 91,97 % (compared to 93,7 % in 2018 and 89 % in 2017); recognizes the positive trend in terms of the payment implementation rate which was 80,69 % (compared to 75,2 % in 2018 and 77 % in 2017) with a payment appropriation carry-over rate of 12,18 %; calls however on the EDPS to continue its efforts in terms of prudent budget estimates;

5. Notes that the overall budget increase was mainly due to the impact of the new tasks resulting from Regulation (EU) 2018/1725 ([1]), which lays down the data protection obligations for the Union institutions and bodies in relation to the processing of personal data and the development of new policies, and the necessary growth of the European Data Protection Board (EDPB) that was created on 25 May 2018 and for which the EDPS was entrusted to provide an independent secretariat; recognises that 2019 was the first full year of operation of the EDPB Secretariat and of the implementation of Regulation (EU) 2018/1725, which justifies the increase; the related allocated budget increase amounted to 51 % (from 3 594 746 EUR in 2018 to 5 413 838 EUR in 2019);

6. Welcomes the EDPS's follow-up to the 2018 discharge resolution, for example the additional information provided in relation to the payment appropriation rate of 75 % for 2018, which resulted finally in an execution rate of 90,79 % of the whole 2018 budget (including payments from carry-over);

([1]) Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

7. Appreciates the diligent and proactive action of the EDPS in monitoring the Union institutions' respect for data protection; notes in particular the EDPS' investigation into the use of NationBuilder, a US-based political campaigning company, for the processing of personal data as part of the Parliament's activities relating to the 2019 European election, as well as for the guidelines issued on the use of body temperature checks by Union institutions in the context of the COVID-19 crisis;

Human resources

8. Notes that at the end of 2014, the EDPS comprised 55 members of staff (compared to 96 at the end of 2019), which signifies almost a doubling in the number of staff; is aware that the EDPS's budget is mostly administrative, with a large proportion being used for expenditure relating to persons, buildings, furniture, equipment and miscellaneous running costs; notes that a substantial number of staff are contract staff employed for a temporary period, such as the replacement of staff on parental leave or for the implementation of specific actions;

9. Notes a substantial increase in the number of contract agents from 2013 to 2019 (from 12 to 31) compared to the number of officials in the same period (from 45 to 58); acknowledges the advantages of using contract agents in terms of cost-efficiency and flexibility but asks the EDPS to reflect on the need to offer prospects of professional progression to its staff and to retain specialised knowledge in the institution;

10. Notes that the EDPS acknowledges the stronger burden on senior and middle management and, subsequently, on case officers due to the absence of an assistant supervisor while the new Regulation (EU) 2018/1725 was entering into force; calls on the institution to re-examine its organisational chart and report back to the budgetary authority;

11. Underlines efforts made relating to wellbeing; notes that the EDPS has adhered to the Fit@work programme of the Commission; observes that the EDPS plans to enlarge the premises in 2021, following the relocation of the European Ombudsman, and will use this opportunity to install a well-being room and a library; notes that the EDPS provides staff with contacts and information concerning psychosocial as well as medical support, and that this was strongly implemented in the period of the COVID-19 crisis; notes the informal mid-term appraisals with staff (on top of the official annual appraisal), which give them the opportunity to voice concerns and give feedback in an informal way; encourages the Supervisor to complete the existing flexible working arrangements with a protection of the staff members' right to disconnect;

12. Observes that the EDPS staff comprises 19 Union nationalities and had a gender representation of 39 % male staff and 61 % female staff in 2019; notes that the most important actions in support of gender equality were the nominations at middle management level (one male and three female heads of unit); notes further the introduction of greater flexibility as regards remote working; highlights the fact that women use the flexible working arrangement much more often than men; appreciates the inclusion of an equal opportunity clause, both in recruitment materials and vacancy notices, stating that the EDPS is an equal opportunities employer and welcomes applications from those with disabilities; believes that such a clause shall be maintained and included by default in all future vacancy notices;

13. Underlines the EDPS' initiatives aimed at using office space more sustainably and optimising it as well as reducing the energy level in the building, such as the promotion of structural and occasional teleworking, and the reimbursement of 50 % of the cost of public transport tickets to staff who cease to use office parking spaces and return their parking vignette;

14. Notes that the EDPS is a small organisation with a need for highly specialised staff, however, there is a slight geographical imbalance in staff, in that only 19 Union nationalities are represented in the EDPS, of which Belgian citizens hold 28 % of the positions; invites the EDPS to consider further measures to ensure a more balanced representation of Union nationalities;

Ethics and integrity policy

15. Appreciates that the ethics framework of the EDPS was revised on 12 November 2019 pursuant to the new legal framework, notably Regulation (EU) 2018/1725; highlights the formal establishment of the position of ethics officer with a clear mandate, including reporting to the management board at least once per year on the implementation of the ethics framework;

16. Calls on the EDPS to envisage the preparation of a code of conduct for the EDPB senior management (chair, vice chairs, etc); highlights that the two revised codes of conduct (for staff and for the EDPS) were adopted on 6 December 2019; notes that the revised code of conduct for staff has paid particular attention to whistleblower protection; welcomes the fact that all newcomers are provided with an awareness-raising session on the EDPS' ethical framework and the new code of conduct for staff;

17. Welcomes the fact that the EDPS has also adopted a revised decision concerning the terms and conditions for internal investigations in relation to the prevention of fraud, corruption and any illegal activity detrimental to Union interests in September 2019; notes that the importance of this topic has been underlined in staff meetings and will be flagged at the next awareness raising session to all staff;

18. Considers the EDPS equal opportunities clause to be an excellent signal for the inclusion of those with disabilities and for ensuring equal opportunities as well as for strengthening work place diversity;

19. Commends the EDPS for having put all guidelines and procedures related to the ethical framework on the intranet immediately after their adoption; calls on the EDPS to organise awareness-raising activities for the staff, including members of staff other than newcomers, regarding the applicable ethical framework and to adopt a proactive system to avoid conflicts in the workplace; notes the revised decision on external activities adopted on 13 September 2019, and the fact that the related presentations with real life examples had to be postponed due to the pandemic;

Buildings

20. Notes that according to the original plans the EDPS should have occupied the whole MTS building as of September 2019; notes, however, that due to external factors the move of the Ombudsman was delayed and consequently the expansion didn't happen, which affected the execution under Title 2 of the EDPS' budget;

21. Notes that the new telework decision allows staff to work at home, allowing the EDPS to make more use of shared offices and make savings on related expenditure;

Inter-institutional cooperation

22. Recognises that due to the very small size of the office of EDPS, the concluding of service level agreements (SLA) such as with the Commission for training, for the medical service, for the use of Sysper, for the appraisal system, for the payment of salaries, for staff insurance and the organisation of missions, for accounting services and transportation services, is important for efficiency gains; encourages the inter-institutional activities of the EDPS, including the 60 framework contracts initiated by various Union institutions; notes that the EDPS has SLAs with the Parliament for IT and building-related expenditure;

23. Invites the EDPS to explore the possibility of joining the transparency registry on the basis of a SLA; notes the inter-institutional cooperation through SLA between the EDPS and other Union institutions and bodies; calls on the EDPS to carry out comprehensive and realistic cost benefit analysis before entering in any agreement;

24. Welcomes the enhanced cooperation between the EDPS and the national data protection authorities under the umbrella of the EDPB, as defined in the GDPR in respect of joint inspection e.g. by Europol; agrees that under the GDPR cooperation is no longer an option or an ancillary task, but a core and integral part of the tasks of every supervisory authority and that this is an important step towards formalising and strengthening exchanges and cooperation among supervisory authorities within the Union;

25. Appreciates the fact that the EDPS continued to work with its regional and international partners to mainstream data protection through international agreements and to ensure consistent protection of personal data worldwide over the past five years; welcomes the fact that the EDPS has dedicated significant time and effort to the development of greater data protection convergence globally, in view of the fact that data flows internationally, across borders, while data protection rules are still decided on a largely national, and even regional, basis;

Digitalisation, cybersecurity

26. Notes that the EDPB Secretariat has developed IT solutions to enable effective and secure communication between EDPB members, including the internal market information system (IMI), in which 807 cases were registered from the entry into application of the GDPR up to the end of 2019;

27. Recalls that the workload of the EDPS as a responsible body for monitoring data protection compliance in all JHA agencies has increased in the last years, and is expected to increase further due to increasing digitalisation in Union institutions, bodies and agencies;

28. Welcomes the fact that the EDPS developed and made publicly available in 2019 an open source inspection software tool called 'website evidence collector', which has received international acclaim and won the 2019 prize for innovation; welcomes the fact that the EDPS continuously evaluates other open source software that can be used to increase transparency and avoid vendor lock-in effects; observes the successful webinars recently conducted in partnership with the Delft Technical University, which helped in the implementation of the open-source online learning platform 'big blue button' in a privacy-friendly manner;

29. Welcomes the EDPS' efforts to improve digitalisation and cybersecurity in Union institutions through the inspection of their websites using an open source software tool, which revealed that several websites were not compliant with the EUDPR or with the ePrivacy Directive and did not follow the EDPS Guidelines on web services; invites the EDPS to report to the Parliament on any persisting issues regarding the non-compliance of institutions with EUDPR and the ePrivacy Directive;

30. Notes with satisfaction also the EDPS' focus on developing and sharing technological expertise in order to ensure effective data protection for example through the TechDispatch publication, launched in July 2019, which describes a different emerging technology in each issue, aiming to provide information on the technology itself, an assessment of its possible impact on privacy and data protection and links to further reading on the topic;

31. Welcomes the setting up an internal Task Force on COVID-19, which produced a number of orientation papers and technology primers to improve the compliance of contact tracing apps with data protection, which provided feedback to the Commission on a solution for their interoperability and worked with the EDPB to combat the potential misuse of digital data in the context of the pandemic; encourages the EDPS to continue providing the institutions with detailed opinions regarding data protection issues that may arise from digital initiatives used to counter the pandemic, including contact tracing-apps and vaccination or test certificates;

32. Welcomes the activities aimed at verification of compliance with data protection rules and its assessment of Union bodies in this regard; notes that the supervisory activities of EDPS are guided by the accountability principle and follow a risk-based approach;

Communication

33. Welcomes the fact that the EDPB Secretariat set up a network of communication officers within the Supervisory Authorities, to ensure joint communication on EDPB news, joint information campaigns and joint development of communication tools; notes that this network met twice in 2019 and adopted a joint 2020 EDPB information and communication plan;

34. Encourages the EDPS to continue fostering the global debate on digital ethics; highlights the launch of a series of webinars focusing on a specific area of concern and which were published in the form of a podcast on the EDPS' website; welcomes the ongoing discussion on digital ethics further developed at the 2019 international conference, which continued through the workshop on artificial intelligence, ethics and data protection, and through the organisation of an event focusing on the environmental impact of digital technologies;

35. Notes that a complex approach is needed in order to make the Union institutions' homepages accessible to persons with all kind of disabilities, including the availability of national sign languages; suggests that disability-affected - persons are involved in this process;

Internal management, internal control, finance, performance

36. Calls on the EDPS to report on the exact role and specific tasks of the Coordinated Supervision Committee, established in 2019 in the context of data processing by large information systems in use within the Union institutions bodies, offices and agencies; notes that this Committee functions autonomously with respect to the EDPB's activities, adhering to its own rules of procedure and working methods and that the Secretariat of the Committee is provided by the EDPB Secretariat;

37. Is aware that the EDPS uses a number of key performance indicators (KPIs) to assist in the monitoring of its performance; welcomes the fact that the EDPS met or exceeded - in some cases significantly - the targets set in six of the eight KPIs, e.g. the number of cases dealt with at international level (62 in 2019, exceeding a target of 10), and the number of opinions/comments issued in response to consultation requests (26 consultations in 2019, exceeding a target of 10 consultations); invites the EDPS to closely monitor and adapt where necessary objectives which are performing poorly;

38. Notes that the EDPS revised the Internal Control Standards (ICS) decision in November 2019 in order to update the legal framework applicable to the EDPS; notes that following a suggestion from the Court, the ICS monitoring report will be issued annually instead of biannually and is now presented to the management board; notes that the monitoring of the implementation of the ICS is the responsibility of the internal control coordinator, who reports directly to the director;

39. Is aware that the Commission's internal auditor (IA) is also the internal auditor for the Supervisor; regrets that during 2019, the IA did not perform any audit, but rather issued its annual internal audit report for 2019 with only two statements and there are no open recommendations; asks the EDPS to facilitate closer cooperation with the IA and to ensure proper annual auditing;

40. Welcomes the publication of the cost of internal control activities representing 3,77 % of the EDPS' expenditure; notes that the calculation model consists of a single global indicator, which is calculated by dividing the approximate overall cost of control by all expenditure made during the year (budget implementation in terms of payments);

41. Notes that, due to the increased budget, payment requests increased substantially, from 1 777 transactions in 2018 to 2 653 transactions in 2019; agrees that this increased workload requires solutions in order to render the institution more efficient in terms of processing of financial operations, and welcomes the introduction of a paperless workflow system from 1 January 2020;

42. Asks the EDPS to report on any improvements made on the efficiency of administrative processes, which seem to be essential due to an ever-increasing workload and the continuing increase in size of the institution; recalls furthermore the necessity of ongoing reforms to ensure that the EDPS is well equipped to respond to future challenges in data protection;

43. Welcomes the efforts of the EDPS to improve its working methods and thereby make savings; calls on the EDPS to report to the budgetary authority on the new systems and applications developed in this area, namely the Speedwell workflow system for the payment of invoices and Bluebell to improve the contribution of the units to the establishment of the budget;

44. Observes that the Secretariat of the EDPB organised 11 plenary meetings and 90 expert subgroup meetings; notes that nearly 70 % of the official documents adopted by the EDPB since May 2018 were drafted by the EDPB Secretariat's legal team; notes that the EDPB adopted five new guidelines aiming at clarifying the range of provisions under the GDPR; underlines that the EDPB Secretariat is the main drafter for opinions and decisions on consistency and that it organises stakeholder events to gather input and opinions on issues with a view to developing guidance; notes that another task of the EDPB is to issue advice to the legislator;

45. Welcomes the fact that the new supervisory framework came into force for the processing of personal data at the European Union Agency for Criminal Justice Cooperation (Eurojust), as well as the fact that the EDPS is taking over responsibility for monitoring Eurojust's compliance with the applicable Union rules on data protection;

46. Concludes that in 2019, the EDPS received 59 admissible complaints seeking an in-depth inquiry, and that the EDPS issued 48 complaint decisions; notes that the EDPS also received 151 inadmissible complaints, the majority relating to data processing at national level as opposed to processing by a Union institution or body; notes that the EDPS replied to all inadmissible complaints, directing the complainant to the relevant authority;

47. Welcomes the completion of the Supervisor's Strategy 2015-2019, which focused on digitisation, global partnerships and the modernisation of data protection, bringing the concepts of ethics and accountability to the forefront of data protection discourse and application;

Environmental dimension

48. Appreciates that the EDPS is closely following EMAS initiatives and has started to convert human resources processes (selections, appraisal) and financial and administrative processes (payments, MiPS) into paperless procedures; notes the initiatives carried out by the EDPS to reduce the use of plastic bottles by its staff; agrees to the EDPS' strategy in providing more flexible ways of working for its staff (occasional and structural teleworking); notes that those flexible working arrangements help to reduce energy for the EDPS as well as to use office space in a more optimal way; invites the EDPS to consider actions to further reduce the carbon footprint, such as choosing clean and renewable sources of energy;

GDPR

49. Agrees that data controllers and processors within the Union now benefit from a single set of rules bringing interlocutors through the one-stop-shop mechanism to an increasing extent; agrees that the GDPR also contributes to increased global visibility of the Union legal framework;

50. Appreciates that the Supervisor has greatly contributed to creating a culture of data protection in the Union institutions and has helped elevate the status of data protection as a fundamental right under Article 8 of the Charter of Fundamental Rights of the European Union;

51. Emphasises the important role of the EDPS, namely, to ensure the protection of personal data and privacy of individuals by monitoring personal data processing by the Union institutions, bodies and agencies, by advising them on all matters related to personal data processing and by cooperating with national supervisory authorities with a view to ensuring the consistent protection of individuals' fundamental rights and freedoms, including the right to data protection and privacy, irrespective of where they live in the Union;

52. Is of the opinion however that the implementation of GDPR, notwithstanding its harmonisation of rules, may be particularly challenging for small and medium sized companies (SMEs); asks the EDPS to further alleviate the administrative burden on SMEs; calls on the EDPS to consider the possibility of conducting a cost evaluation of the implementation of GDPR in the near future;

53. Calls on the EDPS to strengthen further its efforts in ensuring that Union institutions are able to effectively implement the data protection rules; notes that the EDPS launched four investigations in 2019 with the objective of improving data protection practices; welcomes in particular the investigation into the use of Microsoft products and services by Union institutions, providing as a result a platform for discussion both on how to take back control over the IT services and products offered by the big IT service providers and on the need to collectively create standard contracts instead of accepting the terms and conditions as they are written by such providers.

DECISION (EU, EURATOM) 2021/1560 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2019, Section X – European External Action Service

THE EUROPEAN PARLIAMENT,

— having regard to the general budget of the European Union for the financial year 2019 ([1]),

— having regard to the consolidated annual accounts of the European Union for the financial year 2019 (COM(2020) 0288 – C9-0229/2020) ([2]),

— having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2019 (COM(2020)0268),

— having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2019, 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 2019, 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) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([5]), and in particular Articles 59, 118 and 260 to 263 thereof,

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

— having regard to the opinion of the Committee on Foreign Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0063/2021),

([1]) OJ L 67, 7.3.2019.
([2]) OJ C 384, 13.11.2020, p. 1.
([3]) OJ C 377, 9.11.2020, p. 13.
([4]) Annual report on the implementation of the EU budget for the 2019 financial year, p. 11.
([5]) OJ L 193, 30.7.2018, p. 1.

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 2019;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1561 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 2019, 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 2019, Section X – European External Action Service,

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

— having regard to the opinion of the Committee on Foreign Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0063/2021),

A. whereas all Union institutions are accountable to European citizens for the use of public funds while ensuring the greatest transparency in order to ensure effective democratic control;

B. whereas Union strategic communication is becoming a high priority on the European agenda, requiring the Union to provide objective and robust narratives to fight disinformation and to ensure greater resilience of the Union;

C. whereas gender mainstreaming and gender equality need to be reflected in all Union institutions' internal organisational and management systems, as well as in the designing and implementation of the policies in their remit;

European Court of Auditors' observations

1. Notes with satisfaction that, according to the observations of the Court of Auditor's (the 'Court's') annual report related to Chapter 9 'Administration - MFF heading 5', no specific issues were identified in the sample of transactions concerning the European External Action Service (EEAS) for the third consecutive year and no material level of error was identified in the EEAS's annual activity report;

2. Notes the Court's general observations on the increase in the number of contract staff and the related budget appropriations from 2012 to 2018; observes that for the EEAS, this increase was due to tasks reflecting the placing of new operational and political responsibilities on the EEAS, in particular in the areas of the common security and defence policy, the implementation of the action plan against disinformation as well as the urgent priority of reinforcing physical and IT security in Union Delegations; observes in respect of the EEAS an overall increase in contract staff from 322 to 444 (a growth of 38 %); supports the efforts of the EEAS to strengthen its administration and asks EEAS to report back to Parliament's Committee on Budgetary Control on the results and the impact of the increased contract staff numbers; encourages EEAS to create and share guidelines on best practices on the conducting of recruitment procedures in order to ensure openness, fairness and transparency;

3. Calls on the Court to explore ways of providing more information on the administrative expenditure of other Union institutions in the context of the discharge;

4. Reiterates that the overall audit approach deserves further auditing work and more targeted assessment; repeats its call for a more dedicated review of the administrative expenditure and support activities of the EEAS and specifically on topics that are becoming of higher or even critical relevance for the EEAS, such as strategic communication capacity and information technology (e.g. cybersecurity), the performance of the global security package for Delegations, infrastructures or the financial management and administrative support of mission support platform to the civilian common security and defence policy;

Human Resources

5. Notes the growing instability and rise of unprecedented challenges in the international environment, which has increased demands on the Union to act as a global player; highlights the EEAS's central role in conducting the external policy of the Union; notes that the EEAS's enhanced role has not been underpinned by a corresponding staff increase; calls for sufficient human resources to be made available in order to not put at risk the Union's effectiveness on the international scene;

6. Notes that the EEAS plays a vital role in ensuring the coherence of the Union's foreign policy; highlights also the need to provide the necessary resources for a successful implementation of an efficient common security and defence policy for the Union;

7. Calls on the EEAS to strengthen the Union Delegations in the Eastern Partnership and Western Balkan countries and to create posts for local agents responsible for reporting on legislative work, in order to increase the Union's understanding of the neighbourhood and its approximation to the Union *acquis*; underlines the need to assist those countries in completing reforms and to communicate Union policies more effectively to their citizens; stresses the necessity of developing more horizontal links and fostering cooperation among the Union Delegations in the Eastern Partnership and Western Balkans regions, particularly by establishing regular exchanges of information and expertise and other successful working approaches, in order to provide the best possible assistance to neighbouring countries engaged in pro-democratic and pro-European reforms; calls on the EEAS to take action to resolve the problems leading to the procurement errors identified and to prevent future infringements of relevant rules;

8. Is concerned about the geographical imbalances in the composition of the EEAS staff as it is a recurrent issue and particularly concerns the positions of Heads of Delegations and in middle and senior management; notes considerable disparities in the representation of countries with comparable population sizes and between western and eastern European countries; stresses that the EEAS, like all European institutions, must ensure that all Member States are proportionally represented while at the same time respecting the competences and merits of the candidates; urges the EEAS to enhance the geographical balance in order to have an appropriate representation of nationals from all Member States, reflecting their diversity, as indicated in Article 27 of the Staff Regulations of Officials; welcomes the efforts made by the EEAS to keep the Human Resources Network of EU Member States informed about the composition of staff, to publish vacancies and to promote national efforts to increase the number of candidates; calls on the EEAS to report on the distribution of nationalities in the selection committee responsible for hiring; asks the EEAS to provide statistics on staff members according to nationality for the year 2019;

9. Observes that the number of seconded national experts ('SNEs') from Member States started to slightly increase after two years of stabilisation, from 449 in 2017-2018 to 461 in 2019, while noting an evolution towards more specialised profiles for civilian SNEs; notes with satisfaction the new internal policy on SNEs adopted in 2019 and several measures taken to rebalance the share of the SNE, in addition to limiting the creation of new SNE posts to specialists in specific areas;

10. Welcomes the efforts made by the EEAS in working on a Disability Roadmap and the development of the EEAS Disability Policy, asks the EEAS to inform the discharge authority on the development and execution of these policies, stresses the importance of promoting a more inclusive working environment through these policies;

11. Encourages the EEAS to complete the existing flexible working arrangements with a protection of the staff members' right to disconnect;

Gender policy

12. Notes with satisfaction the upward trend with regard to the proportion of women reaching management positions with 30,3 % (or 81 positions) compared to 27,1 % in 2018 and 24,5 % in 2017; takes also note of the increasing proportion of women posted as Heads of Delegation from 19,5 % in 2015 to 27,7 % in 2019 (or 38 postings out of 137); reiterates its support for the EEAS in the continuing of its efforts with Member States to introduce more women candidates; notes that overall women represented 47,7 % of EEAS staff; recalls that gender balance should also be considered with regard to EU special representatives, in view of the fact that only two out of eight EU special representatives are women;

13. Calls on the EEAS to work swiftly towards the goal of 50 % of women in senior and middle management positions, as set out in the Gender Action Plan III, including through a clear timeline and measures that set out how and when that objective shall be achieved; calls on the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy to implement his stated commitments to gender equality and women's representation in his own service;

Budgetary and financial management

14. Acknowledges the operational difficulties encountered by the EEAS in the financial management of the EU Network of Delegations due to various crisis situations; recognises that those situations can have a significant budgetary impact, namely in the management of certain administrative expenditure and costs such as security and evacuation costs, and the additional logistical costs linked to the COVID 19 pandemic; asks the EEAS to inform Parliament's Committee on Budgetary Control promptly on the budgetary impacts and expenses incurred because of the pandemic;

15. Notes that the total budget of the EEAS for 2019 amounted to EUR 694,8 million (an increase of 2,4 % compared to 2018) split as follows: EUR 249,7 million for EEAS headquarters and EUR 445,1 million for the Delegations;

16. Observes that, for the 2019 EEAS budgetary exercise, the main budgetary trends concern reinforcement to deal with the impact of the UK's withdrawal from the Union, the strengthening of the Regional Security Officer and Delegations networks, additional staff for the European Union Military Staff (EUMS) and Crisis Management and Planning Directorate (CMPD), IT capacity information and secure communications;

17. Observes that the headquarters' budget amounted to approximately EUR 250 million, of which EUR 161,8 million (64,8 %) concerned the payment of salaries and other entitlements of statutory and external staff, EUR 32 million (3 %) were for buildings and associated costs, and EUR 35,3 million (14 %) related to IT computer systems including classified information systems, equipment and furniture;

18. Notes that the Delegations' budget of EUR 445,1 million was divided between EUR 129,2 million (29 %) for the remuneration of statutory staff, EUR 161,7 million (36,3 %) for buildings and associated costs, EUR 71,6 million (16,1 %) for external staff and outside services, EUR 37,8 million (8,5 %) for other expenditure related to staff and EUR 44,7 million (10 %) for other administrative expenditure;

19. Calls on the EEAS to ensure that the Union Delegation to the United Kingdom has a permanent and stable status consistent with the Treaties and that it is provided with the human and material resources to carry out its tasks, in particular with regard to monitoring of compliance;

20. Notes also that a contribution of EUR 215,8 million (compared to EUR 196,4 million in 2018) was transferred by the Commission to cover the administrative costs of the Commission's staff working in the Union's delegations and was split between the Commission's Heading V with EUR 49,6 million (similar to 2018), the administrative lines of operational programmes with EUR 103,1 million (compared to EUR 91,8 million in 2018), and the European Development Fund (EDF) and trust funds with EUR 63,1 million (compared to 55 million in 2018);

21. Observes that in 2019, the common overhead costs relating to all delegations' offices (rent, security, cleaning and other overheads), including EDF delegations, were financed entirely from the budget lines of the EEAS for the fourth consecutive year;

22. Notes with appreciation the overall improvement in the implementation of the 2019 EEAS budget with an implementation rate of 99,94 % in commitments (compared to 99,9 % in 2018) and 87,9 % in payments (compared to 84,8 % in 2018);

23. Notes that the value of all transfers made within the EEAS administrative budget amounted to EUR 20,8 million (30,8 in 2018), reducing the EEAS Delegations' budget by EUR 1,6 million and increasing the Headquarters' budget by a corresponding amount;

24. Acknowledges that the number of budget lines used to finance the operations related to Commission staff in the Delegations (34 different lines originating in various Headings of the Commission budget, plus the EDF) increases the complexity of budget management; invites the EEAS to consider improving the structure of its budgetary reporting in order to reduce the complexity;

25. Encourages the EEAS therefore to continue discussing with the Commission ways to streamline the budget nomenclature and lines when possible in order to facilitate the overall EEAS budget management; is of the opinion that the upcoming multiannual financial framework (the 'MFF') and the related evolution in the design and structure of the budget nomenclature and lines should speed up this process of budgetary simplification and rationalisation; considers that such an evolution is likely to improve budgetary costs control and minimise the risk of error; acknowledges the proposal made by the EEAS in early 2020 for a far-reaching simplification; acknowledges that this proposal has been postponed to 2022 due to the ongoing COVID-19 pandemic but that the EEAS has submitted another simplifying proposal to the Commission in September 2020;

26. Notes with appreciation all the initiatives taken to progressively improve the management of various EEAS administrative processes, which is also reflected in the adaptation of the EEAS organisational chart; reiterates its support for the 'Innovative 2019' initiative and encourages the EEAS also to continue refining its various risk mapping exercises and the related mitigating actions, as well as the mapping of all existing legal bases with the aim of ensuring more efficient corporate decision-making;

27. Calls on the EEAS to better illustrate its results-based management framework in the next annual activity report, based on a set of adequate key performance indicators for its different administrative areas, including the related number of human resources, in order to better assess the achievement of EEAS policy objectives;

28. Observes that the EEAS decided to recentralise the management of certain processes for the purpose of uniformity of application among Delegations and to mitigate recurrent operational weaknesses and optimise the management of financial transactions; welcomes these efforts and the pragmatic initiatives and reactions of the EEAS in response to former concerns previously expressed by the budgetary authority;

29. Considers that, above all, the setting-up of a central entity dealing with high value procurement procedures and the use of global procurement for Delegations are appropriate management patterns and responses, considering the high workload in certain Delegations with limited staffing available and considering the need to focus on political work;

30. Believes that digitalisation of procurement and budget management is of key importance; recalls that 'Document management', one of the weakest components identified in the previous internal control survey, deserves regular attention from all EEAS stakeholders for the benefit of institutional memory and the traceability of management operations; calls, therefore, on the EEAS to improve its digital systems and document management, introducing advanced management and archiving tools, as well as paperless document management processes where possible;

31. Welcomes that the EEAS uses free and open-source software whenever possible;

32. Encourages the EEAS to follow the EDPS recommendations to renegotiate the Inter-Institutional Licensing Agreement and implementation contract, signed between the Union institutions and Microsoft in 2018, with the objective of achieving digital sovereignty, avoiding vendor lock-in and lack of control and ensuring the protection of personal data;

33. Supports the' efforts of the EEAS to optimise its financial management within the framework of the Financial Regulation; understands the need for certain operational flexibilities in relation to the management of Delegations in order to avoid any discontinuity in the running of Delegations; recalls, however, that any operational temporary arrangements, namely the possibility for deputy heads of Delegation to act as sub-delegated authorising officers in order to ensure an effective business continuity in Delegations and the implementation of the operational budget of the Commission, shall however remain strictly supervised by Headquarters;

34. Stresses the importance of continuing to improve the rationalisation and modernisation of the financial and administrative management; welcomes the ongoing discussions on EEAS budget simplification; points out in this regard the need for the EEAS to continue its efforts in order to achieve the simplification of budget lines; calls for the modernising and simplifying of the EEAS administration, including through full implementation of the 'Innovative 2019' project;

Control effectiveness as regards legality and regularity

35. Notes the rate of anomalies detected in *ex ante* verifications of commitments and payments (respectively, 308 errors out of 1 193, and 394 out of 2 119); is concerned that in both cases the errors are of an administrative nature i.e. incorrect amounts for commitments or a lack of supporting documents for payments presented for *ex-ante* financial verification; acknowledges the implementation, from January 2020, of a revised list of anomaly codes aiming at better defining the typology of errors; calls on the EEAS to investigate and resolve cases of administrative errors and report back to the Parliament on its achievements; calls for the implementation of measures that would contribute to a reduction of the level of errors in general terms;

36. Acknowledges the progress and ongoing refinement of the EEAS *ex-post* methodology developed since 2018 based on internal random sampling, and also the provision of error rates by main domain of running costs related to staff expenditure, i.e. infrastructure and other operating expenditure, security, IT and telecommunications;

37. Notes that there is still a variation of interpretation between the EEAS and the Court on the quantification of procedural errors in procurement; considers that it should be followed-up further in the next financial year in order to refine the assessment of the financial materiality of errors which occurred in the management of the EEAS administrative budget;

38. Asks the EEAS to continue providing for a follow-up report for the financial year 2019 in compliance with Article 262 of the Financial Regulation;

Strategic communication activities

39. Notes with appreciation the reinforcement of the EEAS's strategic communication capacity and toolkit in order to tackle disinformation threats and hybrid threats, with the setting-up of three task forces for the East, Western Balkans and South and the EEAS's participation in the rapid alert system established among the Union institutions and Member States; invites the EEAS to pursue the development of such a policy with Parliament's new special committee on foreign interference in order to refine its capacity response; recognises and welcomes the cooperation between the EEAS and numerous European Parliament Liaison Offices to combat disinformation during the European election campaign;

40. Underlines the fact that the spread of deliberate, large-scale systematic disinformation is an acute strategic challenge for the Union's public diplomacy for which adequate financial, IT and human resources should be devoted in the short term; supports the reinforcement of the linkage between policy making, public diplomacy and strategic communication;

41. Stresses the need to communicate strategically in order to fight malicious interference including foreign propaganda and disinformation; underlines the importance of the EEAS Strategic Communication Task Force and calls for the creation of dedicated Strategic Communication Task Forces on interference emanating from China and the Middle East, in particular from Iran, and for providing them with further necessary financial and human resources; stresses that strategic communication must include fighting disinformation about the COVID-19 pandemic;

42. Stresses the significance of the culture of security and safety across all entities by ensuring that the EEAS has adequate personnel, procedures, infrastructure, tools (including IT) and budget to perform its critical and essential functions in the event of unexpected or crisis situations; calls for the reducing of security risks, especially related to cybersecurity, through increasing safety measures protecting the EEAS's digital infrastructure from external threats and attacks;

Management assurance

43. Notes that only two Delegations provided motivated reservations, i.e. the Delegation to Syria (since 2017) and the Delegation in Djibouti in relation to the management of their administrative expenditure, in particular linked to procurement issues; calls on EEAS to undertake the necessary steps to examine these issues;

44. Calls on the EEAS to provide further information in the EEAS annual activity report on the Inspections Programme in order to get an overview of the performance and the functioning of the Union Delegations; considers also that it will be useful to better illustrate the articulation of inspections of Delegations with the EEAS assurance framework and to show how the use of the outcomes and recommendations of inspections contributed to greater coherence, homogeneity and efficiency in the Delegations' working methods; highlights the importance of analysing the effectiveness and correctness of financial management in the respective Delegations;

Fraud prevention and detection

45. Welcomes the fact that the EEAS is continuously adapting its anti-fraud strategy in conjunction with all the RELEX directorates general and through a dedicated format with OLAF; stresses that all necessary efforts must be made to share and exchange information on their operational challenges to better identify risky areas in their activities and programmes; calls on the EEAS to identify any possible specific policy fields where tighter collaboration with OLAF might be needed to ensure an effective fraud prevention;

46. Notes with appreciation the definition of common guidelines which were formalised in a specific anti-fraud strategy for external relations, which constitutes an important improvement; recalls that these guidelines have to be disseminated to all Heads of Delegations and regularly assessed within the survey on the state of play of the internal control framework and in-depth risk mapping; notes that in 2019 there was no reported case of alleged whistleblowing;

47. Observes that the EEAS has notified two cases to OLAF and has was informed of the results of five OLAF's investigations in 2019; invites the EEAS to clearly identify the policy fields at risk and the possibility of conflicts of interests and to raise the Head of Delegations' awareness in relation to them; notes that 12 % of Delegations reported having detected changes with regard to fraud risk and that there was a growing demand for training on fraud detection (46 % of the Delegations and 35 % of Headquarters' divisions);

48. Invites the EEAS to start building its future bilateral cooperation with EPPO and to integrate it as a component of its general anti-fraud strategy; recalls that article 123 of the Financial Regulation provides for the establishment of an internal audit progress committee to ensure the independence of the EEAS internal auditor, the monitoring of the internal audit function as well as the effective follow-up of recommendations issued;

Ethical framework

49. Invites the EEAS to improve the staff's awareness and perception of its ethical framework and culture through adequate communication on ethics matters; considers that particular attention should be paid to whether members of staff know how to report issues related to unethical behaviour, as well as to increasing their sense of security; highlights the importance of identifying, assessing and managing risks related to ethics in its annual risk management exercise;

50. Encourages the EEAS to urgently devote efforts to organising systematic training and awareness sessions in the area of proper conduct (in terms of ethics, anti-fraud, anti-corruption, anti-harassment and levels of confidentiality) to its staff; believes such session should be part of compulsory on-boarding training for newly recruited staff;

51. Considers also that ethical standards have to be taken into account to avoid potential conflicts of interests and leakage of internal sensitive working information; supports the EEAS' definition of ethics guidelines, taking into account the specificities of work in Delegation to mitigate reputational risk for the Union and the EEAS, particularly for Heads of Delegation;

52. Strongly recommends that the EEAS join the EU Transparency Register, on the basis of a service level agreement;

53. Emphasises the necessity for the EEAS to comply fully with the Commission's Guidelines on Whistleblowing, in particular to protect whistleblowers in good faith against any form of prejudice;

Conflict of interests

54. Underlines that post-public employment and 'revolving door' conflict of interests situations is a recurring issue in the Union institutions; calls for the EEAS for the effective and consistent application of the Staff Regulations, in particular Article 16 and other applicable rules thereof, in order to prevent conflicts of interests, in particular – but not only – concerning senior officials and SNEs; is concerned about the recent revolving door cases and calls on the EEAS to systematically review potentially problematic transitions to the private sector or to third countries organisations and to continue to monitor the occupation of the former senior official until the end of the mandatory cooling-off period;

55. Deeply regrets that the EEAS has not published any of its decisions on occupational activities of former senior officials for six years, including 2019, in breach of its obligations under Article 16 of the Staff Regulation; welcomes the fact that it has started to publish them in 2020, including the retrospective publishing of decisions from previous years; insists in this regard that the EEAS from now on publishes its decisions on occupational activities of former senior officials on an annual basis and that it monitors on a constant basis whether they adhere to the conditions imposed on them and, if appropriate, take decisive action to enforce compliance with these conditions;

56. Notes that the EEAS applies a ban for the first twelve months of the two-years cooling-off period for senior management after their termination of office; recalls that the obligation of confidentiality is a key principle to be respected by former staff;

57. Underlines that Article 16 enables Union institutions to turn down a former official's request to take a specific job if restrictions are not sufficient to protect the legitimate interests of the institutions; fears that it is often not possible to enforce conditions imposed upon post-public employment activities; encourages Union institutions and agencies, therefore, to consider the full range of tools made available under Article 16 of the Staff Regulation;

Building policy

58. Welcomes the positive trend in relation to co-location, reaching 7 % of the Delegations' total office surface; notes with appreciation the fact that the EEAS has established 22 new co-location projects in 2019 concerning 68 Delegations (resulting in a total of 115 colocation agreements); notes that currently co-locations mainly concern Member States and partner countries (43), DG ECHO (20), other Union agencies, e.g. EUIPO, EASA and Frontex (17) (), the EIB (15), EUSRs (10) and CSDP missions -EUBAM and EUCAP- (10);

59. Encourages the EEAS to continue in the direction of pooling of means with Member States in the management of buildings and to further developing local co-operation, with specific attention to be devoted to best value for money, security issues and the Union's image and visibility, as well as budget optimisation;

60. Notes with appreciation that this increase in co-locations has been coupled with a consolidation and standardisation of the system of recovery of costs through further centralisation of colocations' revenues and the application of administrative fees in the agreed service level agreements; observes that approximately EUR 10 million of revenues were generated in 2019; calls on the EEAS to present an overview of the allocation of this revenue in order to ensure transparency;

61. Regrets the findings of the Court, that only a small number of Union Delegations are fully accessible to disabled people, asks the EEAS to consider where technically and financially possible and where required by local legislation the adaption of their offices to improve accessibility for people with reduced mobility;

62. Notes that the EEAS share of owned offices remained stable at 19 % of its Delegations' offices with further prospects of purchasing in Argentina and Democratic Republic of Congo; notes that EUR 72,8 million are spent in renting office buildings and residences in the Delegations' network and EUR 19,1 million on renting offices in Headquarters;

63. Welcomes the review of the housing policy and requests that Parliament be informed in due course on its main outcome in terms of renewed benchmarking compared to Member States' existing ones and other international organisations;

64. Notes with appreciation that the action plan established by the EEAS to follow-up the recommendations issued in the Court's special report of 2016 on the Real Estate policy of the EEAS enabled progress to be made, such progress being acknowledged by the Court;

65. Invites the EEAS to make further progress in relation to the remaining open recommendations concerning the need to obtain a portfolio overview by monitoring market rates for offices and residences and to start designing a medium-long-term plan in addition to its current Annual Working Document; reiterates that the 35 m^2 office space per member of staff should remain and serve as a recurrent benchmark and that access for those with disabilities should be systematically assessed in upcoming building planning or relocations; calls on the EEAS to keep Parliament informed about any further improvements;

66. Regrets that only one out of eight recommendations from the Court's 2016 report on the EEAS' management of its buildings around the world has been fully implemented and three have been implemented in most respects; calls for the swift full implementation of all the remaining recommendations;

Working environment

67. Notes the fact that there is an increase in cases reported to the mediation service concerning either unsolved disagreements around rights and obligations or different kinds of conflict at work, reaching 183 cases in 2019 (compared to 135 cases in 2018); understands that the increase of the cases brought to the mediation service indicates proper functioning; acknowledges the adoption of a new Decision on the EEAS Mediation Service in 2020 in order to strengthen the mechanisms in place;

68. Regrets the fact that there are still unpaid trainees in Union Delegations; encourages the EEAS to take step to assure that trainees have the means to support themselves; urges the EEAS to follow the recommendation of the European Ombudsman to pay all trainees an appropriate allowance covering at least the living costs; recommends that more money be allocated to pay trainees;

Environmental dimension

69. Notes with appreciation that in 2019 the EEAS adopted a mandate to set up an environmental management system for EEAS headquarters with the intention of extending it to the network of Delegations; urges the EEAS to take all necessary measures to reduce the carbon footprint of the Headquarters and of the Union Delegations by implementing paperless processes and with emphasis on energy mix and on promoting renewable sources of energy.

DECISION (EU, EURATOM) 2021/1562 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the European Centre for the Development of Vocational Training (Cedefop) (before 20 February 2019: European Centre for the Development of Vocational Training) for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Centre for the Development of Vocational Training (Cedefop) for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0047/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EEC) No 337/75 of the Council of 10 February 1975 establishing a European Centre for the Development of Vocational Training ([4]), and in particular Article 12a thereof,

— having regard to Regulation (EU) 2019/128 of the European Parliament and of the Council of 16 January 2019 establishing a European Centre for the Development of Vocational Training (Cedefop) and repealing Council Regulation (EEC) No 337/75 ([5]), and in particular Article 15 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([6]), and in particular Article 105 thereof,

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 39, 13.2.1975, p. 1.
([5]) OJ L 30, 31.1.2019, p. 90.
([6]) OJ L 122, 10.5.2019, p. 1.

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial 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]),

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

— having regard to the opinion of the Committee on Employment and Social Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0069/2021),

1. Grants the Executive Director of the European Centre for the Development of Vocational Training (Cedefop) discharge in respect of the implementation of the Centre's budget for the financial year 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Centre for the Development of Vocational Training (Cedefop), the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([7]) OJ L 328, 7.12.2013, p. 42.

DECISION (EU, EURATOM) 2021/1563 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the European Centre for the Development of Vocational Training (Cedefop) (before 20 February 2019: European Centre for the Development of Vocational Training) for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Centre for the Development of Vocational Training (Cedefop) for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0047/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EEC) No 337/75 of the Council of 10 February 1975 establishing a European Centre for the Development of Vocational Training ([4]), and in particular Article 12a thereof,

— having regard to Regulation (EU) 2019/128 of the European Parliament and of the Council of 16 January 2019 establishing a European Centre for the Development of Vocational Training (Cedefop) and repealing Council Regulation (EEC) No 337/75 ([5]), and in particular Article 15 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([6]), and in particular Article 105 thereof,

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial 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]),

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

— having regard to the opinion of the Committee on Employment and Social Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0069/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 39, 13.2.1975, p. 1.
([5]) OJ L 30, 31.1.2019, p. 90.
([6]) OJ L 122, 10.5.2019, p. 1.
([7]) OJ L 328, 7.12.2013, p. 42.

1. Approves the closure of the accounts of the European Centre for the Development of Vocational Training (Cedefop) for the financial year 2019;

2. Instructs its President to forward this decision to the Executive Director of the European Centre for the Development of Vocational Training (Cedefop), the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1564 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 (Cedefop) (before 20 February 2019: European Centre for the Development of Vocational Training) for the financial year 2019

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 (Cedefop) for the financial year 2019,

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

— having regard to the opinion of the Committee on Employment and Social Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0069/2021),

A. whereas, according to its statement of revenue and expenditure [1], the final budget of the European Centre for the Development of Vocational Training (Cedefop) (the 'Centre') for the financial year 2019 was EUR 17 866 920, an increase of 0,09 % in comparison with the 2018 budget; whereas the budget of the Centre derives mainly from the Union budget;

B. whereas the Court of Auditors (the 'Court'), in its report on the Centre's annual accounts for the financial year 2019 (the 'Court's report'), states that it has obtained reasonable assurances that the Centre's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2019 resulted in a budget implementation rate of 99,99 %, representing a very slight decrease of 0,01 % compared to 2018; takes note of the fact that the payment appropriations execution rate was at 95,12 %, representing a decrease of 1,38 % compared to 2018;

2. Notes with concern from the Court's report that the Centre did not apply the proper method for calculating the contributions for Iceland and Norway, resulting in a contribution that was too low;

Performance

3. Notes that the Centre uses a noteworthy performance measurement system that includes key performance indicators to assess the added value provided by its activities on project, activity and organisational levels and other measures to improve its budget management;

4. Welcomes the introduction of more qualitative indicators in 2018-2019, which aimed to provide a more balanced view of the Centre's performance; reminds the Centre to regularly review and update its performance measurement system and key performance indicators to ensure the Centre's efficient contribution and expertise at Union level; encourages the Centre to carefully analyse the outcomes and use them to improve the Centre's strategy and activity planning;

5. Notes that the external evaluation, to which the Centre was subject in 2017 as required by the financial rules, has assessed the Centre's work positively; welcomes the actions planned to address the issued recommendations and calls on the Centre to continue to pursue further cooperation with other agencies; encourages the Centre to continue to implement its performance measurement indicators and to align the performance indicator methodologies with other agencies in order to present the implemented policies in a more detailed manner; welcomes the introduction of an environmental indicator;

[1] OJ C 107, 31.3.2020, p. 1.

6. Notes that the cross-cutting evaluation of the Union agencies under the remit of the Commission's Directorate-General for Employment suggested a number of recommendations for each of the agencies, but that those recommendations did not suggest further legislative amendments or the merger or relocation of agencies;

7. Appreciates the Centre's expertise and continuing high-quality work, providing research, analyses and technical advice in vocational education and training (VET), qualifications and skills policies with the aim of promoting high-quality training tailored to the needs of individuals and of the labour market; notes with concern, however, that while it has a positive image in the Union, VET is still seen as a second choice when compared to general education;

8. Recalls the importance of the Centre's role in ensuring that digital skills are integrated into VET across the Union and in monitoring the implementation and impact of Council Recommendation of 24 November 2020 on VET for sustainable competitiveness, social fairness and resilience ([2]), the new Skills Agenda for Europe and the Digital Education Action Plan;

9. Highlights the particular relevance of the Centre's recent work in helping to analyse the impact of the COVID-19 pandemic on skills demand and employment in the Union labour market via Skills-OVATE (the Online Vacancy Analysis Tool for Europe); in that context, stresses the need to ensure adequate human and financial resources allowing the Centre to continue implementing its work programme with a very high activity completion rate;

10. Notes that the Centre has regular coordination and cooperation with the European Training Foundation, the European Foundation for the Improvement of Living and Working Conditions and the European Agency for Safety and Health at Work; encourages the Centre to continue that collaboration, which allows for the creation of synergies, the sharing of knowledge, expertise and best practices across the agencies, as well as the avoidance of overlaps by providing a common space where agencies can consult each other on the fulfilment of their mandate; warmly welcomes the new service level agreement with the European Union Agency for Cybersecurity, in particular in the fields of digitalisation, procurement, data protection and human resources;

11. Welcomes the Centre's actions to increase digitalisation in terms of internal operation and management but also with regard to the acceleration of the digitalisation of procedures; stresses the need for the Centre to continue to be proactive in that regard in order to avoid a digital gap between the agencies at all costs; draws attention, however, to the need to continue all the necessary security measures to avoid any risk to the online security of the information processed;

12. Welcomes the Centre's initiative on a new strand on digitalisation, in particular on its online tools, providing country specific information and improved visualisation opportunities of online data, such as guidance resources on labour market information or skills forecasts; acknowledges to that end the Centre's targeted marketing campaigns in raising awareness on the content of its website;

13. Notes with satisfaction the new service level agreement with the Directorate-General for Budget for the migration to the Commission's finance and accounting system;

Staff policy

14. Notes that, on 31 December 2019, the establishment plan was 94,51 % implemented, with 12 officials and 74 temporary agents appointed out of 78 temporary agents and 13 officials authorised under the Union budget (compared to 92 authorised posts in 2018); notes that in addition 25 contract agents and three seconded national experts worked for the Centre in 2019;

15. Notes the gender imbalance among the Centre's senior management (4 men and 2 women); notes with satisfaction that the management board is almost gender balanced (53 % male and 47 % female); welcomes the staff's geographical representation within the Centre;

16. Notes with concern that the Centre's issues regarding the externalisation of its legal service highlighted by the discharge authority and the Court under discharge 2018 are still not resolved and that the externalisation has increased the workload and cost for the Centre; calls on the Centre to consider reinstating the internal legal service to mitigate the high cost and to ensure a proper audit trail for legal expenditure, as well as to continue to report to the discharge authority on any developments in that regard;

([2]) OJ C 417, 2.12.2020, p. 1.

17. Welcomes the Centre's efforts to build a more diverse and inclusive work environment and culture by taking actions in favour of people with disabilities; asks the Centre to assess the possibilities of further strengthening and integrating the principles of equal opportunities in recruitment, training, career development, working conditions as well as to raise staff awareness of these aspects; invites the Centre to consider possible reasonable improvements and modifications of its buildings (access, adequate office equipment) for people with reduced mobility or other disabilities;

18. Encourages the Centre to pursue the development of a long-term human resources policy framework which addresses work-life balance, lifelong guidance and career development, gender balance, teleworking, geographical balance and the recruitment and integration of people with disabilities;

19. Notes with regret that, as a result of the judgment of the General Court in case T-187/18, the Centre must pay EUR 40 000 in compensation, and draws attention to the importance of complying with existing labour law in order to avoid such cases in the future;

20. Welcomes the efforts made by the Centre to create an environmentally friendly working place and all the measures taken by the Centre to reduce its carbon footprint, its energy consumption and to develop a paperless workflow;

Procurement

21. Welcomes the introduction of e-tendering and e-submission for its open procedures and the initiative to join the Commission's or other agencies' inter-institutional framework contracts and to organise joint procurement procedures with other agencies;

22. Notes with concern that, according to the Court's report, mistakes in procurement and contract management were made, that the Centre accepted the change in the execution of a contract without properly documenting whether the alternative proposed by the contractor was at least equivalent to the solution proposed in the tender and that the Centre did not amend the framework contract concluded with that contractor in order to include such change; notes that the Centre formalised its guidelines on contract management to complement the training given to contract managers, the workflow and the controls in place;

23. Notes with regard to the follow-up on the previous year's discharge recommendation concerning procurement documentation and methodology that the implementation is still ongoing while acknowledging the steps made to implement the recommendation;

Prevention and management of conflicts of interest and transparency

24. Notes the Centre's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interest and whistleblower protection; points out, however, that the publication of 22 declarations of conflicts of interest and the CVs of 163 members and alternates are still pending; reiterates that all members and alternates who attend management board meetings or exercise the right to vote must submit a declaration of interest; calls on the Centre to publish the declarations of interest and the CVs of all the members of the management board and to report to the discharge authority on the measures taken in that regard;

Internal controls

25. Notes that following the audit conducted by the internal audit service (IAS) on the Centre's human resources management and ethics from 14 to 18 January 2018, recruitment procedures have been updated to reflect the IAS recommendation and that this recommendation, initially flagged as critical, has been closed by the IAS after a follow-up engagement;

26. Notes that five out of six recommendations from the human resources management and ethics audit have now been implemented; calls on the Centre to report to the discharge authority on the implementation of the last recommendation;

27. Notes that the Centre's executive director, as authorising officer, has delegated the powers of budget implementation to the deputy director and heads of departments; notes that the deputy director's delegation has no capped amount for transactions, while the delegation to the head of department for resources and support is capped at EUR 1 500 000 per transaction concerning Title 1 (Staff expenditure), with other delegations limited to the appropriations available under the specific budget lines and up to the ceiling of EUR 1 000 000 per transaction; welcomes the fact that the Centre sets financial caps for delegations in such a way that the need for flexibility is balanced with the need for oversight and hierarchical control over transactions;

Other comments

28. Notes the efforts made to increase the Centre's cybersecurity and data protection, especially as regards training of and awareness-raising among staff;

29. Welcomes the Centre's communication campaigns, focus on social media presence, interactive online tools and visualisations; encourages the Centre to continue promoting its work, research and activities to increase its public visibility;

30. Questions the need to maintain a board of directors composed of 84 people;

31. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([3]) on the performance, financial management and control of the agencies.

([3]) Texts adopted, P9_TA(2021)0215.

DECISION (EU, EURATOM) 2021/1565 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) (before 20 February 2019: European Foundation for the Improvement of Living and Working Conditions) for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0048/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EEC) No 1365/75 of the Council of 26 May 1975 on the creation of a European Foundation for the improvement of living and working conditions ([4]), and in particular Article 16 thereof,

— having regard to Regulation (EU) 2019/127 of the European Parliament and of the Council of 16 January 2019 establishing the European Foundation for the improvement of living and working conditions (Eurofound), and repealing Council Regulation (EEC) No 1365/75 ([5]), and in particular Article 16 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([6]), and in particular Article 105 thereof,

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial 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]),

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

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 139, 30.5.1975, p. 1.
([5]) OJ L 30, 31.1.2019, p. 74.
([6]) OJ L 122, 10.5.2019, p. 1.
([7]) OJ L 328, 7.12.2013, p. 42.

— having regard to the opinion of the Committee on Employment and Social Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0094/2021),

1. Grants the Acting Executive Director of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) discharge in respect of the implementation of the Foundation's budget for the financial year 2019;

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 Acting Executive Director of the European Foundation for the Improvement of Living and Working Conditions (Eurofound), the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1566 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) (before 20 February 2019: European Foundation for the improvement of living and working conditions) for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0048/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EEC) No 1365/75 of the Council of 26 May 1975 on the creation of a European Foundation for the improvement of living and working conditions ([4]), and in particular Article 16 thereof,

— having regard to Regulation (EU) 2019/127 of the European Parliament and of the Council of 16 January 2019 establishing the European Foundation for the improvement of living and working conditions (Eurofound), and repealing Council Regulation (EEC) No 1365/75 ([5]), and in particular Article 16 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([6]), and in particular Article 105 thereof,

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 139, 30.5.1975, p. 1.
([5]) OJ L 30, 31.1.2019, p. 74.
([6]) OJ L 122, 10.5.2019, p. 1.

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial 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]),

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

— having regard to the opinion of the Committee on Employment and Social Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0094/2021),

1. Approves the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) for the financial year 2019;

2. Instructs its President to forward this decision to the Acting Executive Director of the European Foundation for the Improvement of Living and Working Conditions (Eurofound), the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([7]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2021/1567 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 (Eurofound) (before 20 February 2019: European Foundation for the Improvement of living and working conditions) for the financial year 2019

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 (Eurofound) for the financial year 2019,

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

— having regard to the opinion of the Committee on Employment and Social Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0094/2021),

A. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) (the 'Foundation') for the financial year 2019 was EUR 21 489 160 representing an increase of 3,51 % compared to 2018; whereas the Foundation's budget derives mainly 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 2019 (the 'Court's report'), states that it has obtained reasonable assurance that the Foundation's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2019 resulted in a budget implementation rate of 99,99 %, representing a slight increase of 0,41 %; takes note of the fact that the payment appropriations execution rate was 80,92 %, representing a decrease of 1,78 % compared to 2018;

Performance

2. Notes that the Foundation uses four key performance indicators (KPIs), included in its performance monitoring system, which in addition to the KPIs consists of metrics (other indicators for operational processes) and a qualitative assessment and evaluation, to assess the added value, including the outcome and impact, provided by its activities, and to improve its budget management;

3. Reminds the Foundation to regularly review and update its performance measurement system and KPIs to ensure its efficient contribution and expertise at Union level; encourages the Foundation to carefully analyse the outcomes and use them to improve their strategy and activity planning;

4. Acknowledges the fact that the delivery of work programme outputs planned for 2019 reached 91 % of achievement (51 of 56 outputs), and that the Foundation contributed to 212 policy development events (46 % of them at Union level);

5. Appreciates the Foundation's high-quality work enhancing and disseminating knowledge, and providing evidence-based support and expertise for policy development in the field of living and working conditions, labour market and industrial relations across the Union; considers it to be essential, in that regard, for the Foundation to continue to collaborate with various highly qualified external experts; stresses the Foundation's importance, autonomy and added value in its field of expertise; highlights the need of ensuring adequate human and financial resources allowing the Foundation to continue implementing its work programme with a very high activity completion rate;

6. Notes that the Foundation's new founding regulation entered into force on 20 February 2019;

([1]) OJ C 107, 31.3.2020, p. 193.

7. Congratulates the Foundation on its common approach with the European Centre for the Development of Vocational Training (Cedefop), the European Agency for Safety and Health at Work (EU-OSHA) and the European Training Founation (ETF), which ensures regular coordination and collaboration in their work; notes that the Foundation implemented actions agreed in annual plans with the EU-OSHA, the European Union Fundamental Rights Agency and the European Institute for Gender Equality; encourages the Foundation to continue to develop its synergies, to exchange information, to share knowledge and to exchange of good practices with other European agencies with a view to improving efficiency with regard to human resources, building management, IT services and security;

8. Welcomes in particular the Foundation's recent e-survey, 'Living, working and COVID-19', which aims to capture the far-reaching implications of the COVID-19 pandemic for the labour market, working conditions and quality of life across the Union; believes that the Foundation can play a crucial role in further analysing the increase in telework and related impacts on work-life balance and the quality of working conditions, the dissemination of best practices and the assessment of possible policy responses; believes that the Foundation, in its future work programmes, should analyse, in cooperation with the European Labour Authority, policy options to improve the working and living conditions of seasonal and other mobile workers;

9. Stresses that the Commission is scheduled to launch its action plan on the implementation of the European Pillar of Social Rights (Pillar) when the European Council endorses the Pillar at the Porto Summit in May 2021; notes that the Foundation research reveals the complexity of the social dimension of the Union and suggests complementing the Social Scoreboard accompanying the Pillar with additional indicators covering job quality, social justice and equal opportunities, robust social welfare systems and fair mobility; stresses that the Foundation should have the appropriate financial and human resources to further develop those indicators;

10. Recalls the importance of increasing the digitalisation of the Foundation in terms of internal operation and management but also for the purpose of speeding up digitalisation of procedures; stresses the need for the Foundation to continue to be proactive in that regard in order to avoid a digital gap between the agencies; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;

11. Notes that an external evaluation of the Union agencies under the remit of the Commission's Directorate-General for Employment, Social Affairs and Inclusion (DG EMPL), namely Eurofound, Cedefop, ETF and EU-OSHA, was carried out in 2018 on behalf of the Commission, with regard to their relevance, effectiveness, efficiency, coherence and added value at Union level; notes that the Commission published the main findings of the evaluation that it commissioned, together with the full evaluation report on the four Union agencies referred to, and that the Foundation is implementing actions in response to the recommendations from the Commission and will report on it in its 2020 annual activity report; reminds the Commission to monitor and evaluate that the technical expertise and other potential of agencies under the remit of DG EMPL are consistently used to support policy preparation and implementation;

12. Takes note of the fact that the cross-cutting evaluation of the Union agencies under the remit of DG EMPL suggested a number of recommendations for each of the agencies, but none of them would have required legislative changes or the merging or co-locating of agencies;

13. Congratulates the Foundation for updating its communications strategy; recalls that media and internet visibility is important to make the Foundation's work known;

14. Welcomes the efforts made by the Foundation to create an environmentally friendly working frame;

15. Stresses the importance of the Foundation remaining independent from the other Union agencies but working in close cooperation with them in order to continue to provide added value;

16. Encourages the Foundation to meet its objective to achieve certification by the EU Eco-Management and Audit Scheme by 2022;

Staff policy

17. Notes that on 31 December 2019 the establishment plan was 97,80 % implemented, with 11 officials and 78 temporary agents appointed out of 91 authorised under the Union budget (compared to 91 authorised posts in 2018); notes that, in addition, 11 contract agents and one seconded national expert were working for the Foundation in 2019;

18. Notes with satisfaction that gender balance was achieved for senior managers (1 man and 1 woman); is concerned, however that there is no gender balance at management board level (51 men and 33 women); asks the Commission and the Member States to take into account the importance of ensuring gender balance when nominating members to the Foundation's management board;

19. Notes that the Foundation has adopted the policy on protecting the dignity of the person and preventing harassment; notes that legal proceedings concerning the harassment case reported and investigated in 2018 were lodged in 2019 and are still pending;

20. Encourages the Foundation to pursue the development of a long-term human resources policy framework which addresses work-life balance, lifelong guidance and career development, gender balance, teleworking, geographical balance and the recruitment and integration of people with disabilities;

Procurement

21. Notes from the Court's report that in June 2019 the Foundation concluded a framework contract for a maximum amount of EUR 170 000 for the supply of electricity on the basis of a negotiated procurement procedure with a single candidate, without the prior publication of a contract notice, and since the contractor is a retail supplier, the supply is not quoted and purchased on a commodity market and the exception of negotiated procurement procedure is not applicable, resulting in the related contracts and the associated payments of EUR 20 255 being irregular; notes from the Foundation's reply that it accepts the observation and that a new tender has already been planned for early 2021 and will be of a competitive nature; notes that internal guidelines were updated and the revised interpretation provides that such situations should be avoided;

22. Notes from the Court's report that in October 2019 the Foundation launched a negotiated procurement procedure, with an estimated budget of EUR 140 000, for a framework contract for the refurbishment of its toilet facilities and the only bidder was selected with a contract value EUR 176 800 (23 % above the threshold for an open procedure) [2] and while the exception of negotiated procurement procedure was authorised appropriately by the Foundation, it does not negate the fact that an open procedure should have been used; notes from the Foundation's reply that the award of the contract was based on the opinion that a repetition of the tender, using the open procedure, would not lead to a more economically advantageous tender, and that information about the awarded contract has been published in the Official Journal as well as the Foundation's website;

23. Notes that in Title 3 of the budget there were carry-overs in a total amount of EUR 574 000 more than initially planned, that mainly arose from unsuccessful or delayed procurement procedures, as well as delayed payments due to the shortcomings of a few contractors' performance, along with frontloading the European Working Conditions Survey 2020;

Prevention and management of conflicts of interest and transparency

24. Notes the Foundation's existing measures and ongoing efforts to secure transparency, prevent and manage conflicts of interest and protect whistleblowers; notes that not all of the CVs and declarations of interest of the members of the management board are published on the Foundation's website; calls on the Foundation to publish the CVs and declarations of interest of all the members of the management board and to report to the discharge authority on the measures taken in that regard;

Internal controls

25. Acknowledges that, based on a risk assessment carried out in February 2019, the Commission's internal audit service (IAS) issued a new strategic internal audit plan for 2019 to 2021 and that the Foundation accepted the proposal for future audit topics in the area of human resources, procurement and contract management;

[2] Article 175 (1) of Regulation (EU, Euratom) 2018/1046 and Article 4 of the Directive 2014/24/EU of the European Parliament and of the Council on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65) setting the threshold of EUR 144 000 for public supply and service contracts.

26. Acknowledges that the *ex ante* evaluation of the Programming document for 2021 to 2024 was carried out by the Foundation and that accepted recommendations are addressed in an action plan;

27. Notes that the IAS finalised a performance audit on 'Prioritisation of the Foundation's activities and allocation of resources' in 2018 and that the Foundation has acted on all recommendations and expects a positive verification from the IAS in 2020; calls on the Foundation to keep the discharge authority informed of the final closure of the recommendations;

28. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([3]) on the performance, financial management and control of the agencies.

([3]) Texts adopted, P9_TA(2021)0215.

DECISION (EU, EURATOM) 2021/1568 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the European Union Agency for Fundamental Rights for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Fundamental Rights for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0049/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Council Regulation (EC) No 168/2007 of 15 February 2007 establishing a European Union Agency for Fundamental Rights ([4]), and in particular Article 21 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 53, 22.2.2007, p. 1.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0086/2021),

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 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the European Union Agency for Fundamental Rights, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1569 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the European Union Agency for Fundamental Rights for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Fundamental Rights for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0049/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Council Regulation (EC) No 168/2007 of 15 February 2007 establishing a European Union Agency for Fundamental Rights ([4]), and in particular Article 21 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0086/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 53, 22.2.2007, p. 1.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Approves the closure of the accounts of the European Union Agency for Fundamental Rights for the financial year 2019;

2. Instructs its President to forward this decision to the Director of the European Union Agency for Fundamental Rights, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1570 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 2019

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 2019,

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0086/2021),

A. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Union Agency for Fundamental Rights (the 'Agency') for the financial year 2019 was EUR 22 871 576,30, representing a slight decrease of 0,39 % compared to 2018; whereas the Agency's budget derives almost exclusively 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 2019 (the 'Court's report'), states that it has obtained reasonable assurance that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with appreciation that budget monitoring efforts during the financial year 2019 resulted in a budget implementation rate of 100 % of the annual assigned budget not including carry-overs, the same rate as in 2018; notes that the payment appropriations execution rate was 78,70 %, representing an increase of 2,51 % compared to 2018;

2. Notes that, according to the Court's report, carry-overs of committed appropriations were high for operating expenditure, reflecting the nature of the Agency's activities, which include financing studies that span several months and often beyond year-end; notes that, according to the Court's report, the Agency has aimed to improve planning procedures to better monitor delays between the signing of contracts, deliveries and payments; notes that, according to the Court's report, 28 % of Title III carry-overs to 2020 were committed in December 2019, as were the payment carry-overs from 2018; notes that, according to the Agency's reply, the second management board meeting is held in December and that its core activities require time to be completed and projects might be requested from Union institutions any time of the year; notes that, according to the Agency's reply, the Agency started the development of a new monitoring software application, which will improve the monitoring of budget planning; notes that, according to the Court's report, this finding is indicative of a structural issue and calls on the Agency to improve its budget planning and its implementation cycle and report to the discharge authority on the actions taken;

Performance

3. Notes that the Agency uses 31 key performance indicators (KPIs) as part of its performance measurement framework to assess the results and impact of its activities, and 5 additional KPIs to enhance its budget management; notes that a reform of its performance measurement framework was to be finalised in 2020;

4. Reminds the Agency to regularly review and update its performance measurement system and KPIs to ensure that it contributes efficiently, and to ensure its expertise, at Union level; encourages the Agency to carefully analyse the outcomes and use them to improve its strategy and activity planning;

([1]) OJ C 107, 31.3.2020, p. 210.

5. Welcomes the Agency's cooperation with other agencies, in particular the European Foundation for the Improvement of Living and Working Conditions, the European Border and Coast Guard Agency, the European Institute for Gender Equality, the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice, the European Union Agency for Criminal Justice Cooperation, the European Union Agency for Law Enforcement Training and the European Asylum Support Office to achieve common policy objectives; welcomes the fact that, in addition, the Agency regularly supports other Union agencies to reflect obligations stemming from the Charter of Fundamental Rights of the European Union in their work; notes that in 2019 the Agency chaired the EU Agencies Network on Scientific Advice; encourages the Agency to continue to explore ways of sharing resources and staff on overlapping tasks among other agencies with similar activities;

6. Calls on the Agency to continue to increase cooperation and exchanges of good practices with other Union agencies with a view to improving efficiency (human resources, building management, IT services and security);

7. Reiterates the important role of the Agency in helping to ensure that the fundamental rights of people living in the Union are promoted and protected; recalls the importance of the Agency in promoting a reflection on security and fundamental rights; highlights, in particular, the value of the Agency's studies and opinions for the development and implementation of Union legislation;

8. Acknowledges the complex nature of the studies carried out by the Agency, covering the law and practice of all Member States, and the high number of publications produced and training sessions delivered to ensure fundamental rights compliance that also contribute to and feed into the work of different Union bodies and agencies; highlights, in particular, the commitment of the Agency to the protection of vulnerable groups and on combating all types of discrimination within the Union; welcomes the pro-active approach of the Agency towards Parliament and considers that the Agency should be able to offer opinions on legislative proposals on its own initiative and to all areas of rights protected under the Charter of Fundamental Rights of the European Union, including issues of judicial and police cooperation in criminal matters; welcomes, therefore, that the proposal for a Council Regulation amending Regulation (EC) No 168/2007 establishing a European Union Agency for Fundamental Rights ([2]) clarifies that the scope of the Agency's activities covers all Union competences;

Staff policy

9. Notes that, on 31 December 2019, the establishment plan was 98,61 % implemented, with 71 temporary agents appointed out of 72 temporary agents authorised under the Union budget (compared to 72 authorised posts in 2018); notes that, in addition, 30 contract agents and 8 seconded national experts worked for the Agency in 2019;

10. Notes with appreciation that gender balance was achieved among senior managers (3 men and 3 women) and staff in general (50 % male and 50 % female); welcomes the efforts made by the Agency to have a balanced geographical distribution through the different seniorities and roles;

11. Acknowledges the Agency's existing measures and ongoing efforts to prevent harassment; notes that the Agency's policy on protecting the dignity of the person and preventing harassment was updated in 2019;

12. Notes that in 2020 two cases ([3]) regarding alleged violations of the Staff Regulations of Officials of the European Union and the Conditions of Employment of Other Servants of the Union (the 'Staff Regulations'), laid down in Council Regulation (EEC, Euratom, ECSC) No 259/68 ([4]) and the right to good administration were dismissed as unfounded and that in two other cases ([5]) the General Court ruled in favour of the Agency both at the first instance ([6]) and at the appeal stage;

13. Encourages the Agency to pursue the development of a long term human resources policy framework which addresses the work-life balance, the lifelong guidance and career development, the gender balance, the teleworking, the geographical balance and the recruitment and integration of people with disabilities;

([2]) COM(2020)0225.
([3]) C-682/19 P - BP v FRA and T-31/19 AF v FRA.
([4]) OJ L 56, 4.3.1968, p. 1.
([5]) C-669/19 P - B v FRA and C-601/19 P - BP v FRA.
([6]) T-888/16 - BP v FRA and T-838/16 BP v FRA.

Procurement

14. Notes that e-procurement tools have been introduced, including e-submission, and are currently used by the Agency for its open call for tenders;

15. Welcomes the fact that the Court's observation regarding the difficulties encountered by the Agency in procuring studies, due to unrealistic market estimation, was acted upon and completed;

16. Notes that the Agency has invested EUR 14 374 to check nine procurement procedures for tenders with a total value of EUR 5 437 000, making the cost for checking each procedure EUR 1 594 (0,26 % of the total estimated contract value);

Prevention and management of conflicts of interest, ethics and transparency

17. Welcomes the Agency's existing measures and its ongoing efforts in relation to securing transparency, in relation to the prevention and management of conflicts of interest and in relation to whistleblower protection; notes that there were a number of cases of potential and perceived conflict of interest that were assessed and mitigated and that no cases were reported in 2019; notes that the CVs and declarations of interest of almost all members of the management board and senior management have been published on the Agency's website; calls on the Agency to publish the remaining CVs and declarations of interests and welcomes the measures already taken to mitigate the risk;

18. Underlines the fact that the current ethical framework applying to Union institutions and agencies suffers from considerable drawbacks due to its fragmentation and the lack of coordination between existing provisions; calls for those issues to be addressed by way of setting up a common ethical framework, which would ensure the application of high ethical standards for all Union institutions and agencies;

19. Underlines that certain officials fill in declarations of absence of conflicts of interest and provide self-assessments with regard to respect for ethical standards; highlights, however, that such self-declarations and self-assessments are not sufficient and that additional scrutiny is therefore needed;

20. Welcomes that, in addition to the Staff Regulations, the Agency has in place a code of good administrative behaviour for its staff as well as a practical guide on the management and prevention of conflicts of interest, which offer comprehensive information and advice on a variety of issues, ranging from behavioural tips to compliance with legal obligations; notes with satisfaction that the Agency provides compulsory training for staff on anti-harassment, ethics and integrity;

21. Notes with satisfaction that the Agency has in place an ethics officer serving as a single point of contact and ensuring that ethics-related policies, procedures and action plans are implemented, monitored and updated in a timely manner;

22. Notes the implementation of the Agency's Anti-Fraud Strategy throughout 2019 with a special focus on the provisions of the Agency's guidelines on whistleblowing; encourages the Agency to continue its work in that regard;

Internal controls

23. Notes that in 2019 the internal audit service performed an audit on the Research Project Design & Implementation, including the related procurement; notes that, according to the Agency, no critical risks were identified; calls on the Agency to report the audit results and its follow-up to the discharge authority;

24. Notes that in 2018 the Internal Audit Service issued an audit report on ethics and governance which assessed the design and effective implementation of the Agency's governance and control framework in the field of ethics and concluded that overall they were adequately designed and that all the recommendations were closed except one for which evidence necessary for its closure was provided to the Internal Audit Service;

25. Notes that the Agency has adopted an internal control framework based on international good practice in order to ensure the achievement of its policy and management objectives; notes that in 2019 the Agency started an internal assessment on the level of implementation of the new internal control framework and concluded that all components of the internal control framework are present and are functioning together in an integrated manner;

Other comments

26. Notes that the Agency employed the use of a secure e-mail solution offered by the Commission (SECEM) to ensure secure transmission of sensitive non-classified information; notes, furthermore, that the Agency followed all security recommendations issued by DIGIT and CERT-EU relating to the use of DRUPAL, the technology used for the Agency's website;

27. Stresses the importance of increasing the digitalisation of the Agency in terms of internal operations and management procedures; stresses the need for the Agency to continue to be proactive in that regard in order to avoid a digital gap between Union agencies at all costs; stresses, however, the need to take all the necessary security measures to avoid any risk to the online security of information processed;

28. Notes that the Agency disseminated 99 941 print publications and ranked among the top agencies in terms of publication orders at the Publications Office of the European Union; welcomes the fact that the Agency has a good social media presence; encourages the Agency to continue promoting its work, research and activities in order to increase its public visibility;

29. Notes with appreciation the Agency's achievement in ensuring a cost-effective and environmentally friendly working place and strategy and encourages the Agency to continue to employ best practices and to further improve on them;

30. Welcomes that, following the encouragement of Parliament, the Agency introduced the European Union Fundamental Rights Information System (EFRIS) as a tool to assess and analyse international human rights obligations;

31. Welcomes the Agency's efforts to build a more diverse and inclusive work environment and culture by taking actions in favour of people with disabilities; asks the Agency to assess the possibility of further strengthening and integrating the principles of equal opportunities in recruitment, training, career development and working conditions and of raising staff awareness of those issues and to assess possible reasonable improvements of and modifications to its buildings (access, adequate office equipment) for people with reduced mobility or other disabilities;

32. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([7]) on the performance, financial management and control of the agencies.

([7]) Texts adopted, P9_TA(2021)0215.

DECISION (EU, EURATOM) 2021/1571 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0050/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EC) No 1920/2006 of the European Parliament and of the Council of 12 December 2006 on the European Monitoring Centre for Drugs and Drug Addiction ([4]), and in particular Article 15 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 376, 27.12.2006, p. 1.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0087/2021),

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 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the European Monitoring Centre for Drugs and Drug Addiction, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1572 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0050/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EC) No 1920/2006 of the European Parliament and of the Council of 12 December 2006 on the European Monitoring Centre for Drugs and Drug Addiction ([4]), and in particular Article 15 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 376, 27.12.2006, p. 1.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0087/2021),

1. Approves the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2019;

2. Instructs its President to forward this decision to the Director of the European Monitoring Centre for Drugs and Drug Addiction, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1573 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 2019

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 2019,

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0087/2021),

A. whereas, according to its statement of revenue and expenditure [1], the final budget of the European Monitoring Centre for Drugs and Drug Addiction (the 'Centre') for the financial year 2019 was EUR 18 178 352,57, representing an increase of 12,39 % compared to 2018; whereas the increase in budget can primarily be explained by the start of the new Instrument for Pre-accession Assistance 7 (IPA 7); whereas the Centre's budget derives mainly from the Union budget;

B. whereas the Court of Auditors (the 'Court'), in its report on the Centre's annual accounts for the financial year 2019 (the 'Court's report'), states that it has obtained reasonable assurance that the Centre's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with appreciation that the budget monitoring efforts during the financial year 2019 resulted in a budget implementation rate of 100 %, the same rate as in 2018; notes with satisfaction that the payment appropriations execution rate was 98,29 %, representing an increase of 0,28 % compared to the previous year;

Performance

2. Welcomes the fact that the Centre put in place a new performance measurement model in 2019, using ten composite key performance indicators (KPIs) to measure the effectiveness of the delivery of outputs and the efficiency of use of resources; notes that the ten composite KPIs are broken down into 43 more specific performance indicators for which annual targets are defined; welcomes the fact that 39 out of 43 targets have been achieved by the Centre and that the remaining three were partially achieved and one was not applicable;

3. Notes with appreciation the high level of implementation of the 2019 work programme, in relation to which the KPI monitoring was achieved for the level 1 outputs/results and overachieved for the level 2 and level 3 outputs/results;

4. Reminds the Centre to regularly review and update its performance measurement system and KPIs to ensure the Centre's efficient contribution and expertise at Union level; encourages the Centre to carefully analyse the outcomes and use them to improve its strategy and activity planning;

5. Highlights the important role of the Centre in providing policy-makers and practitioners with analyses and information concerning drugs and drug addiction as well as emerging trends with a view to effectively countering illicit drug use and trafficking, and in contributing to a healthier Europe by addressing important drug-related public health concerns; recalls that drug trafficking has been identified as a main source of profit and a channel of recruitment for organised crime and terrorism, and therefore highlights the contribution of the Centre also to a more secure Europe;

[1] OJ C 143, 30.4.2020, p. 17.

6. Welcomes the cooperation between the Centre and EUROPOL; acknowledges the publication of their third joint report on EU Drug Markets and its supporting digital information package; notes the conclusion of two new working arrangements in 2019 at institutional level with the European Chemicals Agency (ECHA) and the European Food Safety Authority (EFSA), with a view to implementing the new legislation on new psychoactive substances; encourages the Centre to increase its cooperation with other Union agencies, bodies, offices and institutions, creating new synergies in areas such as joint public procurement schemes, cybersecurity and ecological transition as well as in areas specific to its field of action;

7. Notes that the Centre partially achieved its target for the number of training days per member of staff (target of 3 days, achieved 2,4 days) as a result of reduced budget allocations for training;

8. Notes that the Centre partially achieved its target for utility costs, despite a reduction of water consumption (– 20 %); notes that the utility costs for electricity (+ 19,6 %) and gas (+ 44 %) increased due to additional use of air-conditioning as a result of atmospheric conditions in Lisbon, which is the Centre's seat; recommends that the Centre focus on energy saving and keep the discharge authority informed about the achievements in this regard;

9. Notes that the Centre partially achieved its target for contribution to 14 major scientific and practice drug events due to the need to reallocate staff to other priority tasks; encourages the Centre to continue attending such events which are an important means of disseminating the Centre's knowledge to the wider public;

10. Notes with appreciation that the Commission's report of 14 May 2019 on evaluation of the Centre ([2]) concluded that the Centre is working well; welcomes the report's other conclusions that the Centre is recognised as a hub of excellence in Europe and internationally, that the information produced by the Centre is factual, objective, reliable and robust, that the Centre's activities are relevant at Union level and to a varying extent at national level, that the Centre's work is coherent with the work of the Union institutions, other Union agencies and international organisations, and that the Union added value of the Centre's work is high; notes the recommendations made in the report and the action plan put in place by the Centre; calls on the Centre to keep the discharge authority informed about the implementation of the recommendations;

11. Points out that a complex approach is needed in order to make the home pages of the Union institutions accessible to persons with all kinds of disabilities as foreseen in Directive (EU) 2016/2102 ([3]), including the availability of national sign languages; suggests to involve organisations representing disabled persons in this process;

12. Welcomes the set-up of the technical cooperation project 'EU4Monitoring Drugs', together with European Neighbourhood Policy (ENP) partner countries, which is financed by the European Neighbourhood Instrument comprising a total budget of EUR 3 million and is planned to run until the end of 2021, with the objective of supporting national and regional readiness in the ENP area to identify and respond to drug-related health and security threats;

13. Highlights the contribution of the Centre, by means of its annual reports, to the development of the EU Agenda and Action Plan on Drugs 2021-2025 ([4]), and the role that the Centre is going to play in its implementation;

Staff policy

14. Notes that, on 31 December 2019, the establishment plan was 94,74 % executed, with 9 officials and 63 temporary agents appointed out of 10 officials and 66 temporary agents authorised under the Union budget (compared to 76 authorised posts in 2018); notes that, in addition, 34 contract agents and 1 seconded national expert worked for the Centre in 2019;

15. Recalls that the Court has identified recurrent shortcomings applying to several agencies in relation to the use of external staff and interim workers; notes that, according to the Centre's reply, it has reassessed its policy for use of temporary workers with a view to further rationalise that policy in line with its operating needs and the relevant legal framework;

([2]) COM(2019)0228.
([3]) Directive (EU) 2016/2102 of the European Parliament and of the Council of 26 October 2016 on the accessibility of the websites and mobile applications of public sector bodies (OJ L 327, 2.12.2016, p. 1).
([4]) COM(2020)0606.

16. Notes that the Centre has reported a close gender balance within the management board for 2019 (16 men and 14 women); notes with concern that there is no gender balance at senior management level (7 men and 2 women); asks the Centre to ensure gender balance at senior management level in the future;

17. Welcomes the publication of vacancies both on the Centre's website, as well as on the website of the European Personnel Selection Office;

18. Notes with concern a high level of disparity in the geographical balance of staff, with a significant proportion of around 50 % of officials, temporary agents and contract agents representing nationals of the hosting Member State; calls on the Centre to urgently address this issue and improve the geographical balance of staff;

19. Encourages the Centre to pursue the development of a long term human resources policy framework which addresses work-life balance, lifelong guidance and career development, gender balance, teleworking, geographical balance, and recruitment and integration of people with disabilities;

20. Reiterates its concern that the Court has identified a recurrent shortcoming applying to several agencies on the use of external staff and interim workers; calls for the dependency on external recruitment in this important area to be addressed and for applicable labour law to be respected; welcomes the Centre's reply that it has reassessed its policy on the use of temporary workers with a view to further rationalising this policy in line with its operating needs and the relevant legal framework; notes the pending case before the Court of Justice ([5]) which addresses several questions concerning the application of Directive 2008/104/EC ([6]) on temporary agency workers in Union agencies; calls on the Centre to rely as much as possible on permanent staff;

Procurement

21. Welcomes the fact that the Centre put in place a procurement plan in line with the Centre's management plan, which was successfully executed; notes that the Centre uses the negotiated procedure in particular for small value contracts; highlights the inherent risks associated with the use of the negotiated procedure; notes with concern that in 85 out of 92 procedures, representing 60 % of the total value of contracts, the Centre attributed direct contracts in procedures with single tenders; acknowledges that most of these situations occurred in relation to cases of small value contracts; recommends the Centre to use procedures involving multiple candidates, even in small value contracts, in order to increase the variety of options; calls on the Centre to continue to closely monitor the contracts concluded; welcomes the fact that the Court did not have remarks about the Centre's application of the public procurement rules; welcomes the progress made by the Centre in implementing e-procurement;

Prevention and management of conflicts of interest, ethics, and transparency

22. Acknowledges the Centre's existing measures and ongoing efforts to secure transparency, prevent and manage conflicts of interest, and provide whistleblower protection; notes with satisfaction that the declarations of interest of the members and substitutes of the management board, the director and the members of the scientific committee are published on the Centre's website; notes that a short summary of the CV of the director and the members of the scientific committee are also published on the Centre's website;

23. Underlines the fact that the current ethical framework applying to Union institutions and agencies suffers from considerable drawbacks due to its fragmentation and lack of consistency between existing provisions; highlights that these issues should be addressed by setting up a common ethical framework, ensuring the application of high ethical standards for all Union institutions and agencies;

24. Underlines that certain officials fill in declarations of absence of conflicts of interest and provide self-assessments with regard to respect for ethical standards; highlights, however, that such self-declarations and self-assessments are not sufficient and that additional scrutiny is therefore needed;

25. Welcomes that, in accordance with the guidelines and recommendations of the Commission and of the European Ombudsman, in July 2019 the Centre adopted a code of conduct and practical recommendations for the possible interaction of its staff with interest representatives;

([5]) C-948/19, Manpower Lit.
([6]) Directive 2008/104/EC of the European Parliament and of the Council of 19 November 2008 on temporary agency work (OJ L 327, 5.12.2008, p. 9).

Digitalisation

26. Stresses the importance of increasing the digitalisation of the Centre in terms of internal operations and management procedures; stresses the need for the Centre to continue to be proactive in this regard in order to avoid a digital gap between the agencies at all costs; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;

Internal controls

27. Deplores the fact that two long outstanding recommendations stemming from a 2015 audit of the Internal Audit Service (IAS) on IT project management were still not closed in 2019, four years after conclusion of the audit; notes that all recommendations have been implemented by the Centre and formally closed in January 2020;

28. Notes the fact-finding mission of the IAS on potential internal control weaknesses in the Centre related to human resources management; welcomes the fact that these potential weaknesses were not fraud related; calls on the Centre to swiftly address the issues identified by, and the recommendations of, the IAS and to inform the discharge authority about the status of progress in relation to implementation of the recommendations by June 2021;

29. Welcomes the fact that the observation of the Court regarding the financial contribution from Norway to the Centre, which was not in line with the envisaged contribution mechanism, has been acted upon and completed;

30. Notes that, following the introduction of the new internal control framework (ICF) in 2017 and the establishment of a repository with the state of play of implementation in 2018, the final version of the repository on the new ICF was approved by the Centre's director in March 2019; recommends that the Centre perform the annual assessment of the implementation of the ICF, and report to the discharge authority on its outcome, in the framework of the 2020 discharge procedure;

31. Notes that the Centre's anti-fraud strategy dates back to August 2016 and has been reported as fully implemented in the Centre's consolidated annual activity report; recommends that the Centre update its anti-fraud strategy, taking into account its exposure to fraud risks, and update its action plan accordingly; calls on the Centre to report to the discharge authority by June 2021 on the state of play of the update;

32. Encourages the Centre to continue promoting its work, research and activities to increase its public visibility;

33. Notes the efforts made to increase the Centre's cyber security and data protection;

34. Welcomes the Centre's efforts to provide a cost-effective and environmentally-friendly workplace;

35. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([7]) on the performance, financial management and control of the agencies.

([7]) Texts adopted, P9_TA(2021)0215.

DECISION (EU, EURATOM) 2021/1574 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the European Environment Agency for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Environment Agency for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0051/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EC) No 401/2009 of the European Parliament and of the Council of 23 April 2009 on the European Environment Agency and the European Environment Information and Observation Network ([4]), and in particular Article 13 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0080/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 126, 21.5.2009, p. 13.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

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 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Environment Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1575 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the European Environment Agency for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Environment Agency for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0051/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EC) No 401/2009 of the European Parliament and of the Council of 23 April 2009 on the European Environment Agency and the European Environment Information and Observation Network ([4]), and in particular Article 13 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0080/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 126, 21.5.2009, p. 13.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Approves the closure of the accounts of the European Environment Agency for the financial year 2019;

2. Instructs its President to forward this decision to the Executive Director of the European Environment Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1576 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 2019

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 2019,

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0080/2021),

A. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Environmental Agency (the 'Agency') for the financial year 2019 was EUR 75 663 812, representing an increase of 14,99 % compared to 2018; whereas the Agency's budget derives mainly from the Union budget (86,85 %) and the contributions under specific agreements, namely the Copernicus programme (13,15 %);

B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Agency for the financial year 2019 (the 'Court's report'), has stated that it has obtained reasonable assurance that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with appreciation that the budget monitoring efforts during the financial year 2019 resulted in a budget implementation rate of 99,99 %, representing an increase of 0,04 % compared to 2018; notes with concern that the payment appropriations execution rate was 89,83 %, representing an decrease of 1,23 % compared to the previous year;

Performance

2. Notes that the Agency uses certain measurements as key performance indicators (KPIs) to assess the added value provided by its activities and other measurements to improve its budget management, such as realised staff resources in the annual establishment plan, rate of annual budgetary commitments and number of registered sessions on the Agency's website;

3. Notes that for the third year running, the 'data and maps' section was the most visited of the Agency's website, with more than 2,75 million page views and the Agency's web map servers received 375 million requests to view maps produced by the Agency (representing a 25 % increase compared to 2018); believes that dissemination of environmental information is of key importance, especially in view of the European Green Deal;

4. Stresses that the Agency provides sound, independent information on the environment; commends the quality of its outputs released in 2019, such as the reports about sustainability transitions in Europe, climate change adaptation in the agricultural sector, preventing plastic waste, the greenhouse gas intensity of transport fuels and the State of the Environment Report;

5. Notes that an internal review of the functioning of the management board and bureau led to an increased role for the bureau, greater use of videoconferences and reduced travel to Copenhagen for bureau members;

([1]) OJ C 165, 13.5.2020, p. 1.

6. Notes that, according to the Agency, it continuously engages with the Commission to identify and agree on the division of tasks with relevant Commission services, thereby avoiding overlapping tasks; notes that the Agency has not identified any overlapping tasks with other agencies in the EU Agencies' Network;

7. Notes that the Agency achieved its 2019 objectives as set out in the Agency's annual work programme to provide European decision-makers and citizens with access to timely and relevant information and knowledge to provide a sound basis for environmental policies;

8. Notes that the Agency initiated the development of the Agency's and the European Environment Observation and Information Network (Eionet) strategy for 2021-2030 in 2019 and that this strategy was adopted in December 2020;

9. Recalls that, in 2019, the Agency implemented new data flows for the monitoring of CO_2 from new heavy duty vehicles, supported the implementation of the Energy Union Governance and continued streamlining of environmental reporting;

10. Notes that the Agency marked its 25th anniversary with several events and publications recognising the work carried out by the Agency and looking forward to the Agency's goals in the future;

11. Encourages the Agency to work together with the other relevant agencies of the Union in order to better assess environmental impacts of human activity; notes the Agency's examples of joint activities with other agencies, such as publishing the European Aviation Environmental Report 2019 together with the European Aviation Safety Agency and planning with the European Centre for Disease Prevention and Control and the Commission an innovative virtual EU observatory on climate change and health; calls on the Agency to further expand cooperation with other agencies;

12. Stresses that that the aims of the Agency are pan-European and that, for this reason, it is necessary for it to cooperate closely with third countries located in Europe; notes the Agency's comment according to which the new EEA-Eionet Strategy 2021-2030 sets out the Commission's political priorities with respect to the European Green Deal's agenda for the wider pan-European area, as well as the new Union financial instruments that were being shaped in 2019, in order to be in place in early 2021;

13. Regrets that some activities could not be fully delivered in 2019 due to several circumstances; notes with concern that the management board stressed that the Agency's capacity to further respond adequately to policy developments will depend on an increase in allocated core resources or the further prioritisation and/or discontinuation of current core tasks; notes that the Agency assesses where the allocated resources deliver best value and has as part of the draft budget 2021 submission added resources to match new tasks in line with policy developments;

14. Calls on the Agency to continue to develop its synergies and increase its cooperation and exchange of good practices with other agencies of the Union with a view to improving efficiency (human resources, building management, IT services and security);

15. Stresses the importance to increase the digitalisation of the Agency in terms of internal operations and management procedures; stresses the need for the Agency to continue to be proactive in this regard in order to avoid a digital gap between the agencies at all costs; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;

16. Commends the Agency's pro-active engagement with the media to develop greater visibility in the media, on the internet and on social media in order to make its work known;

Staff policy

17. Notes that, on 31 December 2019, the establishment plan was 96,77 % implemented, with 3 officials and 117 temporary agents appointed out of 124 posts authorised under the Union budget (compared to 124 authorised posts in 2018); notes that, in addition, 61 contract agents and 19 seconded national experts were working for the Agency in 2019;

18. Notes the lack of gender balance reported for 2019 with regard to senior managers (seven men and two women) and to the management board (18 men and 14 women); asks the Agency to ensure gender balance at the management level in the future; asks the Commission and the Member States to take into account the importance of ensuring gender balance when nominating their members to the Agency's management board;

19. Notes that the Agency has adopted a policy on protecting the dignity of the person and preventing harassment; takes note that one alleged harassment case was reported in 2019 that led to an administrative inquiry and disciplinary proceedings;

20. Notes that the EEA is expected to play a key role (monitoring, reporting and validating) in supporting the European Green Deal actions and the 8th General Union Environment Action Programme ([2]); insists therefore the staff budget for the Agency should be increased to meet these obligations; notes that any future cuts will negatively impact the functioning of the Agency and the delivery of the European Green Deal;

21. Notes with concern, regarding the follow-up on the Court's recommendations from previous years, that the Agency does not have an up-to-date policy covering sensitive posts; notes from the Agency's reply that the Agency has carried out an inventory of its sensitive posts since 2009 and that its guidelines on the identification and management of sensitive functions have been reviewed in light of the implemented reorganisation and have been finalised; calls on the Agency to adopt and implement the sensitive posts policy without delay;

22. Notes that, according to the Court of Auditors' Special Report on the Future of the Agencies, the Agency faces the risks of limited resources; calls on the Commission together with the Agency to work out a sustainable plan to provide the Agency with resources according to its needs and tasks; calls on the Commission and the Agency to report back on the developments in this regard to the discharge authority;

23. Is concerned about the large size of the Agency's management board which makes decision-making difficult and generates considerable administrative costs;

24. Encourages the Agency to pursue the development of a long term human resources policy framework which addresses work-life balance, lifelong guidance and career development, gender balance, teleworking, geographical balance and recruitment and integration of people with disabilities;

25. Underlines that post-public employment and 'revolving door' conflict-of-interest situations are a problem common to many bodies and agencies across the Union;

Procurement

26. Notes from the Court's report, with regard to recommendations made for the year 2019 and the follow-up from previous years' findings, that the Agency entered into a contract for services for an amount above the ceiling of the governing framework contract but did not formalise it through a contract amendment and did not correctly monitor the accumulative consumption of the contract before placing a new order; notes from the Agency's reply that the Agency has ensured for the future that any modification to a contract, including its budget ceiling, is formalised through a contract amendment, and that finance, resource and authorising officers will be reminded to always check available contract budget within ceilings prior to placing specific contracts and to ensure timely updating of the systems control tool; nevertheless calls on the Agency to formalise contract modifications in line with public procurement provisions;

([2]) Proposal for a Decision of the European Parliament and of the Council on a General Union Environment Action Programme to 2030 (COM(2020)0652).

Prevention and management of conflicts of interest and transparency

27. Acknowledges the Agency's existing measures and ongoing efforts to secure transparency to prevent and manage conflicts of interest, and provide whistleblower protection;

28. Recalls that the publication of CVs and declarations of interest of management board members should be obligatory as currently not all management board members' CVs and declarations of interest are published on the Agency's website; calls on the Agency to publish the CVs and declarations of interest of all the members of the management board and to report to the discharge authority on the measures taken in this regard;

29. Raises concerns again that the Agency does not put in place declarations of conflict of interest for in-house experts;

30. Underlines the fact that the current ethical framework applying to Union institutions and agencies suffers from considerable drawbacks due to its fragmentation and lack of consistency between existing provisions; highlights that these issues should be addressed by setting up a common ethical framework, ensuring the application of high ethical standards for all EU institutions and agencies;

31. Underlines that certain officials fill in declarations of absence of conflicts of interest and provide self-assessments with regard to respect for ethical standards; highlights, however, that such self-declarations and self-assessments are not sufficient and that additional scrutiny is therefore needed;

Internal Controls

32. Notes that in 2019 the Commission's Internal Audit Service (IAS) issued an audit report on procurement, identifying one very important weakness related to the monitoring of procurement procedures and contract management; notes that an action plan has been developed and accepted by the IAS to respond to those findings;

Sustainability

33. Welcomes the Agency's efforts to provide a cost-effective and environmentally-friendly workplace and all the measures taken by the Agency to reduce its carbon footprint, its energy consumption and to develop a paperless workflow; and to preferably reduce and offset its CO_2 emissions in the areas of premises and travel; regrets, however, the low energy efficiency of the Agency's headquarters;

Other Comments

34. Notes that the Agency engaged in the process of preparing for the United Kingdom's withdrawal from the Union, in particular, the related preparation of corresponding IT systems during 2019;

35. Welcomes the Agency's efforts to build a more diverse and inclusive work environment and culture by taking actions in favour of people with disabilities; asks the Agency to assess the possibilities of further strengthening and integrating the principles of equal opportunities in recruitment, training, career development, working conditions as well as to raise staff awareness of these aspects, and to assess the possible reasonable improvements and modifications of the Agency's buildings (access, adequate office equipment) for people with reduced mobility or other disabilities;

36. Points out that a complex approach is needed in order to make the Union institutions' home pages accessible to persons with all kind of disabilities as set out in Directive (EU) 2016/2102 ([3]), including the availability of national sign languages; suggests that organisations representing disabled persons are involved in this process;

37. Encourages the Agency to undertake further initiatives focusing on disseminating the results of its research to the public, and to reach out to the public via social media and other media outlets;

38. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([4]) on the performance, financial management and control of the agencies.

([3]) Directive (EU) 2016/2102 of the European Parliament and of the Council of 26 October 2016 on the accessibility of the websites and mobile applications of public sector bodies (OJ L 327, 2.12.2016, p. 1).

([4]) Texts adopted, P9_TA(2021)0215.

DECISION (EU, EURATOM) 2021/1577 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the European Agency for Safety and Health at Work (EU-OSHA) (before 20 February 2019: European Agency for Safety and Health at Work) for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Agency for Safety and Health at Work (EU-OSHA) for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0052/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Council Regulation (EC) No 2062/94 of 18 July 1994 establishing a European Agency for Safety and Health at Work ([4]), and in particular Article 14 thereof,

— having regard to Regulation (EU) 2019/126 of the European Parliament and of the Council of 16 January 2019 establishing the European Agency for Safety and Health at Work (EU-OSHA), and repealing Council Regulation (EC) No 2062/94 ([5]), and in particular Article 16 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([6]), and in particular Article 105 thereof,

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial 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]),

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

— having regard to the opinion of the Committee on Employment and Social Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0090/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 216, 20.8.1994, p. 1.
([5]) OJ L 30, 31.1.2019, p. 58.
([6]) OJ L 122, 10.5.2019, p. 1.
([7]) OJ L 328, 7.12.2013, p. 42.

1. Grants the Executive Director of the European Agency for Safety and Health at Work (EU-OSHA) discharge in respect of the implementation of the Agency's budget for the financial year 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Agency for Safety and Health at Work (EU-OSHA), the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1578 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the European Agency for Safety and Health at Work (EU-OSHA) (before 20 February 2019: European Agency for Safety and Health at Work) for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Agency for Safety and Health at Work (EU-OSHA) for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0052/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Council Regulation (EC) No 2062/94 of 18 July 1994 establishing a European Agency for Safety and Health at Work ([4]), and in particular Article 14 thereof,

— having regard to Regulation (EU) 2019/126 of the European Parliament and of the Council of 16 January 2019 establishing the European Agency for Safety and Health at Work (EU-OSHA), and repealing Council Regulation (EC) No 2062/94 ([5]), and in particular Article 16 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([6]), and in particular Article 105 thereof,

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial 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]),

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

— having regard to the opinion of the Committee on Employment and Social Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0090/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 216, 20.8.1994, p. 1.
([5]) OJ L 30, 31.1.2019, p. 58.
([6]) OJ L 122, 10.5.2019, p. 1.
([7]) OJ L 328, 7.12.2013, p. 42.

1. Approves the closure of the accounts of the European Agency for Safety and Health at Work (EU-OSHA) for the financial year 2019;

2. Instructs its President to forward this decision to the Executive Director of the European Agency for Safety and Health at Work (EU-OSHA), the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1579 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 (EU-OSHA) (before 20 February 2019: European Agency for Safety and Health at Work) for the financial year 2019

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 (EU-OSHA) for the financial year 2019,

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

— having regard to the opinion of the Committee on Employment and Social Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0090/2021),

A. whereas, according to its statement of revenue and expenditure [1], the final budget of the European Agency for Safety and Health at Work (the 'Agency') for the financial year 2019 was EUR 15 739 000, representing an increase of 2,03 % compared to 2018; whereas the Agency's budget derives mainly from the Union budget;

B. whereas the Court of Auditors (the 'Court'), in its report on the Agency's annual accounts for financial year 2019 (the 'Court's report'), states that the Court has obtained reasonable assurance 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 2019 resulted in a budget implementation rate of 97,84 %, representing a decrease of 1,74 % compared to 2018; notes that the payment appropriations execution rate was at 76,33 %, representing an increase of 8,52 % compared to 2018;

2. Notes, regarding the Court's current and previous year's findings, that committed appropriations carried forward from 2019 to 2020 were lower than those carried forward from 2018 to 2019, but still at a high level at EUR 3 386 293 or 22 % of the Agency's budget, indicating an overestimation of budgetary needs, which runs contrary to the budgetary principle of annuality; recalls that high carry-overs were also reported for the financial years 2016, 2017 and 2018 and calls on the Agency to analyse the underlying reasons and to improve the budget planning accordingly; notes the Agency's reply that committed appropriations carried forward to 2020 relate in the main part to large-scale activities planned to run over three or four years and, to a lesser extent, to other long-term activities;

Performance

3. Notes that the Agency uses certain measures as key performance indicators (KPIs) to assess the added value provided by its activities and other measures to improve its budget management, such as work programme delivery, cancellation of payments appropriations and outreach capacity of intermediaries through networking;

4. Reminds the Agency to regularly review and update its performance measurement system and KPIs to ensure its efficient contribution and expertise at Union level; encourages the Agency to carefully analyse its outcomes and use them to improve the planning of its strategy and activities;

5. Welcomes the fact that in 2019 the Agency started an *ex-post* evaluation of three finalised occupational safety and health (OSH) overviews, with regard to work-related diseases, the costs and benefits of OSH and micro and small enterprises; notes that the evaluation is expected to be finalised by the third quarter of 2020;

[1] OJ C 107, 31.3.2020, p. 205.

6. Notes that at the end of 2016, the Commission launched a joint evaluation of the Agency and the three other agencies in the employment and social affairs policy field, namely the European Centre for the Development of Vocational Training (Cedefop), the European Foundation for the Improvement of Living and Working Conditions (Eurofound) and the European Training Foundation (ETF); in April 2019, the Commission published a staff working document on the evaluation, with a key conclusion that the methods used by the Agency were successful in ensuring that the topics on which it focuses were relevant and that it engaged with the relevant stakeholders, but that some improvements could be made; notes that an action plan has been adopted by the Agency's management board to ensure that positive aspects are continued and that improvements are implemented where needed;

7. Welcomes the good collaboration with Cedefop, Eurofound and the ETF; encourages the Agency to continue to develop its synergies, to effectively exchange information, to share knowledge and to exchange good practices with other Union agencies with a view to improving efficiency with regard to human resources, building management, IT services and security;

8. Notes that the Agency collaborates closely with other agencies on topics of common interest in the operational area and shared procurement services, and has joined inter-institutional calls for procurement tenders with other agencies; notes that in 2019, the Agency started cooperation with European Union Intellectual Property Office in order to implement a disaster recovery plan;

9. Welcomes the Agency's activities to develop, gather and provide reliable and relevant information, analysis and tools on occupational safety and health, including preventive measures which contribute to Union policy aiming to promote healthy and safe workplaces across the Union; highlights the need for ensuring adequate human and financial resources allowing the Agency to continue implementing its work programme with a very high rate of activity completion;

10. Notes in particular the role the Agency can play in supporting the Union institutions' work on the new occupational safety and health strategy framework, the upcoming revision of Directive 2004/37/EC [2] and Parliament's legislative own-initiative report on protecting workers from asbestos; believes that the Agency can provide useful information and analysis on the impact of telework and other digital solutions for both employers and workers with regard to OSH in the context of working conditions in the pandemic;

11. Notes the prominent role that the Agency has been given in the implementation of the principles enshrined in the European Pillar of Social Rights; welcomes the Agency's strong commitment to ensuring that all workers enjoy the same OSH rights regardless of the size of the company, the type of contract or the employment relationship;

12. Notes that the cross-cutting evaluation of the Union agencies under the remit of Commission's Directorate-General for Employment, Social Affairs and Inclusion suggested a number of recommendations for each of the agencies, but that none of them would have required legislative changes or the merging or co-locating of the agencies;

13. Notes that in February 2019, the Agency's new founding regulation entered into force and the management board adopted a number of decisions to ensure the effective and efficient implementation of the new rounding regulation;

14. Notes that the Agency celebrated its 25th anniversary in 2019 and that actions dedicated to marking and promoting that milestone were performed throughout the year;

15. Stresses the importance to increase the digitalisation of the Agency in terms of internal operations and management procedures; stresses the need for the Agency to continue to be proactive in this regard in order to avoid a digital gap between the agencies at all costs; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;

[2] Directive 2004/37/EC of the European Parliament and of the Council of 29 April 2004 on the protection of workers from the risks related to exposure to carcinogens or mutagens at work (Sixth individual Directive within the meaning of Article 16(1) of Council Directive 89/391/EEC) (codified version) (OJ L 158, 30.4.2004, p. 50).

Staff policy

16. Notes that, on 31 December 2019, the establishment plan was 100 % implemented, with 40 temporary agents appointed out of 40 temporary agents authorised under the Union budget (compared to 40 authorised posts in 2018); notes that, in addition, 23 contract agents worked for the Agency in 2019;

17. Notes that further efforts are needed to achieve gender balance at the senior management level (3 men and 1 woman) and on the management board (48 men and 40 women); asks the Agency to ensure gender balance at the senior management level in the future; asks the Commission and the Member States to take into account the importance of ensuring gender balance when nominating members to the Agency's management board;

18. Encourages the Agency to pursue the development of a long term human resources policy framework which addresses work-life balance, lifelong guidance and career development, gender balance, teleworking, geographical balance and the recruitment and integration of people with disabilities;

Procurement

19. Notes from the Court's report that the Agency had purchased services relating to the preparation and implementation of the third European survey of enterprises on new and emerging risks (ESENER-3) for a value of EUR 3 134 800, thereby exceeding the contractual ceiling by EUR 74 100 (2,4 %) without any amendment to the contract; notes from the Agency's reply that confirmation of a small part of the funds to cover additional countries under the instrument for pre-accession for the survey was received from the Commission only after the procurement was completed and the award decision signed and much later than anticipated;

20. Notes from the Court's report that under a contract for the provision of training and coaching services, the Agency reimbursed accommodation costs on a flat-rate *per diem* amount basis, whereas the contract states that reimbursements must be based on actual figures shown on supporting documents; notes from the Agency's reply that it acknowledges the point regarding missing supporting documents for accommodation costs due to some inconsistencies in interpreting contractual conditions and instructions from the leading contracting authority;

21. Notes that starting in late 2018 and continuing in 2019, the Agency smoothly introduced e-procurement in its operations and that during the course of 2019 no complaints were received by unsuccessful tenderers nor referred to the Ombudsman; notes that during the course of the year the Agency reviewed and updated its procurement guidelines, further to the implementation of the electronic system e-procurement for tender and contract management;

22. Notes that during the course of 2019, the Agency developed a consolidation strategy for its finance and procurement function and identified the best finance and procurement operating model for the Agency which will be implemented in the course of 2020;

Prevention and management of conflicts of interest and transparency

23. Acknowledges the Agency's existing measures and ongoing efforts to ensure transparency and the prevention and management of conflicts of interest; notes with concern that the CVs of the members of the management board were not published on the Agency's website; notes further that not all the declarations of interest of the members of the management board, indicating the acceptance date, were published on the Agency's website; calls on the Agency to publish the CVs and the declarations of interest of all the members of the management board and to report to the discharge authority on the measures taken in that regard;

Internal controls

24. Notes that the Agency is preparing an action plan to address potential areas for improvement addressed in the 2019 Commission's internal audit service (IAS) audit report on 'Planning, budgeting, monitoring of activities and reporting'; notes that in that regard, the IAS issued four recommendations, none of them critical or very important;

25. Notes that the internal control framework was adopted by the management board effective from 1 January 2019 and that it is based on the internal control framework of the Commission; notes that in the first quarter of 2020, an assessment on the internal control framework for the reporting year 2019 was done showing the presence and adequate functioning of all internal control components for that year;

Other

26. Welcomes Agency's communication and social media activities, which help to raise awareness about the Agency; notes that the Agency developed new data-visualisation tools and updated web publication section to make the information more appealing and accessible; encourages the Agency to continue promoting their work, research and activities to increase its public visibility;

27. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([3]) on the performance, financial management and control of the agencies.

([3]) Texts adopted, P9_TA(2021)0215.

DECISION (EU, EURATOM) 2021/1580 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

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 2019

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 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0053/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Council Regulation (EC) No 2965/94 of 28 November 1994 setting up a Translation Centre for bodies of the European Union ([4]), and in particular Article 14 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

— having regard to the opinion of the Committee on Culture and Education,

— having regard to the report of the Committee on Budgetary Control (A9-0084/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 314, 7.12.1994, p. 1.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Grants the Acting 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 2019;

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 Acting Director of the Translation Centre for the Bodies of the European Union, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1581 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the Translation Centre for the Bodies of the European Union for the financial year 2019

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 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0053/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Council Regulation (EC) No 2965/94 of 28 November 1994 setting up a Translation Centre for bodies of the European Union ([4]), and in particular Article 14 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 314, 7.12.1994, p. 1.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

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

— having regard to the opinion of the Committee on Culture and Education,

— having regard to the report of the Committee on Budgetary Control (A9-0084/2021),

1. Approves the closure of the accounts of the Translation Centre for the Bodies of the European Union for the financial year 2019;

2. Instructs its President to forward this decision to the Acting Director of the Translation Centre for the Bodies of the European Union, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1582 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 2019

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 2019,

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

— having regard to the opinion of the Committee on Culture and Education,

— having regard to the report of the Committee on Budgetary Control (A9-0084/2021),

A. whereas, according to its statement of revenue and expenditure [1], the final budget of the Translation Centre for the Bodies of the European Union (the 'Centre') for the financial year 2019 was EUR 45 750 404, representing a decrease of 2,95 % compared to 2018; whereas 86,72 % of the Centre's budget derives from direct contributions from institutions, other agencies and bodies;

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 2019 (the 'Court's report'), states that it has obtained reasonable assurance that the Centre's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes that budget monitoring efforts during the financial year 2019 resulted in a budget implementation rate of 93,03 %, representing a decrease of 1,91 % compared to the previous year; notes that the payment appropriations execution rate was 85,11 %, representing a decrease of 2,82 % compared to 2018;

2. Urges the Centre to adopt a sustainable business model in accordance with its two-year transformation plan devised following the external study entitled 'Study on the Translation Centre as the linguistic shared service provider for the EU Agencies and Bodies'; notes that, according to the Centre's follow-up report to the discharge for the financial year 2018, in 2019 the implementation of the transformation plan and underlying projects was monitored and reported; encourages the Centre to fully implement those actions which would help adapt the new business model to technological developments;

3. Notes with concern that the Centre had not completed the anti-fraud plan which was targeted to be implemented by the end of 2018; notes that actions not finalised in the 2018 anti-fraud plan have been added to the set of new measures in the 2019-2020 anti-fraud plan and were planned to be completed by the end of 2020; recommends that the Centre inform the discharge authority about postponed actions and their effect on the fraud risk that the Centre would be exposed to;

4. Regrets that some of the founding regulations of the other agencies do not require them to use the services of the Centre and recalls the fact that the Centre, based on its founding regulation, responds to the language service needs of Union bodies, offices and agencies;

5. Questions the benefit of having a management board composed of 72 people, which complicates decision-making;

6. Emphasises the importance of preserving and promoting multilingualism in the institutions, bodies, offices and agencies of the Union and the need to treat all official languages equally; acknowledges the invaluable contribution of the Centre's translation services to the smooth functioning of the institutions, bodies, offices and agencies of the Union and to making their work transparent and accessible to Union citizens in their respective mother tongues;

[1] OJ C 391, 18.11.2019, p. 57.

Performance

7. Notes that the Centre still primarily uses input and output indicators as key performance indicators to assess the results of its activities and several indicators to enhance its budget management; notes the revised *ex-ante* evaluation and the ongoing *ex-post* revision of the Centre's programmes and activities; invites the Centre to further develop the key performance indicators to assess the outcome and impact of its activities in order to gain qualitative advice on how to provide more added value for the Centre's output and improve the Centre's business model;

8. Notes that with 309 047 pages, the number of pages of documents translated, modified, edited and revised decreased by 16,2 % compared with 2018, which had been a record year, but recalls that this volume was 2,4 % higher than the forecast in the initial budget and 8,3 % higher than the forecast in the amended budget for 2019;

9. Welcomes the implementation by the Centre of a Translation Quality Assurance Action Plan for 2019-2020, the focus of which is to enhance the quality of the language services provided to clients and the Centre's operational efficiency;

10. Notes that the Centre positions itself as the linguistic shared service provider for the Union agencies and that its core task does not overlap with those of other agencies; notes further that the Centre joined efforts with the European Border and Coast Guard Agency and the European Environment Agency for the implementation of a common e-recruitment tool named 'Systal' and has regularly shared knowledge and experience with other Union agencies through the Agencies' Coordination Support Office and has participated in the meetings and activities of the EU Agencies' Network; recommends that the Centre inform the discharge authority about Systal and actively pursue sharing the use of this tool with other Union agencies; encourages the Centre to continue on this path of cooperation and sharing knowledge and experience;

11. Welcomes the fact that the Centre agreed, as part of its two-year transformation plan, on a cooperation programme with the European Union Intellectual Property Office consisting of five IT projects which are not only of strategic importance for both organisations but will also be of benefit to other Union agencies;

12. Welcomes the Centre's willingness to develop synergies with other agencies, such as through the implementation of Systal; calls on the Centre to continue to develop its synergies and to increase cooperation and exchanges of good practices with other Union agencies with a view to improving efficiency (human resources, building management, IT services and security);

13. Highlights the fact that the Centre has extended its client portfolio by signing cooperation agreements with the European High-Performance Computing Joint Undertaking, the European Labour Authority and the Commission's Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs;

14. Recalls the importance of increasing the digitalisation of the Centre in terms of internal operation and management and in order to speed up the digitalisation of procedures; stresses the need for the Centre to continue to be proactive in this regard in order to avoid a digital gap between the Union agencies at all costs; stresses, however, the need to take all the necessary security measures to avoid any risk to the online security of the information processed;

Staff policy

15. Notes that, on 31 December 2019, the establishment plan was 93,26 % implemented, with 48 officials and 132 temporary agents appointed out of 141 temporary agents and 52 officials authorised under the Union budget (compared to 189 authorised posts in 2018); notes that, in addition, 23 contract agents worked for the Centre in 2019;

16. Notes with satisfaction that a good gender balance was achieved in 2019 with respect to management positions (60 % male and 40 % female) and within the management board (53 % male and 47 % female); notes with concern that there is an underrepresentation of men in the Centre's overall staff (37 % male and 63 % female); asks the Centre to ensure gender balance at the staff level in the future;

17. Notes that the Centre has adopted a policy on protecting the dignity of the person and preventing harassment; notes with satisfaction that in 2019 the Centre adopted new guidelines for managerial development, which included training on harassment prevention in the career path of all the senior and middle managers, heads of section and potential managers;

18. Encourages the Centre to pursue the development of a long term human resources policy framework which addresses the work-life balance, the lifelong guidance and career development, the gender balance, the teleworking, the geographical balance and the recruitment and integration of people with disabilities;

Procurement

19. Notes with concern that, according to the Court's report, the Centre signed contracts with IT companies for the provision of IT services that contained an ambiguous formulation that could imply the assignment ('mise à disposition') of temporary agency workers instead of the provision of clearly defined IT services, which would not be in compliance with Union social and employment rules; further notes that in 2019 the total amount of payments made by the Centre in that regard amounted to a total value of EUR 1 207 560; notes the Centre's reply that that practice is performed under an interinstitutional framework contract; notes that a case of that practice is currently pending before the Court of Justice; recommends that the Centre follow the pending Court case and inform the discharge authority of the outcome and measures taken to comply with that outcome;

20. Notes, with regard to the follow-up on the previous year's Court's findings, that by the end of 2018 the Centre had introduced e-invoicing but had not yet introduced the e-tendering and e-submission tools launched by the Commission to introduce a single solution for the electronic exchange of information with third parties participating in public procurement procedures (e-procurement); notes that the Centre put e-tendering in place in 2019 but that the launching of the e-submission has been delayed due to the COVID-19 crisis in 2020; calls on the Centre to introduce all tools to improve the management of procurement procedures and to report to the discharge authority on their implementation;

Prevention and management of conflicts of interest and transparency

21. Notes with concern that the Centre opted to publish only declarations of interests and not the CVs of its management board due to its size (approximately 130 members and alternate members); stresses the fact that other agencies publish the CVs of the members of their respective management boards even where those management boards have more members than that of the Centre; calls, therefore, on the Centre to publish the CVs of all the members of the management board and to report to the discharge authority on the measures taken in that regard; notes that the director's CV and declaration of interests have been published on the Centre's website;

22. Notes with concern that, although the Centre is not fee-financed, it depends on revenue received from its clients (the Centre has stated that 99,2 % of its income comes from fees paid by its clients), who are represented on the Centre's management board, and that there is therefore an inherent risk of conflicts of interest regarding the pricing of the Centre's products; notes that the Centre, as a mitigating measure for the budgetary consequences of such conflicts of interest, maintains a budgetary reserve ('reserve for the stability of prices') in order to balance the budget in the event of unforeseen events or reduced demand; notes that this is primarily a reactive measure and encourages the Centre to also develop preventive measures, making sure fair pricing is maintained for all the Centre's clients;

Internal controls

23. Notes that in 2019 the Internal Audit Service (IAS) of the Commission performed an audit on eCdT, the workflow management tool to manage clients' requests for translations, and concluded that the management and internal control systems set up by the Centre for the translation process and for eCdT are overall adequately designed, efficient and effective but that four important areas were identified in which improvements were recommended; notes that the Centre submitted an action plan to implement those recommendations, which was perceived by the IAS as adequate to mitigate the risks identified;

24. Notes that, following the self-assessment of internal control standards in 2019, it was concluded that internal control standards are present and effective but that the director concluded that the risk management process should be prioritised in order to improve its effectiveness and tasked the officer in charge of risk management and internal control coordination to provide a revision or update of several documents, such as the internal control strategy, the procedure on sensitive functions and the policy on risk management; notes that the Centre, in its consolidated annual activity report, uses both internal control standards and internal control principles to describe its activities in that area; recommends that the Centre take note of the Commission's revised Internal Control Framework, which was introduced in 2017, and align the wording in its consolidated annual activity report with the Internal Control Framework;

Other comments

25. Notes with concern the opinion of the Court, presented as 'other matter', that the Centre did not make appropriate disclosures in the final accounts on the impact of COVID-19 measures on the Centre's current and anticipated operations, as reasonably known at the date of transmission of the final accounts; requests that the Centre assess the impact and disclose the results to the budgetary authority;

26. Notes that the Centre did not experience any data breaches, as defined in Regulation (EU) 2016/679 ([2]), and that no complaints were addressed to the Centre's data protection officer; notes, however, that the Centre was not able to present the decision under Article 25 of Regulation (EU) 2016/679, aimed at ensuring data protection by design and by default, to the management board in 2019 due to the late receipt of the opinion of the European Data Protection Supervisor; urges the Centre to adopt that decision as soon as possible in order to act in full compliance with Regulation (EU) 2016/679;

27. Welcomes the Centre's efforts to provide a cost-effective and environmentally-friendly workplace and all the measures taken by the Centre to reduce its CO_2 emissions, its energy consumption and to develop a paperless workflow;

28. Welcomes the efforts made by the Centre to encourage the use of the free public transport system in Luxembourg and the initiatives taken to preserve the biodiversity;

29. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([3]) on the performance, financial management and control of the agencies.

([2]) Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).

([3]) Texts adopted, P9_TA(2021)0215.

DECISION (EU, EURATOM) 2021/1583 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the European Medicines Agency for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Medicines Agency for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0054/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EC) No 726/2004 of the European Parliament and of the Council of 31 March 2004 laying down Union procedures for the authorisation and supervision of medicinal products for human and veterinary use and establishing a European Medicines Agency ([4]), and in particular Article 68 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0073/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 136, 30.4.2004, p. 1.
([5]) OJ L 122, 10.5.2019, p. 1.
([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 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Medicines Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1584 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the European Medicines Agency for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Medicines Agency for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0054/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EC) No 726/2004 of the European Parliament and of the Council of 31 March 2004 laying down Union procedures for the authorisation and supervision of medicinal products for human and veterinary use and establishing a European Medicines Agency ([4]), and in particular Article 68 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0073/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 136, 30.4.2004, p. 1.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Approves the closure of the accounts of the European Medicines Agency for the financial year 2019;

2. Instructs its President to forward this decision to the Executive Director of the European Medicines Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1585 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 2019

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 2019,

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0073/2021),

A. whereas, according to its statement of revenue and expenditure [1], the final budget of the European Medicines Agency (the 'Agency') for the financial year 2019 was EUR 346 762 000, representing an increase of 2,66 % compared to 2018; whereas the Agency is a fee-funded agency, with 85,70 % of its 2019 revenue stemming from fees paid by the pharmaceutical industry for services provided;

B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Agency for the financial year 2019 (the 'Court's report'), states that it has obtained reasonable assurance that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that budget monitoring efforts during the financial year 2019 resulted in a budget implementation rate of 98,56 %, representing an increase of 9,42 % compared to 2018; notes that the payment appropriations execution rate was 83,05 %, representing an increase of 9,41 % compared to 2018;

2. Notes that the Agency is a fee-funded agency, with 85,70 % of its 2019 revenue stemming from fees paid by the pharmaceutical industry, 14,29 % stemming from the Union budget and 0,01 % stemming from external assigned revenue;

Performance

3. Notes that the Agency uses several key performance indicators, including a combination of operational, management and governance indicators and communication and stakeholder indicators to measure its workload volumes, its work programme implementation and its stakeholder satisfaction, and to assess the added value provided by its activities; notes furthermore that the Agency uses a budget planning and monitoring methodology to enhance its budget management; calls on the Agency to evaluate the complexity and transparency of those key performance indicators and introduce unifications and simplification if needed;

4. Notes that the Agency cooperates with other agencies on joint scientific outputs and exchanges scientific data; recognises furthermore that the Agency continues to have formal working arrangements with the European Centre for Disease Prevention and Control, the European Food Safety Authority, the European Chemicals Agency and the European Monitoring Centre for Drugs and Drug Addiction in order to have mutual consultation in areas of common interest; notes that the Agency participates in joint procurement with other agencies and in particular with other agencies based in the Netherlands; notes further that the Agency also took part in procurement services managed by the Commission;

5. Notes that the Internal Audit Service carried out a risk assessment to prepare its audit plan for 2020-2022;

6. Is concerned that the Regulation (EC) No 726/2004 has not yet been aligned with the common approach; is concerned with the length of the evaluation frequency of 10 years for the Agency;

[1] OJ C 391, 18.11.2019, p. 51.

7. Calls on the Agency to continue to develop its synergies and increase cooperation and the exchange of good practices with other agencies of the Union with a view to improving efficiency (human resources, building management, IT services and security);

8. Stresses the importance of increasing the digitalisation of the Agency in terms of internal operations and management procedures; stresses the need for the Agency to continue to be proactive in this regard in order to avoid a digital gap between the agencies at all costs; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;

9. Notes that, according to Special Report No 22/2020 of the Court entitled Future of EU agencies – Potential for more flexibility and cooperation, the Agency needs to improve its cooperation with the Commission; calls on the Agency and the Commission to report back on the developments in this regard to the discharge authority;

10. Emphasises the important role of the Agency in protecting and promoting public and animal health by assessing and supervising medicines for human or veterinary use;

11. Highlights the fact that, in 2019, the Agency recommended 81 new medicines for marketing authorisation (66 for human use and 15 for veterinary use), and that those new medicines included 35 new active substances (30 for human use and 5 for veterinary use);

12. Notes that phase 4 of the business continuity plan started on 1 January 2019, in order to safeguard the core activities of the Agency;

Staff policy

13. Notes that, on 31 December 2019, the establishment plan was 98,65 % implemented, with 583 temporary agents appointed out of 591 temporary agents authorised under the Union budget (compared to 591 authorised posts in 2018); notes that in addition 199 contract agents and 31 seconded national experts worked for the Agency in 2019;

14. Reiterates its concern about the lack of gender balance among the Agency's senior management (19 men and 11 women) and on the management board (25 men and 13 women); asks the Agency to ensure that there is better gender balance in the future; asks the Commission and the Member States to take into account the importance of ensuring gender balance when appointing members to the Agency's management board;

15. Notes that according to the 2018 follow-up report and the Court's 2019 report the Agency has still not fully implemented last year's recommendation on the use of external consultants; notes however that the Agency is committed to using such consultants only to enhance its delivery capacity if and when necessary; calls on the Agency to complete the implementation of that recommendation;

16. Is concerned that, according to Special Report No 22/2020 of the Court, the Agency struggles to recruit staff with the necessary technical expertise, and in order to compensate for a shortage of posts or national experts, the Agency increasingly outsources core tasks to private contractors, on whom it may then become dependent; calls on the Commission to examine the situation carefully and to provide the Agency with the necessary means to recruit the necessary staff; calls on the Commission to report back to the discharge authority on this matter;

17. Is concerned that, according to the Court's report, there were 119 on-site consultants providing services at the Agency's premises, employed by a number of providers, some of them from other Member States and some based in the Netherlands, and that the Agency was unable to confirm in relation to the temporary-work agency staff providing services on its premises whether they qualified for posted worker status under the provisions of Dutch law concerning the transposition of Directive 96/71/EC ([2]) and Directive 2014/67/EU ([3]); calls on the Agency to investigate and resolve that issue;

([2]) Directive 96/71/EC of the European Parliament and of the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services (OJ L 18, 21.1.1997, p. 1).

([3]) Directive 2014/67/EU of the European Parliament and of the Council of 15 May 2014 on the enforcement of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services and amending Regulation (EU) No 1024/2012 on administrative cooperation through the Internal Market Information System ('the IMI Regulation') (OJ L 159, 28.5.2014, p. 11).

18. Notes that, according to the Court's report, to facilitate the transition from London to Amsterdam, the Agency granted an additional travel allowance to each member of staff who relocated to Amsterdam, and to the members of their household, which amounted to EUR 1 227 for each person, which was calculated as a flat-rate amount based on the price of a business-class ticket instead of an economy-class fare as stated in the Staff Regulations; notes that the Agency paid both the statutory allowance and this exceptional travel allowance to 481 of the Agency's members of staff and 524 members of their households, which in total amounted to a disbursement of EUR 1 263 305, compared to EUR 30 562 had only the statutory allowance been applied, the total amount expected to be spent on the exceptional travel allowance is EUR 1 477 743;

19. Notes the efforts made to improve the staff's well-being, especially as regards counselling services, sports activities and a well-being learning programme;

20. Is concerned about the large size of the management board of the Agency, which makes decision making difficult and generates considerable administrative costs;

21. Encourages the Agency to pursue the development of a long term human resources policy framework which addresses work-life balance, lifelong guidance and career development, gender balance, teleworking, geographical balance and recruitment and integration of people with disabilities;

22. Notes that the Agency has adopted a policy on protecting the dignity of the person and preventing harassment; takes note that one alleged harassment case was reported and investigated in 2019 under the formal procedure;

23. Acknowledges the impact of the United Kingdom's withdrawal from the European Union on the activities of the Agency and the resulting additional expenditure, amounting to EUR 51,44 million, including the staff, office and workspace costs related to the relocation of the Agency from London to Amsterdam; welcomes the extent to which the quality and continuity of the operations of the Agency were maintained whilst undertaking the relocation;

Sustainability

24. Welcomes the efforts made by the Agency to create an environmentally friendly workplace and all the measures taken by the Agency to reduce its carbon footprint, its energy consumption and to develop a paperless workflow;

25. Welcomes the fact that the Agency's new building which it occupies since January 2020 is highly energy efficient and provided with electricity originating from 100 % renewable energy (windmills and solar panels);

26. Invites the Agency, with regard to its newly established headquarters, to pay due attention to the energy mix of its sources of electricity and encourage the procurement of electricity generated by renewable energy, as well as to adopt all possible environmentally friendly measures and solutions;

Procurement

27. Notes that the e-submission tool has now also been successfully implemented and is in use since early 2019, and that the e-invoicing tool is being implemented; calls on the Agency to report on the status of its implementation;

28. Notes that in 2019 the Agency conducted procurement procedures for the necessary contracts for the permanent building in Amsterdam, such as the procurement of a new medical service provider in its new premises;

29. Notes that, according to the Court's report, the Agency launched in 2019 a procurement procedure which covered the supply of printers, and the management of the goods loading bay at the Agency's new premises in Amsterdam, that those items were unrelated but nevertheless combined into a single lot for tender, for an estimated total amount of EUR 6 200 000 over a maximum period of six years; notes, that according to the Court's report, only two offers were received for this tender; notes and supports the Court's position that contracting authorities must divide contracts into lots to facilitate broad competition and to allow bidders equal access to procurement procedures;

30. Notes that, according to the Court's report, the Agency concluded in 2019 a framework contract with three companies for the supply of temporary workers, and that the combined maximum value of the contract was EUR 15 450 000; further notes that, according to the tender specifications, the price element had a weighting factor of 40 % and that it was stipulated in the specifications that that element must include an all-inclusive hourly rate-conversion factor for application to the gross hourly remuneration of the temporary workers in specific staff categories; notes with concern that the Agency did not request an estimate of the gross staff cost for the interim workers in each requested staff category, which would have put the Agency in a better position to evaluate whether the service provider's mark-up or gross profit was reasonable in relation to similar contracts; demands that the Agency improves its procurement and planning processes, particularly with regard to the temporary and external staffing solutions;

Prevention and management of conflicts of interest and transparency

31. Acknowledges the Agency's existing measures and ongoing efforts to secure transparency to prevent and manage conflicts of interest, and to provide whistleblower protection; notes that in 2019 no internal whistleblowing case was reported, however, 20 reports of external whistleblowing cases were received; notes that 24 cases were closed, of which 13 cases were opened in 2019 and 11 during the previous years, seven cases are still ongoing; calls on the Agency to report to the discharge authority on the progress in those cases;

32. Asks the Agency to make sure the departments responsible for human resources and ethics guidelines ensure implementation of conflict of interest prevention and whistleblower protection policies;

33. Underlines that post-public employment and 'revolving door' conflict-of-interest situations are a problem common to many bodies and agencies across the Union;

34. Calls on the Agency to implement the recommendations of the European Ombudsman in its decision in case 2168/2019/KR on the European Banking Authority's decision to approve the request by its executive director to become CEO of a financial lobby group, in particular by ensuring, where necessary, that the option of forbidding its senior staff from taking up certain positions after their term-of-office is invoked; setting out criteria for when it will forbid moves of staff to the private sector; to inform applicants for senior posts in the Agency of the criteria when they apply; and to put in place internal procedures so that once that a member of its staff moves to another job, their access to confidential information is cut off with immediate effect;

35. Notes that, in 2019, no case of conflict of interest was reported by the Agency and that the Agency published the conflicts of interest declarations of its management board members and its senior management; notes with satisfaction that the Agency published the CVs of its management board members, senior management and of its external and in-house experts;

36. Underlines the fact that the current ethical framework applying to institutions and agencies of the Union suffers from considerable drawbacks due to its fragmentation and lack of coordination between existing provisions; highlights that those issues should be addressed by setting up a common ethical framework which ensures the application of high ethical standards for all institutions and agencies of the Union;

37. Underlines that certain officials fill in declarations of absence of conflicts of interest and provide self-assessments with regard to respect for ethical standards; highlights, however, that such self-declarations and self-assessments are not sufficient and that additional scrutiny is therefore needed;

Internal controls

38. Notes that the Internal Audit Service met with the Agency to perform a risk assessment exercise leading to the three-year strategic internal audit plan for 2020-2022, and that the Internal Audit Service selected 'HR and Ethics', 'IT governance and portfolio management' and 'the management of meetings for Agency's committees', as the three main audit topics for the coming years;

39. Regrets that the Internal Audit Service did not carry out any audit in 2019;

40. Notes that, in 2019, the Agency's audit function carried out audit activities and associated tasks in line with the Agency's annual audit plan adopted by the management board in December 2018; notes that the Agency's audit function performed three audits, one legally required pharmacovigilance audit and two consultancy engagements; further notes that some audits planned for 2019 were postponed due to the relocation of the Agency to the Netherlands;

Other comments

41. Notes that the Court issued an emphasis of matter paragraph as regards note 3.1.3 of the Agency's provisional accounts, which describes the uncertainty of the lease agreement for the Agency's previous premises in London which lasts until 2039, with no provision for early termination; notes that the Agency moved to Amsterdam on 30 March 2019; further notes that in 2019 the Agency reached an agreement with its landlord to sublet its former office premises to a subtenant, under conditions that are consistent with the terms of the head lease, and that the sublease term lasts until the expiry of the Agency's lease in 2039; notes from the Court's report that, since the Agency remains a party to the rental contract, the Agency could be held liable for the entire amount remaining payable under the rental contract if the subtenant fails to meet its obligations, further notes that, as of 31 December 2019, the total estimated outstanding rent, associated service charges and landlord insurance to be paid by the Agency until the end of the lease term amounted to EUR 417 000 000;

42. Notes the emphasis of matter paragraph in the Court's report about the lease agreement which lasts until 2039, with no provision for early termination; welcomes the fact that, in July 2019, the Agency reached an agreement with its landlord and managed to sublease its former office premises with effect from July 2019, until the expiry of the Agency's lease; notes with concern that, since the Agency remains a party to the rental contract, it could be held liable for the entire amount remaining payable under that contract if the subtenant fails to meet its obligations, but welcomes the fact that a solution has been found;

43. Notes that, according to the Agency's follow-up report, the Agency's management board supports the discharge authority's observations concerning the Agency's liabilities arising in connection with the United Kingdom's withdrawal from the Union, and as regards the carrying out of commercial activities in a third country; notes further that, according to the Agency's replies to the Court's report, the Agency and its management board are concerned that, instead of focusing its full efforts on its mission of protecting and promoting public health, the Agency now must manage commercial property in a third country, thereby diverting its human and financial resources from its public health responsibilities;

44. Welcomes the efforts of the Agency to strengthen its policies on transparency in relation to drugs and vaccines against COVID-19; notes that the authorisation process for a vaccine against COVID-19 will require a speedy and transparent process within the Agency; notes that specific attention should be paid to the transparency of data from clinical trials as regards such vaccines; welcomes the decision of the Agency to publish the clinical study reports of drugs and vaccines against COVID-19 within three days of marketing authorisation; encourages the Agency to publish data from clinical trials before marketing authorisation and failing that, in a timely manner; calls on the Agency to request that the sponsors of clinical trials make their clinical trial protocols public before marketing authorisation;

45. Points out that a complex approach is needed in order to make the website of the institutions of the Union accessible to persons with all kinds of disabilities as provided for in Directive (EU) 2016/2102 ([4]), including as regards the availability of national sign languages; suggests that organisations representing disabled persons be involved in that process;

46. Notes the efforts made to increase the Agency's cyber security and data protection; is, however, concerned by recent media reports that sensitive internal Agency documents were stolen by hackers and published on the dark web, as well as by reports of the Agency being the subject of cyberattacks; urges the Agency to take comprehensive measures for its cybersecurity to avoid such incidents in the future;

47. Calls on the Agency to continue increasing the level of transparency around its activities; in particular calls on the Agency to resume as soon as possible its policy on the publication of clinical data for medicinal products for human use ('Policy 0070') which was suspended in December 2018 and has still not been reinstated today;

([4]) Directive (EU) 2016/2102 of the European Parliament and of the Council of 26 October 2016 on the accessibility of the websites and mobile applications of public sector bodies (OJ L 327, 2.12.2016, p. 1).

48. Notes with concern that the Agency still does not authorise requests for access to documents via email and regrets that long delays of more than a year are the norm in terms of answering those requests; calls on the Agency to publicly set, and comply with, clear timeframes for responding to such requests from now on;

49. Reminds the Agency that it is urgent that Regulation (EU) No 536/2014 ([5]) is applied; recalls that this will only be possible with the launch of the fully functioning clinical trials information system which must not be further delayed; calls on the Agency to include a fully public monitoring dashboard in the clinical trials information system that allows the public to monitor and compare the performance of national competent authorities and clinical trials sponsors, including the timely discharge of their various obligations;

50. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([6]) on the performance, financial management and control of the agencies.

([5]) Regulation (EU) No 536/2014 of the European Parliament and of the Council of 16 April 2014 on clinical trials on medicinal products for human use, and repealing Directive 2001/20/EC (OJ L 158, 27.5.2014, p. 1).
([6]) Texts adopted, P9_TA(2021)0215.

DECISION (EU, EURATOM) 2021/1586 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the European Union Agency for Criminal Justice Cooperation (Eurojust) (before 12 December 2019: Eurojust) for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Criminal Justice Cooperation (Eurojust) for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0055/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Council Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime ([4]), and in particular Article 36 thereof,

— having regard to Regulation (EU) 2018/1727 of the European Parliament and of the Council of 14 November 2018 on the European Union Agency for Criminal Justice Cooperation (Eurojust), and replacing and repealing Council Decision 2002/187/JHA ([5]), and in particular Article 63 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([6]), and in particular Article 105 thereof,

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial 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]),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 63, 6.3.2002, p. 1.
([5]) OJ L 295, 21.11.2018, p. 138.
([6]) OJ L 122, 10.5.2019, p. 1.
([7]) OJ L 328, 7.12.2013, p. 42.

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0101/2021),

1. Grants the Administrative Director of the European Union Agency for Criminal Justice Cooperation (Eurojust) discharge in respect of the implementation of the Agency's budget for the financial year 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Administrative Director of the European Union Agency for Criminal Justice Cooperation (Eurojust), the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1587 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the European Union Agency for Criminal Justice Cooperation (Eurojust) (before 12 December 2019: Eurojust) for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Criminal Justice Cooperation (Eurojust) for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0055/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Council Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime ([4]), and in particular Article 36 thereof,

— having regard to Regulation (EU) 2018/1727 of the European Parliament and of the Council of 14 November 2018 on the European Union Agency for Criminal Justice Cooperation (Eurojust), and replacing and repealing Council Decision 2002/187/JHA ([5]), and in particular Article 63 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([6]), and in particular Article 105 thereof,

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial 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]),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 63, 6.3.2002, p. 1.
([5]) OJ L 295, 21.11.2018, p. 138.
([6]) OJ L 122, 10.5.2019, p. 1.
([7]) OJ L 328, 7.12.2013, p. 42.

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0101/2021),

1. Approves the closure of the accounts of the European Union Agency for Criminal Justice Cooperation (Eurojust) for the financial year 2019;

2. Instructs its President to forward this decision to the Administrative Director of the European Union Agency for Criminal Justice Cooperation (Eurojust), the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1588 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 Criminal Justice Cooperation (Eurojust) (before 12 December 2019: Eurojust) for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Union Agency for Criminal Justice Cooperation (Eurojust) for the financial year 2019,

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0101/2021),

A. whereas, according to its statement of revenue and expenditure [1], the final budget of European Union Agency for Criminal Justice Cooperation (Eurojust) (the 'Agency') for the financial year 2019 was EUR 38 954 265, representing an increase of 0,90 % compared to 2018; whereas the Agency's budget derives almost exclusively 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 2019 (the 'Court's report') states that it has obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that budget monitoring efforts during the financial year 2019 resulted in a budget implementation rate of 99,88 %, representing a slight decrease of 0,05 % compared to 2018; notes that the execution rate of payment appropriations was 90,61 %, representing an increase of 3,70 % in comparison to 2018;

2. Notes that in 2019 the Agency's budget was EUR 38 100 000, EUR 3 000 000 less than the Agency's request for 2019; observes that consequently, the Agency submitted an amending budget request to the Commission to meet the shortfall in respect of temporary and contract staff salaries; notes that the Commission approved a transfer of EUR 777 000 to the Agency in October 2019; highlights that pending the outcome of the request, mitigating measures were put in place, delaying a number of activities; calls on the Commission to enhance its discussions with the Agency ahead of future annual budgetary allocations;

Performance

3. Notes that the Agency uses certain tools such as key performance indicators (KPIs) to assess the added value provided by its activities and other tools to improve its budget management, such as the increase in the number of references to the Agency in Union documents, the percentage of written formal and informal contributions to Union draft legislation accepted by the Union institutions, and budget implementation; notes that the Agency defined 90 KPIs in the 2019 Annual Work Programme representing a reduction of 24 % of the KPIs compared to the KPIs defined in the 2018 Annual Work Programme; notes that the achievement rate of the 65 KPIs that were relevant, measurable and possible to assess was 71 % and that the remaining 29 % was not achieved due to reasons outside of the Agency's control, thus re-evaluation of the use of these KPIs will be made in future annual work programmes;

4. Reminds the Agency to regularly review and update its performance measurement system and KPIs to ensure the Agency's efficient contribution and expertise at Union level; encourages the Agency to carefully analyse the outcomes of such reviews and use them to improve their strategy and activity planning;

[1] OJ C 430, 20.12.2019, p. 1.

5. Notes that on 12 December 2019, with the application of Regulation (EU) 2018/1727 as its new legal basis, the Agency officially became the European Agency for Criminal Justice Cooperation (Eurojust); notes with appreciation that throughout 2019, the Agency ensured that all major impact changes brought by the new legal framework were implemented in a timely manner;

6. Notes that the Phase II of the Agency's organisational restructuring was completed in January 2019 and that in the course of 2019 the Agency consolidated the new structure by providing training to staff in their new roles and facilitating workshops to assist the new units in defining their mission statements;

7. Stresses the important role of the Agency in assisting competent authorities of the Member States in the prosecution of cross-border serious and organised crime;

8. Highlights that during 2019, assistance from the Agency was required in 7 804 cross-border criminal investigations, an increase of 17 % compared to 2018, with 3 892 of those investigations being new cases opened in 2019, an increase of 9 % compared to 2018; recalls that the Agency's casework has increased significantly over the years, not only in numbers, but also in complexity, and that this increase is expected to continue in the coming years; stresses the essential role that the Agency plays in the Union security chain and that its budget should match its tasks and priorities in order to enable it to fulfil its mandate; notes that the first Commission proposal of the 2020 budget indicated a significant shortfall compared to the Agency's projected needs; supports the Agency's advocacy to be provided with the necessary resources to fulfil its mandate in the security chain;

9. Highlights the continuous increase in the total number of cases supported by the Agency in the past five years and stresses the recent trend of cases referred to the Agency becoming more and more complex and requiring support over longer periods; highlights that working together through the Agency in 2019, national judicial and law enforcement authorities brought trade in illicit drugs worth EUR 2,7 billion to a halt, and about EUR 2 billion in criminal assets were seized or frozen; highlights that the workload is expected to increase further due to the new, strengthened mandate which entered into force in 2019 ([2]); highlights that the number of coordination centres held in 2019 increased from 17 to 20 (+ 19 %), demonstrating the popularity and utility of this operational tool; stresses the essential role that the Agency plays in supporting and coordinating the work of national judicial authorities in investigating and prosecuting transnational crime;

10. Notes that the Agency continues to develop strong operational cooperation with the European Union Agency for Law Enforcement Cooperation (Europol) and with other justice and home affairs partners as well as with third countries; notes that the Agency also cooperated with the European Anti-Fraud Office and European Union Intellectual Property Office with regard to ongoing cases; notes that the Agency also participated in joint procurement procedures with Europol and the European Medicines Agency; welcomes the fact that the Agency started the preparatory work for implementing the relationship with the newly created European Public Prosecutor's Office (EPPO), in anticipation of EPPO's operationalisation;

11. Calls on the Agency to continue to increase cooperation and the exchange of good practices with other Union agencies with a view to improve efficiency in the areas of human resources, building management, IT services and security;

Staff policy

12. Notes that, on 31 December 2019, the establishment plan was 98,08 % implemented, with 204 temporary agents appointed out of 208 temporary agents authorised under the Union budget (compared to 209 authorised posts in 2018); notes that, in addition, 17 contract agents and 16,5 out of 21 full-time equivalent seconded national experts worked for the Agency in 2019;

13. Notes with concern that the reported figures for gender balance within the college for 2019 are 17 male members and 10 female members; asks the Member States to take into account the importance of ensuring gender balance when nominating their members to the Agency's college;

([2]) Regulation (EU) 2018/1727 of the European Parliament and of the Council of 14 November 2018 on the European Union Agency for Criminal Justice Cooperation (Eurojust), and replacing and repealing Council Decision 2002/187/JHA (OJ L 295, 21.11.2018, p. 138).

14. Takes note of the Agency's existing measures and ongoing efforts to prevent harassment; notes that, in the course of 2019, 12 members of staff approached a confidential counsellor for advice resulting in the initiation of two informal procedures; notes that two alleged harassment cases without prior involvement of the confidential counsellors were reported in 2019 and that an inquiry was to be concluded in 2020; calls on the Agency to report to the discharge authority on the findings of the inquiry;

15. Welcomes the Agency's efforts to build a more diverse and inclusive work environment and culture by taking actions in favour of persons with disabilities; asks the Agency to assess the possibilities of further strengthening and integrating the principles of equal opportunities in recruitment, training, career development, working conditions as well as to raise staff awareness of those aspects; and on the possible reasonable improvements and modifications of the Agency' buildings (access, adequate office equipment) for persons with reduced mobility or other disabilities;

16. Welcomes the completion of the previous Court's observation concerning the publication of vacancy notices not only on the Agency's website and social media, but also on the website of the European Personnel Selection Office;

17. Encourages the Agency to pursue the development of a long-term human resources policy framework which addresses work-life balance, lifelong guidance and career development, gender balance, teleworking, geographical balance and the recruitment and integration of persons with disabilities;

Procurement

18. Notes with regard to the follow-up of the Court's findings for the previous year, that the Agency signed an IT framework contract with a company that provided the same service under a previous framework contract, without prior publication of a contract notice during the negotiated procurement procedure; notes that all payments made under that framework contract and all related specific contracts are irregular and that a simplified procedure is only acceptable under specific circumstances which were not substantiated by the Agency; acknowledges from the Agency's previous reply that the negotiated procedure was done on the basis of Article 134 (f) of the Rules of Application of the Commission Delegated Regulation (EU) 2015/2462 ([3]), which allow that procedure to be used where a change of supplier would result in incompatibility or disproportionate technical difficulties in operation and maintenance and hence the solution was considered the most cost-effective; notes however, that the Agency acknowledged that the supporting documentation for the contract did not adequately substantiate the use of this procedure and that it is committed to ensure that any such future procedures would be more robustly justified; calls on the Agency to ensure full compliance with public procurement rules and complete the outstanding Court's observation;

Prevention and management of conflicts of interest and transparency

19. Acknowledges the Agency's existing measures and its ongoing efforts to secure the transparency, prevention and management of conflicts of interest; notes that the executive board adopted Decision 2020-07 of 15 June 2020 of the updated Agency's anti-fraud strategy that underlines the need to raise awareness on the internal rules of the Agency on ethics and, in particular, on conflicts of interest; notes that the Agency's guidelines on whistleblowing were amended by the college of the Agency in January 2019 and that the review of those guidelines is ongoing and was expected to be finalised in 2020; notes that a code of ethics for members of the college and the executive board was adopted by College Decision 2020-09 of 15 December 2020;

20. Deplores the fact that, by the end of February 2021, the CVs and declarations of interest of the members of the executive board, Agency presidency and administrative director are still not published on the Agency's website, in spite of an announcement that declarations of interest would be available online as of 15 February 2021; calls on the Agency to publish the CVs and declarations of interest and to report to the discharge authority on the measures taken in this regard;

([3]) Commission Delegated Regulation (EU) 2015/2462 of 30 October 2015 amending Delegated Regulation (EU) No 1268/2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 342, 29.12.2015, p. 7).

21. Underlines the fact that the current ethical framework applying to Union institutions and agencies suffers from considerable drawbacks due to its fragmentation and lack of consistency between existing provisions; highlights that these issues should be addressed by setting up a common ethical framework, ensuring the application of high ethical standards for all Union institutions and agencies;

22. Underlines that certain officials fill in declarations of absence of conflicts of interest and provide self-assessments with regard to respect for ethical standards; highlights, however, that such self-declarations and self-assessments are not sufficient and that additional scrutiny is therefore needed;

Internal Controls

23. Notes that by the Agency's College Decision 2019-16 of 10 December 2019, the revised internal control framework of the Agency was adopted; notes that in 2019, the Agency carried out the assessment of the implementation of its internal control standards and the results included a set of internal recommendations on the gaps identified, which have been taken into account for the assessment of the state of the internal controls in 2019;

24. Notes that the internal audit service (IAS) issued seven recommendations, none of which were considered critical, from the audit on 'Cooperation with Europol', and that the action plan to implement the recommendations was submitted to the IAS in July 2019 and has been monitored quarterly; notes that the Agency has two open recommendations from the IAS as regards the audit on activity based management; notes that the Agency has submitted updated input on the progress achieved to the IAS, marking 8 out of the 9 outstanding recommendations implemented and ready for assessment by the IAS and final closure; calls on the Agency to report to the discharge authority on the progress made;

Environment management

25. Notes with appreciation that Agency's building received the sustainability label 'very good' and the Agency monitors the energy and water consumption trends with the aim to adjust practices and reduce consumption; welcomes the fact that in addition, the Agency recycles reusable items and office supplies, and promotes the use of electronic alternatives to paper;

Other comments

26. Notes that, regarding cooperation with the UK after the entry into force of the withdrawal agreement, the Agency monitored the negotiations and identified the areas of impact and possible scenarios; notes that the UK was the country with the fifth largest number of cases assisted by the Agency;

27. Encourages the Agency to continue promoting its activities to increase the public visibility thereof;

28. Welcomes Agency's new rules of procedure, its new rules on data protection, the closer cooperation with the Commission, the strategy specifying third states and international organisations, the cooperation agreement with Denmark, the setting up of an executive board, the preparatory work for implementing an effective cooperation between the Agency and the EPPO, and the alignment of budget planning timelines and deliverables.

29. Stresses the importance to increase the digitalisation of the Agency in terms of internal operations and management procedures and the need for the Agency to continue to be proactive in this regard in order to avoid a digital gap between the agencies at all costs; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;

30. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([4]) on the performance, financial management and control of the agencies.

([4]) Texts adopted, P9_TA(2021)0215.

DECISION (EU, EURATOM) 2021/1589 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Training Foundation for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0056/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation ([4]), and in particular Article 17 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

— having regard to the opinion of the Committee on Employment and Social Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0089/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 354, 31.12.2008, p. 82.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Grants the Director of the European Training Foundation discharge in respect of the implementation of the Foundation's budget for the financial year 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the European Training Foundation, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1590 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the European Training Foundation for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Training Foundation for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0056/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation ([4]), and in particular Article 17 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

— having regard to the opinion of the Committee on Employment and Social Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0089/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 354, 31.12.2008, p. 82.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Approves the closure of the accounts of the European Training Foundation for the financial year 2019;

2. Instructs its President to forward this decision to the Director of the European Training Foundation, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1591 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 2019

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 2019,

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

— having regard to the opinion of the Committee on Employment and Social Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0089/2021),

A. whereas, according to its statement of revenue and expenditure [1], the final budget of the European Training Foundation (the 'Foundation') for the financial year 2019 was EUR 20 546 000, representing an increase of 2,00 % compared to 2018; whereas the Foundation's budget derives entirely 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 2019 (the 'Court's report'), states that it has obtained reasonable assurance that the Foundation's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that budget monitoring efforts during the financial year 2019 resulted in a high budget implementation rate of 99,96 %, representing a slight increase of 0,03 % compared to 2018; takes note of the fact that the payment appropriations execution rate was 95,91 %, representing a decrease of 2,16 % compared to 2018;

Performance

2. Notes that the Foundation uses certain measures as key performance indicators (KPIs) to assess the added value provided by its activities and other measures to improve its budget management, such as stakeholder engagement, country policy development progress and timely payments;

3. Reminds the Foundation to regularly review and update its performance measurement system and KPIs to ensure its efficient contribution and expertise at Union level; encourages the Foundation to carefully analyse its outcomes and to use them to improve the planning of its strategies and activities;

4. Welcomes the work of the Foundation in supporting the reform of vocational training in the Union neighbouring countries, enlargement countries and central Asian countries by assisting the Commission in the implementation of various vocational training programmes; welcomes in particular the Foundation's initiative 'Skills for Enterprise Development' addressing the need for skills adaptation and enhancement enabling enterprises to respond and manage challenges, including those resulting from the COVID-19 pandemic, and contribute to greener, more inclusive and more innovative societies, and its focus on achieving social inclusion through education and learning, in particular its working paper on training and support for women's entrepreneurship in line with the Gender Action Plan III for 2021-2025 set out in the Commission's joint communication of 25 November 2020;

5. Appreciates the fact that the Foundation is the only Union agency with a mandate to work outside the Union in supporting the Union external action in the area of education, vocational training, skills and labour market systems and human capital development in the Union's partner countries, for the purpose of improving the employability and employment prospects of the citizens of those countries; in that context, highlights the need of ensuring adequate human and financial resources allowing the Foundation to continue to implement its work programme with a very high activity completion rate;

[1] OJ C 120, 29.3.2019, p. 20.

6. Notes that the Foundation achieved a 91 % activity completion rate with a timely completion rate of 85 %, and that it succeeded in reaching its targets for 14 out of 15 KPIs;

7. Notes that in 2019, the governing board adopted a new strategy that defines a vision that maximises the utilisation of the Foundation's knowledge and experience in the context of the Union's external relations' policies to improve human capital development with a focus on delivering the United Nation's 2030 Sustainable Development Agenda and the Union's external relations priorities;

8. Welcomes the good collaboration with the European Centre for the Development of Vocational Training (Cedefop), the European Foundation for the Improvement of Living and Working Conditions (Eurofound) and the European Agency for Safety and Health at Work (EU-OSHA); encourages the Foundation to continue and to actively seek further and broader cooperation to develop its synergies, share knowledge and exchange good practices with other Union agencies with a view to improving efficiency (human resources, building management, IT services and security);

9. Stresses the importance of increasing the digitalisation of the Foundation in terms of internal operations and management procedures; stresses the need of the Foundation to continue to be proactive in that regard in order to avoid a digital gap between the Union agencies; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;

Staff policy

10. Notes that, on 31 December 2019, the establishment plan was 100 % implemented, with 86 temporary agents appointed out of 86 temporary agents authorised under the Union budget (compared to 86 authorised posts in 2018); notes that, in addition, 41 contract agents worked for the Foundation in 2019 and that there were no seconded national experts;

11. Notes with satisfaction that the Foundation has reported almost a gender balance among the senior management (3 men and 2 women) and the governing board (13 men and 15 women);

12. Welcomes the fact that the Foundation has several anti-harassment measures in place and that the Foundation adopted a new policy on protecting staff dignity in 2019;

13. Urges the Foundation to enhance the geographical balance of its staff, including at middle and senior management level, in order to have a proper representation of nationals from all Member States, reflecting the diversity of the Union, as indicated in Article 27 of the Staff Regulations of Officials;

14. Encourages the Foundation to pursue the development of a long-term human resources policy framework which addresses work-life balance, lifelong guidance and career development, gender balance, teleworking, geographical balance and the recruitment and integration of people with disabilities;

Prevention and management of conflicts of interest and transparency

15. Notes the Foundation's existing measures and ongoing efforts to secure transparency, prevent and manage conflicts of interest, and protect whistleblowers; notes with satisfaction that the declarations of interest and CVs of the governing board and senior management are published on the Foundation's website; notes that the Foundation identified a potential conflict of interest within a selection procedure in 2019 and that the director took the decision to modify the composition of the selection assessment board accordingly; notes that the Foundation has one ongoing whistleblowing case and that consequential actions are being undertaken in the context of a disciplinary procedure; calls on the Foundation to report to the discharge authority on progress made;

16. Notes the continuation of steps taken in order to enhance the transparency of the Foundation's activities by reporting the meetings that the Foundation's staff has with external stakeholders, in particular the director's meetings with organisations and self-employed individuals, and their availability on the Foundation's website;

Procurement

17. Is satisfied that the Foundation has acted upon the majority of the observations made by the discharge authority in the framework of the 2018 discharge procedure but draws attention to the fact that it still has to take action to respond to Court's observations as regards non-competitive price elements in award criteria; notes that there was no evidence that the procurement procedure through which five interim workers worked for the Foundation led to the award of the best value for money contract; endorses the Court's observation in that regard that the Foundation should use award criteria which focus on competitive price elements; notes that in its reply, the Foundation's fully acknowledges the issue and aims for the next procurement procedure for interim workers to include competitive price elements in the award criteria;

Internal controls

18. Notes that the internal audit service (IAS) issued one very important and five important recommendations in 2019, as a result of the IAS audit on 'HR management and ethics in the ETF'; notes that two recommendations were formally closed by the IAS in February 2020 and September 2020; notes in that regard that the Foundation has implemented a recommendation ranked as 'very important' and actions to address the remaining recommendations, pending the IAS's review and formal closure;

19. Notes that 2018 was the first full year of implementation of the Foundation's 17 internal control principles; notes that the results of the annual assessment of the internal control principles for 2019 were positive, with 16 out of the 17 principles being assessed as functioning well or needing only minor improvements; calls on the Foundation to further report to the discharge authority on the measures taken in order to improve the situation;

20. Notes, regarding the follow-up actions to Parliament's comments in the context of the 2018 discharge, that an external evaluation of the Union agencies under the remit of the Commission's Directorate-General for Employment, Social Affairs and Inclusion (DG EMPL), namely the Foundation, Cedefop, Eurofound and EU-OSHA, was carried out in 2018 on behalf of the Commission with regard to their relevance, effectiveness, efficiency, coherence and added value at Union level, concluding that the approach of risk management in the Foundation is in line with other agencies and enables a comprehensive and consistent control over the potential risks; notes that all open actions are planned to be completed by March 2021; calls on the Foundation to report to the discharge authority on progress made;

21. Notes that the Foundation has increased its social media presence targeting general public on different media channels and that it also introduced a new knowledge-sharing platform which helps to achieve strategic objective of being a global knowledge hub for skills and employment policies in developing and transition countries; recalls the importance of continuing to develop greater visibility in the media, internet, and social media in order to make its work known;

22. Notes that the cross-cutting evaluation of the Union agencies under the remit of DG EMPL suggested a number of recommendations for each of the agencies, but that none of them would have required legislative changes or the merging or co-locating of the agencies;

23. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([2]) on the performance, financial management and control of the agencies.

([2]) Texts adopted, P9_TA(2021)0215.

DECISION (EU, EURATOM) 2021/1592 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the European Maritime Safety Agency for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0057/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EC) No 1406/2002 of the European Parliament and of the Council of 27 June 2002 establishing a European Maritime Safety Agency ([4]), and in particular Article 19 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0099/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 208, 5.8.2002, p. 1.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

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 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Maritime Safety Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1593 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the European Maritime Safety Agency for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0057/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EC) No 1406/2002 of the European Parliament and of the Council of 27 June 2002 establishing a European Maritime Safety Agency ([4]), and in particular Article 19 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0099/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 208, 5.8.2002, p. 1.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Approves the closure of the accounts of the European Maritime Safety Agency for the financial year 2019;

2. Instructs its President to forward this decision to the Executive Director of the European Maritime Safety Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1594 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 2019

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 2019,

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0099/2021),

A. whereas, according to its statement of revenue and expenditure [1], the final budget of the European Maritime Safety Agency (the 'Agency') for the financial year 2019 was EUR 96 792 026,82 representing a decrease of 9,35 % compared to 2018; whereas the Agency's budget derives entirely 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 2019 (the 'Court's report'), states that it has obtained reasonable assurance that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2019 resulted in a budget implementation rate of 99,22 %, representing a slight increase of 0,20 % compared to 2018 and a payment appropriations execution rate of 96,44 %, representing an increase of 3,60 %;

2. Notes the adoption of the financial rules of the Agency; welcomes the new provisions regarding conflicts of interest, which require declarations of commitment and confidentiality to be published annually;

3. Notes the observation in the Court's report on timely payments and the fact that in 2019, in 18 % of the cases, the Agency paid interest on late payments; notes with concern that the Court observed similar or higher levels of delays in 2018, 2017 and 2016; notes that most late payments concerned the reimbursement of travel costs for participants to workshops, despite efforts to reduce the backlog of these reimbursements; notes the reply of the Agency to the Court's finding; reiterates the need to address the late payment situation and to mitigate the financial and reputational risk described by the Court; calls on the Agency to inform the discharge authority by June 2021 about the results of the measures taken as regards late payments; highlights, however, the Agency's efforts to provide continuous technical assistance to national maritime organisations and other stakeholders through such workshops; invites the Agency to develop new remote and online learning modules to adapt to the sanitary situation and to reduce costs;

Performance

4. Notes that the Agency adopted its EMSA 5-year strategy 2020-2024 in the 56th administrative board meeting in November; welcomes the fact that the strategy addresses the challenges and opportunities that the maritime sector faces, such as zero pollution, sustainability, digitalisation, data exchange, safety and security, compliance and effective enforcement, and that it will contribute to the headline ambitions of the von der Leyen Commission;

5. Notes that the Agency uses key performance indicators (KPIs) to measure the implementation of its annual work programme; notes that the periodical evaluation of the Agency is the main instrument to assess the added value provided by its activities;

[1] OJ C 107, 31.3.2020, p. 229.

6. Welcomes the administrative arrangement regarding the establishment of unmanned/remotely piloted aircraft services with the European Union Aviation Safety Agency;

7. Welcomes the fact that, since 2017, the tripartite working arrangement between the Agency, the European Fisheries Control Agency (EFCA) and the European Border and Coast Guard Agency (Frontex) has functioned well; considers the arrangement an example of synergy between EU agencies that should inspire agencies in other areas;

8. Notes that the Agency closely cooperates with other Union agencies such as with the European Fisheries Control Agency, the European Border and Cost Guard Agency and the European Monitoring Centre for Drugs and Drug Addiction; strongly encourages the Agency to actively seek further deeper and broader cooperation with all Union agencies, notably EFCA (European Fisheries Control Agency) and Frontex through joint maritime surveillance services, as well as through information and capacity sharing;

9. Encourages the Agency to pursue the digitalisation of its services, as a way to reduce bureaucracy;

10. Calls upon the Agency to aim its focus on disseminating the results of its research to the general public;

11. Welcomes that, in the second full year of Remotely Piloted Aircrafts Services (RPAS) operations offered by EMSA, the Agency increased its RPAS services to 642 operational days (1 488 flight hours), within the scope of coast guard functions and supporting the Member States in maritime surveillance operations;

12. Welcomes the development by the Agency of new tools to monitor maritime traffic and the fact that Traffic Density Maps, displaying vessel movement patterns contributing to a better understanding of maritime traffic, including risk assessments and traffic planning, were made available to authorised users from September 2019;

13. Stresses that the Agency's expertise and operational capabilities offer the opportunity for it to expand its action and service provision on a more global scale, which may increase the reach of the Union's regulatory frameworks and safety and environmental standards;

Staff policy

14. Notes that, on 31 December 2019, the establishment plan was 96,23 % implemented, with 204 officials and temporary agents appointed out of 212 officials and temporary agents authorised under the Union budget (compared to 212 authorised posts in 2018); notes that in addition to 30 contract agents financed from the EMSA budget, 3 contract agents from the Copernicus budget and 14 seconded national experts worked for the Agency in 2019;

15. Notes with concern that, in 2019, the agency's administrative board was composed only of 21 % of women (43 men and 14 women) while gender balance has been achieved within the senior management (8 men and 5 women); calls on the Agency to ensure gender balance at the staff and senior management levels in the future; further calls on the Commission and the Member States to take into account the importance of ensuring gender balance when nominating their members to the Agency's administrative board;

16. Notes that the results of the fifth benchmarking exercise regarding the Agency staff are similar to those of 2018, with 19,5 % (20,20 % in 2018) of the jobs dedicated to administrative support and coordination, 71,6 % (71,65 %) to operational tasks and 8,9 % (8,15 %) to finance and control tasks;

17. Notes the finding in the Court's report concerning the framework contract with a temporary-work agency to provide temporary workers and in particular that the remuneration of interim workers in the Agency was lower than the lowest possible remuneration that would have been due to a contract agent directly employed by the Agency for performing the same task; notes the pending case before the Court of Justice; notes the reply of the Agency stating that the contract with the temporary-work agency was terminated and a new framework contract was signed in May 2020; calls on the Agency to keep the discharge authority informed about the outcome of the case pending before the Court of Justice and possible resulting financial consequences;

Procurement

18. Notes that in 2019, 80 procurement procedures were initiated, of which 65 were launched (36,93 % open procedures, 10,77 % special negotiated procedures and 52,30 % negotiated procedures);

Prevention and management of conflicts of interest and transparency

19. Notes the observation in the Court's report concerning management of conflicts of interest in recruitment procedures in the Agency and the fact that selection board members did not always declare personal interests, potentially calling into question their independence with regard to all candidates; calls on the Agency to review its guidelines on conflicts of interest, monitor adherence to these guidelines and report to the discharge authority on measures taken to prevent these situations from happening by June 2021;

20. Welcomes the fact that the Agency employs, and publishes, declarations of conflicts of interest and CVs for its management board members and senior management and that the Agency has issued guidelines on conflict of interest and has implemented whistleblowing arrangements, which are an important tool for detecting fraud, corruption and serious irregularities;

21. Notes with concern the finding of the Court that weaknesses exist in recruitment procedures concerning the application of the principle of equal treatment and/or transparency and lack of audit trail in the Agency;

Internal Controls

22. Notes the assessment carried out by the Agency that concludes that all internal control principles and components are adequately implemented and effective with some minor improvements needed;

23. Underlines that, with additional resources, the Agency could play an even more important role in supporting Member States in mitigating shipping-related environmental risks and in improving the overall sustainability of the maritime sector; recalls, in this context, that, in 2019, the first overview of CO_2 emissions, representing almost 11 000 ships, was made public, thanks to the THETIS-MRV system, managed by the Agency;

24. Welcomes the fact that in 2019 the Internal Audit Service of the Commission and the Court did not issue any critical recommendations or observations that could have led to a reservation in the annual declaration of assurance;

25. Welcomes the conclusions of the IAS audit that the EMSA management and control systems that it has put in place for Visits and Inspections are adequately designed, efficient and effectively implemented and support the Agency in achieving its strategic objectives;

Other comments

26. Notes that the Agency in 2019 initiated the implementation of the European Union Eco-Management and Audit Scheme (EMAS) which should lead to EMAS registration, supporting the Agency's commitment to creating and sustaining an environmentally-friendly working place and to improving its environmental performance in general; calls on the Agency to inform the Discharge authority of the progress made in that implementation by June 2021;

27. Stresses that the Agency's expertise and operational capabilities offer the opportunity for it to expand its action and service provision on a more global scale, which may increase the reach of the Union's regulatory frameworks and safety and environmental standards;

28. Welcomes the commitment made by the Agency to procure energy from 100 % renewable sources by 2021;

29. Invites the Agency to increase the availability of its website in languages other than English; considers that greater linguistic diversity will facilitate access to information for European citizens and thus enhance their understanding and knowledge of the Union's action in terms of maritime safety;

30. Points out that a complex approach is needed in order to make the European institutions' home pages accessible to persons with all kind of disabilities as foreseen in Directive (EU) 2016/2102, including the availability of national sign languages; suggests that organisations representing disabled persons be involved in this process;

31. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([2]) on the performance, financial management and control of the agencies.

([2]) Texts adopted, P9_TA(2021)0215.

DECISION (EU, EURATOM) 2021/1595 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the European Union Aviation Safety Agency for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Aviation Safety Agency for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0058/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

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

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 212, 22.8.2018, p. 1.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0070/2021),

1. Grants the Executive Director of the European Union Aviation Safety Agency discharge in respect of the implementation of the Agency's budget for the financial year 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Union Aviation Safety Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1596 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the European Union Aviation Safety Agency for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Aviation Safety Agency for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0058/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

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

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 212, 22.8.2018, p. 1.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0070/2021),

1. Approves the closure of the accounts of the European Union Aviation Safety Agency for the financial year 2019;

2. Instructs its President to forward this decision to the Executive Director of the European Union Aviation Safety Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1597 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Union Aviation Safety Agency for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Union Aviation Safety Agency on the financial year 2019,

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0070/2021),

A. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Union Aviation Safety Agency (the 'Agency') for the financial year 2019 was EUR 196 411 375, representing a decrease of 0,74 % compared to 2018; whereas EUR 37 643 000 of the Agency's budget derives from the Union budget and EUR 103 214 000 is revenue from fees and charges ([2]);

B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the European Union Aviation Safety Agency for the financial year 2019 (the 'Court's report'), states that it has obtained reasonable assurance 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 2019 resulted in a budget implementation rate of 96,69 %, representing a decrease of 1,62 % compared to 2018; furthermore, notes with concern that the payments appropriations execution rate was 89,06 %, showing a decrease of 1,20 % compared to 2018;

2. Notes that the rate of cancellations of carry-over continued to increase, attaining 3,7 % (1,8 % in 2018) but that it remains below the 5 % limit set by the Commission; welcomes the fact that the successful implementation of the budget and the cancellation of the amounts carried over targets means that no penalties will be applied to the 2021 EU subsidy;

3. Notes that the Agency ended the year with an overall deficit of EUR 552 000 notes that the fees and charges deficit is deducted from the accumulated surplus, reducing it from EUR 52,2 million to EUR 51,5 million; observes that concerning activities related to fees and charges, the income rose by EUR 4,3 million compared to 2018, and for the total of EASA the staff costs increased by EUR 1,1 million administrative costs by EUR 0,65 million and operational costs by EUR 3,4 million;

4. Notes that the surplus has been accumulated by the Agency pursuant to industry-financed activities over the years, for which there is no provision in the Agency's Founding Regulation; stresses that this surplus could prove to be precious for the budgetary equilibrium of the Agency in view of a severe economic crisis for the aviation sector that would impact the fee-related activities;

Performance

5. Notes that the Agency uses certain measures as key performance indicators (KPIs) to assess the added value provided by its activities and other measures to improve its budget management, such as timely processing of occurrence reports, timely approval of organisation continuation and timely progression on bilateral agreements;

6. Acknowledges that the Agency gathered the aviation community for the 1st Safety in Aviation Forum for Europe (SAFE) 360° event on 13 to 15 May 2019 in Brussels, where about 250 people from across the European aviation safety community came together to share their experiences and to discuss the broader perception of the combined safety risk picture;

([1]) OJ C 107, 31.3.2020, p. 60.
([2]) OJ C 107, 31.3.2020, p. 60.

7. Acknowledges that the Agency's programme Data4Safety, which will provide a big data platform and an improved analysis capability at European level, made progress in 2019, with the proof of concept phase agreed upon and the implementation phase to be started;

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

9. Calls upon the Agency to aim its focus on disseminating the results of its research to the general public;

10. Encourages the Agency to pursue the development of a long term Human Resources policy framework which addresses the work-life balance, the lifelong guidance and career development, the gender balance, the teleworking, the geographical balance and the recruitment and integration of people with disabilities;

11. Encourages the Agency to pursue the digitalization of its services, as a way to reduce bureaucracy;

12. Notes that the Agency completed in nine months a process similar to the certification of a new derivative aircraft which usually takes between four and five years, as part of the investigation on the aircraft certification which went on in 2020;

13. Recalls that the problem of lack of staff remains one of the main obstacles to efficiency and that priority should be given to supporting staff by providing additional resources.

14. Notes the role of the Agency in assisting the EU to strengthen international cooperation on air transport by signing six new Working Arrangements and two Memoranda of Understanding;

Staff policy

15. Notes that, by 31 December 2019, the establishment plan had been 94,56 % implemented, with 643 temporary agents appointed out of 680 temporary agents authorised under the Union budget (compared to 680 authorised posts in 2018); notes that, in addition, 86 contract agents and 17 seconded national experts worked for the Agency in 2019;

16. Notes that chair of the management board of the Agency changed from Mr Pekka Henttu (Finland) to Mr Piotr Samson (Poland) in December 2019; notes that deputy chair of the management board changed from Mr Rob Huyser (the Netherlands) to Mr Johann Friedrich Colsman (Germany) in December 2019;

17. Notes with concern that an uneven gender balance was reported for 2019 with regard to the senior managers (18 men and 7 women) and the management board members (61 men and 20 women); asks the Agency to ensure gender balance at the management and staff levels in the future; asks the Commission and the Member States to take into account the importance of ensuring gender balance when nominating their members to the Agency's management board;

18. Commends the continuous efforts of the Agency to increase its efficiency, which resulted into net tangible reductions of effort estimated at eight full time equivalents compared to 2018, leading to staffing cost savings of around EUR 960 000; notes that a further 13 full-time equivalents, also gained through efficiency initiatives, were reinvested in core activities;

19. Is concerned about the decision to freeze budget title 1 (staff related expenditure) for the next 3 years; requests that the Agency explain the reasons of such a decision at a time when the budget implementation was lower than required;

20. Welcomes steps taken by the Agency to achieve gender balance, such as encouraging female applications during selection procedures, by offering favourable working conditions and flexible arrangements linked to maternity; welcomes the formation of a gender balance advocacy group to raise awareness of gender balance issues; reiterates its call on the Member States and the Commission to take into account gender balance when nominating members of the Board;

21. Notes with great concern the ECJ decision in the case C-310/19 P, which ruled in favour of an employee, recognising that the Agency had behaved wrongly in not meeting 'the requirements arising from the principle of good administration and the duty of care which is incumbent on a body of the Union, such as that EASA, and therefore constitutes a service fault' ([3]); is extremely concerned that the Management board failed to follow up this ruling with concrete actions;

22. Regrets the reports on the lack of social dialogue in the Agency, which appears to be used only for communicating decisions already taken instead of engaging in a serious social dialogue mechanism;

23. Takes notes of the increasing rate of union affiliation in the Agency, but is worried that this might be related to continuing social tensions;

24. Calls on the management board to pay more careful attention to the social aspects of the staff policy, taking serious steps to reduce the social unrest in the Agency, and establish a serious and productive social dialogue;

25. Requests that the Agency report back on the measures taken to address this situation;

Procurement

26. Notes that, according to the Court's report, for three out of four procurement procedures audited, the Agency did not publish the estimated volume of the contract as required by the Financial Regulation; notes from the Agency's reply that the Agency had published the volume for all four procedures, however, for three of them only in the tender specifications and the Agency will ensure to either contain an indication of magnitude in the Contract Notice (CN) itself or to make a reference in the CN to the section of the tender specifications where the volume is set, increasing transparency;

27. Notes that, according to the Court's report, for a procedure concerning the procurement of IT services with a value of up to EUR 3,5 million, the Agency required potential tenderers to submit evidence that their minimum annual turnover was at a level that exceeded the maximum allowed by the Financial Regulation; notes from the Agency's reply that the Agency will specifically monitor and verify that application of this criterion is compliant with the Financial Regulation in the future;

28. Notes that, according to the Court's report, regarding the following up of the previous years' observations, the terms used in the framework contract with a single operator in 2018 and also discovered by the Court in 2019 were not specific enough to allow for fair competition and did not ensure value for money; notes the Agency's reply and calls on the Agency to design framework contracts in such a way as to allow for fair competition and ensure value for money;

29. Notes that, according to the Court's report, regarding the following up of the previous years' observations, the Agency committed the funds for an agreement with the Commission on archiving services about eight months after the renewal of the agreement in 2018; notes that, according to the Financial Regulation, the commitment of funds should be recorded before entering into a legal obligation; takes note of the Agency's reply to implement an IT system that prevents any risk of entering legal commitments before budgetary commitments;

30. Notes, regarding the following up of observations from previous years, that, since January 2018, the Agency has given all suppliers the possibility to submit electronic invoices; however, notes that in 2019 the processing of invoices received electronically and the encoding of the invoice data was still done manually;

([3]) http://curia.europa.eu/juris/document/document.jsf?text=&docid=226987&pageIndex=0&doclang=FR&mode=req&dir=&occ=first&part=1&cid=2775487

Prevention and management of conflicts of interest and transparency

31. Acknowledges the Agency's existing measures and ongoing efforts to ensure transparency; prevention and management of conflicts of interest, and whistle-blower protection; notes that in 2019 the Agency identified several cases of potential conflicts of interest but in most cases the conflicts of interest risk were addressed through the application of specific mitigating measures, with the remaining cases not requiring any mitigating measure to be taken; acknowledges that CVs and declarations of interest of most board members are published on its website, however, points out that the Agency failed to publish the CVs and declarations of interest of all board members on its website; calls on the Agency to publish the CVs and the declarations of interests of all the members of the management board and to report to the discharge authority on the measures taken in this regard;

32. Notes that the Agency performed a review of the existing conflict of interest framework for staff and board of appeal members, taking into account the recommendations from the IAS Audit Report on Ethics, Fraud Prevention and Conflict of Interest performed at the end of 2018 and the Agency has further improved its mechanism in developing guidelines for staff members and managers aiming at harmonising the mitigating measures to be implemented; notes that in 2019, the Agency started working on the IAS auditors' recommendations, which will be implemented in 2020;

33. Notes that 72 % of the Agency's income consists of fees; takes note of the Agency's view that the fact that applicants pay fees does not necessarily imply a conflict of interest; calls on the Agency to develop preventive measures and regularly assess the staff involved in opinion-making to ensure there is independence;

Internal controls

34. Notes that in 2019, the Internal Audit Service performed an audit of outsourcing, partnership agreements and applicant services with the final audit report delivered in the beginning of 2020 and that the Agency is currently taking measures based on the recommendations issued;

35. Notes that the Internal Audit Capability performed five audit assurance engagements in 2019 to assess whether the relevant regulations were complied with, the process objectives were being met, and the key risks were properly mitigated; notes that assurance was provided in each of the reviews and recommendations were given to further enhance either the control environment or the overall efficiency of the processes; acknowledges, furthermore, that in the three follow-up audits carried out in 2018, in one case the residual risks were reduced to an acceptable level, and in the other two areas, the implementation of the remainder of the actions will be assessed in 2020;

36. Notes that the integrated management system of the Agency was recertified with the ISO 9001:2015 standard in 2019 and the auditors identified no nonconformity;

37. Notes that the Agency's directors reviewed the effectiveness of the management system during the 'Management Review' meeting in 2019 and it was concluded that the internal control system fully complies with the Agency's management standards;

Other comments

38. Acknowledges the Agency's measures taken to mitigate all risks associated to the UK's withdrawal from the Union, including the establishment of a contingency plan in coordination with the Commission; notes that the Agency cooperated closely with the European Commission during the negotiations with the United Kingdom and that the risk of disruption of aviation activities disappeared with the conclusion of the withdrawal agreement, which entered into force on 1 February 2020; notes that the Agency has evaluated the effect of the UK's withdrawal from the Union on human resources, concluding that only a relatively small number of staff members might be affected (less than 10); is concerned to hear that, despite this announcement, the Agency is in the process of dismissing all permanent workers of British nationality; requests the Agency to report back to Parliament with the exact figures, and reminds the Agency that the Commission policy on UK's withdrawal from the Union is to safeguard British workers as much as possible;

39. Reiterates that the Agency, classified as a 'European Strategic Investment' agency, received in 2018 significant new core tasks with regard to cybersecurity in aviation, drones and urban air mobility, environmental protection, research and development, international cooperation; notes with satisfaction that the Agency has taken many actions in 2019 in order to increase their cyber security and protection of the digital records in its possession; calls, therefore, for an adequate budget of the Agency in order to equip it with the necessary resources for its tasks;

40. Salutes and underlines the role of the Agency in the Green Deal through its work to improve the environmental impact of aviation, among others through the development of new CO_2 standards, and, in particular, with the EcoLabel programme, sustainable fuels as well as the green renewal of airlines' fleets;

41. Underlines the significant workload induced by the Boeing 737 Max investigations; commends the efforts deployed by the Agency to lead this mission head-on with the production of a corrective action plan and its more traditional missions; stresses the need to increase the financial and human resources of the Agency to enable it to carry out its important safety and security tasks; recalls, similarly, the role the Agency plays - along with the Clean Sky 2 and SESAR joint undertakings - in reducing CO_2 emissions per passenger;

42. Points out that a complex approach is needed in order to make the European institutions' home pages accessible to persons with all kind of disabilities as provided for in Directive (EU) 2016/2102, including the availability of national sign languages; suggests that organisations representing disabled persons are involved in this process;

43. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([4]) on the performance, financial management and control of the agencies.

([4]) Texts adopted, P9_TA(2021)0215.

DECISION (EU, EURATOM) 2021/1598 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the European Food Safety Authority for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Food Safety Authority for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0059/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety ([4]), and in particular Article 44 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0097/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 31, 1.2.2002, p. 1.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Grants the Executive Director of the European Food Safety Authority discharge in respect of the implementation of budget of the Authority for the financial year 2019;

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
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1599 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the European Food Safety Authority for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Food Safety Authority for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0059/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety ([4]), and in particular Article 44 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0097/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 31, 1.2.2002, p. 1.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Approves the closure of the accounts of the European Food Safety Authority for the financial year 2019;

2. Instructs its President to forward this decision to the Executive Director of the European Food Safety Authority, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1600 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 2019

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 2019,

— having regard to its resolution of 16 January 2019 on the Union's authorisation procedure for pesticides ([1]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0097/2021),

A. whereas, according to its statement of revenue and expenditure ([2]), the final budget of the European Food Safety Authority (the 'Authority') for the financial year 2019 was EUR 80 736 785,59, representing an increase of 1,96 % compared to 2018; whereas the Authority's budget derives mainly from the Union budget ([3]);

B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Authority for the financial year 2019 (the 'Court's report'), states that it has obtained reasonable assurance that the Authority's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2019 resulted in a budget implementation rate of 99,99 %, representing a slight decrease of 0,01 % compared to 2018; notes, furthermore, that the payment appropriations execution rate was at 91,45 %, representing a slight increase of 0,15 % compared to 2018;

2. Invites the Commission to grant the Authority, in duly justified cases, a set of means to use their budget in the most impactful way which would, inter alia, include the option of hiring contract agents in excess of the establishment plans, for a limited period of time and without exceeding the Authority's agreed annual budget envelope; considers that such flexibility would allow an acceleration of the recovery of the cumulated backlog of increased work in different areas, mainly due to a big gap in human resource capacity;

Performance

3. Notes that the Authority uses key performance indicators (KPIs) in its comprehensive performance-based management approach to measure the added value provided by its activities, especially concerning the sharing of scientific information; notes furthermore that the Authority uses other KPIs to enhance its budget management; notes that no indicators were deleted or added in 2019;

4. Notes with satisfaction the good results achieved by the Authority in terms of social media presence and that more than 500 questions on regulated products were addressed in 2019;

5. Notes that the Authority carried out an external evaluation in 2020, in the context of the development of a new Strategy 2027, to assess the level of implementation of the current strategy and to ensure that additional initiatives are integrated;

6. Encourages the Authority to pursue the digitalisation of its services, as a way to reduce bureaucracy;

([1]) Texts adopted, P8_TA(2019)0023.
([2]) OJ C 107, 31.3.2020, p. 245.
([3]) OJ C 107, 31.3.2020, p. 245.

7. Notes with satisfaction that the Authority shares resources and activities with the European Chemicals Agency, the European Environment Agency, the European Medicines Agency and the European Centre for Disease Prevention and Control within the same policy cluster, under the guidance of the Directorate-General for Health and Food Safety, the Directorate-General for Environment and the Directorate General for Informatics; notes that the Authority has been actively participating in the European Union Agencies Network initiative on shared services identification, implementation and monitoring, which also led to a number of joint activities and projects, particularly in the area of joint procurement; strongly encourages the Authority to actively seek further and broader cooperation with the Union agencies;

8. Notes with concern that the Authority, as one of the Union regulatory agencies responsible for risk assessment of regulated products, does not receive sufficient resources to carry out its responsibilities effectively; insists that the Authority be granted sufficient resources to carry out its tasks;

9. Highlights that, in 2019, the Parliament adopted 16 objections to the import of genetically modified (GM) crops for food and feed; highlights that one reason for these objections are gaps in the risk assessment undertaken by the Authority's Panel on Genetically Modified Organisms; urges the Authority to address and close these gaps as a matter of urgency; whereas these gaps include, inter alia, lack of testing of cocktail effects stemming from herbicide residues, Bacillus thuringiensis ('Bt') toxins and plant constituents, the impact of increased rate of sprayings of the complementary herbicides on the overall safety of the GM plant as well as a lack of adequate toxicity testing of Bt proteins;

10. Welcomes the contribution of the Authority to the safety of the Union food and feed chain, and its considerable efforts in providing risk managers with comprehensive, independent and up-to-date scientific advice on questions linked to the food chain, communicating clearly to the public on its outputs and the information on which they are based, and cooperating with interested parties and institutional partners to promote coherence and trust in the food safety system;

11. Highlights that, in 2019, the Authority finalised 838 questions through scientific opinions, technical reports and supporting publications;

12. Notes with concern that, in its Special Report No 2/2019 ([4]), the Court found that growth in the number of applications for authorisation of new substances had led to major backlogs especially in the area of regulated food ingredients; regrets that Member States do not always provide the Authority with the data needed to carry out scientific assessments;

13. Notes that Regulation (EU) 2019/1381 ([5]) (the new Transparency Regulation), which is a direct response to the successful European Citizen's Initiative "Stop Glyphosate", was adopted, seeking to improve the transparency of risk assessment in the food chain, and in particular to strengthen the reliability, objectivity and independence of the studies used by the Authority; notes that during 2019, it invested a total of 3,03 full-time equivalents and just over EUR 196 000 on implementing its policy on independence and the management of conflicts of interest;

Staff policy

14. Notes that, on 31 December 2019, the establishment plan was 97,81 % implemented, with five officials and 308 temporary agents appointed out of 320 posts authorised under the Union budget (compared with 319 authorised posts in 2018); notes that, in addition, 131 contract agents and 15 seconded national experts worked for the Authority in 2019;

([4]) Special Report No 2/2019 — 'Chemical hazards in our food: EU food safety policy protects us but faces challenges' OJ C 21, 17.1.2019, p. 7.

([5]) Regulation (EU) 2019/1381 of the European Parliament and of the Council of 20 June 2019 on the transparency and sustainability of the EU risk assessment in the food chain and amending Regulations (EC) No 178/2002, (EC) No 1829/2003, (EC) No 1831/2003, (EC) No 2065/2003, (EC) No 1935/2004, (EC) No 1331/2008, (EC) No 1107/2009, (EU) 2015/2283 and Directive 2001/18/EC (OJ L 231, 6.9.2019, p. 1).

15. Acknowledges that the gender balance within the Authority's senior management is satisfactory, as three out of five are female; notes, however, that within the Authority's management board four out 15 are female; asks the Commission and the Member States to take into account the importance of ensuring gender balance when nominating their members to the Authority's management board; notes with concern the geographical imbalance within the Authority, one nationality comprises the 46,49 % of the overall staff; encourages the Authority to take further measures to ensure a better geographical balance but acknowledges the efforts made;

16. Notes that six additional contract agents, out of the 25 requested, were granted in 2019 to accommodate the increased workload in the area of novel food assessments and the commodity assessments of high-risk plants; notes that the Authority has requested a further increase in resources;

17. Notes that the Authority has adopted a policy on protecting the dignity of persons and preventing harassment; acknowledges that the Authority organised obligatory training courses both for staff and managers, made confidential counselling available and published the first report on harassment cases on its intranet; notes also that only staff and seconded national experts can initiate a formal procedure; regrets that the Authority reported five harassment cases in 2019, out of which three were formal and two informal; notes that the necessary procedures were put in place to investigate them and that legal proceedings were not started for any of the cases; calls on the Authority to report if any further measures will be implemented to prevent future cases;

18. Calls on the Authority to further develop its ethics@work programme by developing measures offering whistle blowers protection;

Procurement

19. Notes from the Court's report that the Authority has launched a procurement procedure for services of a competent doctor with the invitation to tender and the technical specifications published only in Italian, despite the Authority working language being English; notes also that linguistic technical specifications required to be provided by the tenderer were not compliant; notes with concern that the Authority as a result received only one offer; notes the Authority's reply to the Court's finding and the measures taken by the Authority to prevent a recurrence of this failure;

Prevention and management of conflicts of interest and transparency

20. Notes with satisfaction the Authority's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interest, and whistleblower protection; welcomes the effectiveness of ex-post and ex-ante controls put in place to prevent conflicts of interests, which prevented 37 cases of conflicts of interest and resulted in eight findings, and none of the findings required the adoption of remedial measures;

21. Notes that the Court's observation in its 2017 report regarding the need to strengthen the accounting officer's independence, has been closed according to the agency, but is still outstanding according to the Court; takes note of the Authority's reply that the independence of the accounting officer is beyond doubt and calls on the Authority to seek the confirmation of the Court as soon as possible;

22. Regrets that the Authority, in relation to the two-year cooling off period, still includes in its independence policy the obligation to screen experts' interests only in relation to the mandate of the scientific group to which the expert is applying; disagrees with the Authority's claims that the current policy is a "robust and sophisticated way to avoid potential conflicts"; calls again for the policy to be updated without delay in order to ensure that experts' interests are viewed within the context of the Authority's overall remit, as repeatedly called for by Parliament; reminds the Authority that, in order to maintain the independence of its panels, the Authority can access any expertise it needs by inviting experts to participate in hearings without giving them the right to participate in the panel's deliberations and drafting conclusions;

23. Regrets that the research funding from companies in the Authority's remit is not considered relevant to the cooling off period as long as amounts at stake do not rise above 25 % of the total research budget managed by the expert and/or their research team, and that the threshold is applied to individual sources as opposed to all private sources combined; calls again for the funding threshold to be removed from the Authority's independence policy, in line with Parliament's repeated requests on the matter; stresses that the Authority's outright dismissal of Parliament's concerns regarding this weakness in the Authority's independence policy is not acceptable;

24. Calls on the Authority to align its practices with the recommendations of the European Ombudsman of 7 May 2020 in case 2168/2019/KR in particular by ensuring, where necessary, that the option of forbidding its senior staff from taking up certain positions after their term-of-office is invoked, by setting out criteria for determining when it will forbid moves of staff to the private sector, by informing applicants for senior posts of the Authority of the criteria when they apply and by putting in place internal procedures so that once that a member of its staff moves to another job, their access to confidential information is cut off with immediate effect;

Internal controls

25. Notes that the final report of the audit by the internal audit service on human resources management and ethics was issued in 2019 and notes that two very important observations were made, one regarding weaknesses in the recruitment and selection process, and the other regarding weaknesses in the time management process; notes that in 2019 the internal audit service started an audit on the assessment and adoption of scientific outputs in the food ingredients and packaging domain;

26. Notes that, following a recommendation from the Commission, the Authority participated in a peer review exercise on risk management among Union Agencies, encouraging the exchange of best practices;

27. Welcomes the full implementation of the action plan of the Authority's anti-fraud strategy, following an internal risk assessment carried out in accordance with the methodology and guidance of the European Anti-Fraud Office; recommends that the Authority update its anti-fraud strategy and action plan to address the fraud risks faced by the Authority and report on progress to the discharge authority;

28. Calls upon the Authority to aim to disseminating the results of its findings to the general public;

Other Comments

29. Notes the Authority's efforts to ensure a cost-effective and environment-friendly working place; calls on the Authority to strengthen these efforts by following European Union Eco-Management and Audit Scheme guidelines and work towards achieving more sustainability;

30. Notes that the Authority adopted a new integrated policy covering information security, business continuity, security, and health and safety; welcomes the introduction of multi-factor authentication, that super-user accounts were further restricted and mandatory training was provided to increase information security in the Authority;

31. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([6]) on the performance, financial management and control of the agencies.

([6]) Texts adopted, P9_TA(2021)0215.

DECISION (EU, EURATOM) 2021/1601 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the European Centre for Disease Prevention and Control for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0060/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EC) No 851/2004 of the European Parliament and of the Council of 21 April 2004 establishing a European Centre for Disease Prevention and Control ([4]), and in particular Article 23 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0104/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 142, 30.4.2004, p. 1.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

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 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the European Centre for Disease Prevention and Control, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1602 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the European Centre for Disease Prevention and Control for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0060/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EC) No 851/2004 of the European Parliament and of the Council of 21 April 2004 establishing a European Centre for Disease Prevention and Control ([4]), and in particular Article 23 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0104/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 142, 30.4.2004, p. 1.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Approves the closure of the accounts of the European Centre for Disease Prevention and Control for the financial year 2019;

2. Instructs its President to forward this decision to the Director of the European Centre for Disease Prevention and Control, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1603 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 2019

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 2019,

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0104/2021),

A. whereas, according to its statement of revenue and expenditure [1], the final budget of the European Centre for Disease Prevention and Control (the 'Centre') for the financial year 2019 was EUR 59 206 000, representing an increase of 2,03 % compared to 2018; whereas 97,68% of the Centre's budget derives from the Union budget;

B. whereas the Court of Auditors (the 'Court'), in its report on the Centre's annual accounts for the financial year 2019 (the 'Court's report'), states that it has obtained reasonable assurance that the Centre's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2019 resulted in a budget implementation rate of 99,23 %, representing an increase of 0,71 % compared to 2018; notes that the payment appropriations execution rate was 81,41 %, representing a slight increase of 0,19 % compared to the previous year;

Performance

2. Notes that the Centre uses several of the key performance indicators (KPIs) contained in its Single Programming Documents 2020-2022 and 2021-2023 to evaluate the added value provided by its activities and the list of KPIs contained in the Commission Staff Working Document of 2015, among other indicators, to improve its budget management; notes that the KPIs were slightly revised and that the list was completely revised for the Single Programming Document 2021-2023; notes that 90,30 % of the activities of the work programme for 2019 were implemented;

3. Observes that the Centre describes the status as 'ongoing' in relation to the discharge authority's recommendation from last year on the Centre's role in developing tools for the digitalisation of healthcare in the Union, in particular in the context of tackling a pandemic; calls on the Centre to inform the discharge authority in a timely manner on the action plan's status, especially in the context of the current pandemic and mitigation of its negative effects;

4. Welcomes the fact that the Centre shares best practices and regularly works with other Union agencies and bodies, most notably the European Food Safety Authority, the European Medicines Agency, the European Monitoring Centre for Drugs and Drug Addiction and the Commission, more specifically, the Commission's Directorate-General for Health and Food Safety; notes, furthermore, that the Centre participates in interinstitutional procurement procedures and use of shared services, mainly IT services and staff surveys; notes that the Centre is also using shared services offered by the European Union Intellectual Property Office for disaster recovery business continuity purposes; welcomes the use of KPIs to assess the Centre's collaboration and cooperation;

[1] OJ C 192, 8.6.2020, p. 6.

5. Notes that an external evaluation for the period 2013-2017 was concluded in 2018-2019 and the recommendations from the evaluation were adopted in 2020; welcomes the fact that the evaluation concluded that the Centre successfully provided support in the Union and national policy priority areas and demonstrated the capacity to successfully adapt to policy developments; notes with satisfaction that the Centre was positively evaluated regarding the coherence of its actions and coordination with other relevant bodies; calls on the Centre to report to the discharge authority on the status of the development of an action plan for the implementation of the recommendations stemming from the evaluation; is, however, of the opinion that the evaluation of the Centre's work should be done by the Commission instead of by the Centre's management board;

6. Notes that the Centre, as a Union agency, has a budget which is denominated in euro; however, since its seat is outside the euro area (in Sweden), many of its expenses are incurred in Swedish krona (SEK); furthermore, acknowledges that the Centre is exposed to exchange rate fluctuations, since not only does it have bank accounts in Swedish krona, it also carries out certain transactions in other foreign currencies;

7. Is of the opinion that the Centre has a longstanding issue with the lack of necessary competences and the right to coordinate; considers that, without the proper competences and without a right to better coordinate with national bodies, the Centre will not be able to fulfil the expectations which called for its establishment; welcomes the Commission's proposal of 11 November 2020 ([2]) to amend Regulation (EC) No 851/2004 ([3]) and to reinforce the Centre's mandate;

8. Commends the Centre for its pro-active engagement with media to develop greater visibility in the media, on the internet and in the social media, in order to increase awareness of its work;

9. Recalls that the Centre's mission is to identify, assess and communicate current and emerging threats to human health from communicable diseases; stresses that in 2019 the Centre responded to 34 formal scientific requests from the Commission (of which 10 were forwarded from Members), and published a total of 219 reports, including 24 rapid risk assessments addressing disease threats;

10. Underlines that the Court, in its Special Report No 21/2019 ([4]), found that the Centre's actions provided valuable support to the Commission and Member States in fighting antimicrobial resistance;

Staff policy

11. Notes that, on 31 December 2019, the establishment plan was 95,56 % implemented, with 172 temporary agents appointed out of 180 temporary agents authorised under the Union budget (compared to 180 authorised posts in 2018); notes that, in addition, 96 contract agents and one seconded national expert worked for the Centre in 2019;

12. Notes that the Centre has reported a relatively good gender balance for 2019 with regard to senior managers (4 men and 2 women) and its management board (12 men and 15 women); praises the staff's geographical representation within the Centre;

13. Is concerned about the large number of members on the Centre's management board, which makes decision making difficult and generates considerable administrative costs;

14. Encourages the Centre to pursue the development of a long-term human resources policy framework which addresses work-life balance, lifelong guidance and career development, gender balance, teleworking, geographical balance and the recruitment and integration of people with disabilities;

15. Acknowledges the Centre's existing measures and ongoing efforts to prevent harassment; welcomes the fact that no harassment cases were reported in 2019;

Sustainability

16. Regrets that the Centre has not set CO_2 reduction targets; welcomes, however, the efforts made by the Centre to create an environment-friendly workplace and all the measures taken by the Centre to reduce its carbon footprint and its energy consumption, and to develop a paperless workflow;

([2]) COM(2020)0726.
([3]) 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 (OJ L 142, 30.4.2004, p. 1).
([4]) Special Report No 21/2019 'Addressing antimicrobial resistance: progress in the animal sector, but this health threat remains a challenge for the EU' (OJ C 392, 19.11.2019, p. 7).

Procurement

17. Acknowledges that the use of electronic workflows for procurement, based on the Commission's DG DIGIT application e-PRIOR, was used to launch 11 procurement procedures in 2019; notes that the Centre's new internal electronic workflows, which cover procurement, legal processes and personnel change notifications, have ensured that processes are more efficient and that there is increased compliance; notes that the Centre has moved to a new system for ex-ante publications and the Union survey tool has been implemented;

18. Notes that two out of three observations of the Court have been implemented, one regarding ex-ante controls performed as regards the IT framework contract and one regarding conference and multimedia equipment service contracts; calls on the Centre to report on the status of the actions taken to respond to the third observation, namely regarding the structure and documentation of checks and reconciliations as regards order forms, deliverables and invoices;

Prevention and management of conflicts of interest, and transparency

19. Notes with concern the absence of some declarations of interest and CVs of the management board and of the advisory forum; calls on the Centre to publish the declarations of interest and the CVs of all the members of the management board and of the advisory forum and to report to the discharge authority on the measures taken in this regard; notes that the Centre has adopted an independence policy that routinely requires the collection and inspection of declarations of interests by its senior management team, key staff members and external experts who participate in the Centre's scientific activities;

20. Notes that the Centre registered and closed one whistleblowing case in 2019 and that the appropriate measures have been put in place, and notes that, as a result, a written reminder was issued to members of staff about their duties under the Staff Regulations; notes that 29 relevant potential conflicts of interest were identified and further investigated in 2019, and that mitigation measures were applied in relation to 21 of those conflicts of interest; notes that the Centre has registered meetings with lobbyists and that they are made public upon request; stresses that the Centre must further improve its ethics framework by adopting whistleblowers protection measures;

21. Underlines the fact that the current ethical framework applying to Union institutions and agencies suffers from considerable drawbacks due to its fragmentation and the lack of consistency between existing provisions; highlights that these issues should be addressed by setting up a common ethical framework, ensuring the application of high ethical standards for all Union institutions and agencies;

22. Underlines that certain officials fill in declarations of absence of conflicts of interest and provide self-assessments with regard to respect for ethical standards; highlights, however, that such self-declarations and self-assessments are not sufficient and that additional scrutiny is therefore needed;

Internal controls

23. Notes that the Centre's current audit plan covers the 2018 to 2020 period; notes that all previous observations and recommendations have been taken into account and appropriate action plans have been developed; notes that, following the 2019 audit of the Internal Audit Service on 'Preparedness and Response in the ECDC', five recommendations were issued, two classified as very important and three as important, of which one very important and one important recommendation have already been implemented; calls on the Centre to report to the discharge authority on the status of the remaining recommendations;

24. Notes that in 2019 the Centre registered 46 cases in the register of exceptions that were analysed accordingly, and that an action plan has been developed to reduce the number of exceptions;

25. Notes that, in 2019, the management board approved the Centre's updated internal control framework and its code of conduct as well as the Centre's independence policy for staff and its financial regulation;

Other comments

26. Welcomes the fact that the Centre has developed a comprehensive strategy aimed at achieving cost-effectiveness and at environmental protection; calls on the Centre to pay due attention to the energy mix of its sources of electricity and encourages the Centre to procure electricity generated by renewable energy;

27. Welcomes the Centre's new measures on the dissemination of the results of its research to the public, and to reach out to the public via the social media and other media outlets; welcomes the website changes for the various stakeholders; notes that the Centre does not have a specific cyber-security policy, but does have several security policies in place which include a policy on cyber-security;

28. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([5]) on the performance, financial management and control of the agencies.

([5]) Texts adopted, P9_TA(2021)0215.

DECISION (EU, EURATOM) 2021/1604 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of ENISA (European Union Agency for Cybersecurity) (before 27 June 2019: European Union Agency for Network and Information Security (ENISA)) for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of ENISA (European Union Agency for Cybersecurity) for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0061/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU) No 526/2013 of the European Parliament and of the Council of 21 May 2013 concerning the European Union Agency for Network and Information Security (ENISA) and repealing Regulation (EC) No 460/2004 ([4]), and in particular Article 21 thereof,

— having regard to Regulation (EU) 2019/881 of the European Parliament and of the Council of 17 April 2019 on ENISA (the European Union Agency for Cybersecurity) and on information and communications technology cybersecurity certification and repealing Regulation (EU) No 526/2013 (Cybersecurity Act) ([5]), and in particular Article 31 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([6]), and in particular Article 105 thereof,

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial 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]),

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

— having regard to the report of the Committee on Budgetary Control (A9-0085/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 165, 18.6.2013, p. 41.
([5]) OJ L 151, 7.6.2019, p. 15.
([6]) OJ L 122, 10.5.2019, p. 1.
([7]) OJ L 328, 7.12.2013, p. 42.

1. Grants the Executive Director of ENISA (European Union Agency for Cybersecurity) discharge in respect of the implementation of the Agency's budget for the financial year 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of ENISA (European Union Agency for Cybersecurity), the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1605 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of ENISA (European Union Agency for Cybersecurity) (before 27 June 2019: European Union Agency for Network and Information Security (ENISA)) for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of ENISA (European Union Agency for Cybersecurity) for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0061/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU) No 526/2013 of the European Parliament and of the Council of 21 May 2013 concerning the European Union Agency for Network and Information Security (ENISA) and repealing Regulation (EC) No 460/2004 ([4]), and in particular Article 21 thereof,

— having regard to Regulation (EU) 2019/881 of the European Parliament and of the Council of 17 April 2019 on ENISA (the European Union Agency for Cybersecurity) and on information and communications technology cybersecurity certification and repealing Regulation (EU) No 526/2013 (Cybersecurity Act) ([5]), and in particular Article 31 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([6]), and in particular Article 105 thereof,

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial 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]),

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

— having regard to the report of the Committee on Budgetary Control (A9-0085/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 165, 18.6.2013, p. 41.
([5]) OJ L 151, 7.6.2019, p. 15.
([6]) OJ L 122, 10.5.2019, p. 1.
([7]) OJ L 328, 7.12.2013, p. 42.

1. Approves the closure of the accounts of ENISA (European Union Agency for Cybersecurity) for the financial year 2019;

2. Instructs its President to forward this decision to the Executive Director of ENISA (European Union Agency for Cybersecurity), the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1606 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of ENISA (European Union Agency for Cybersecurity) (before 27 June 2019: European Union Agency for Network and Information Security (ENISA)) for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget ENISA (European Union Agency for Cybersecurity) for the financial year 2019,

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

— having regard to the report of the Committee on Budgetary Control (A9-0085/2021),

A. whereas, according to its statement of revenue and expenditure [1], the final budget of the ENISA (European Union Agency for Cybersecurity) (the 'Agency') for the financial year 2019 was EUR 16 932 952, representing an increase of 47,58 % compared to 2018; whereas that increase results mainly from an increase in expenditure on staff, ICT and core operational activities, related to the adoption of the Regulation (EU) 2019/881 of the European Parliament and of the Council of 17 April 2019 on ENISA (the European Union Agency for Cybersecurity) and on information and communications technology cybersecurity certification and repealing Regulation (EU) No 526/2013 (Cybersecurity Act) [2]; whereas the budget of the Agency derives mainly 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 2019 (the 'Court's report'), states that it has obtained reasonable assurance 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 2019 resulted in a budget implementation rate of 96,80 %, representing a decrease of 3,18 % compared to 2018; notes furthermore that the payment appropriations execution rate was 70,12 %, representing a decrease of 18,44 % compared to 2018;

Performance

2. Notes that the Agency uses certain key performance indicators (KPIs) to measure the added value provided by its activities and to enhance its budget management, notes that the Agency implemented quantitative and qualitative KPIs to measure the impact of activities more efficiently, and that it has also been implemented a specific set of KPIs to monitor stakeholders' expectations; welcomes the addition of specific KPIs related to the new mandate given by the Cybersecurity Act;

3. Welcomes the fact that the Agency has signed a service level agreement with the European Centre for the Development of Vocational Training, in order to obtain more efficiency through services sharing, knowledge sharing and exchange of best practices, especially in the fields of IT tools, human resources management, procurement and business continuity;

Staff policy

4. Notes with concern that, on 31 December 2019, the establishment plan was 79,66 % implemented, with 47 temporary agents appointed out of 59 temporary agents authorised under the Union budget (compared to 48 authorised posts in 2018); notes that, in addition, 26 contract agents and two seconded national experts worked for the Agency in 2019; notes the increased establishment plan is due to the new Agency's mandate that conferred greater competencies and resources following the adoption of the Cybersecurity Act;

[1] OJ C 120, 29.03.2019, p. 67.
[2] Regulation (EU) 2019/881 of the European Parliament and of the Council of 17 April 2019 on ENISA (the European Union Agency for Cybersecurity) and on information and communications technology cybersecurity certification and repealing Regulation (EU) No 526/2013, OJ L 151, 7.6.2019, p. 15.

5. Is very concerned by the lack of gender balance reported for 2019 for senior managers and the management board; invites the Agency to increase its efforts to achieve a better gender balance at all levels; asks the Commission and the Member States to take into account the importance of ensuring gender balance when nominating their members to the Agency's management board;

6. Notes that the Agency has some difficulties in recruiting, attracting and retaining suitably qualified staff, mainly due to the low correction coefficients applied to the staff's salaries in Greece and the deficit of professionals in the IT security market in the Union; welcomes the Agency's social measures implemented to increase attractiveness and notes that the Agency's new establishment plan allows to propose higher contract positions;

7. Notes that the review of the handover procedures to new staff members is ongoing; notes also that the handover procedures are considered to be included in the sensitive posts policy; calls on the Agency to report on the future development and on the adoption of the sensitive posts policy;

8. Notes from the Court's report that the Agency used temporary or interim workers to perform tasks within the Agency, those workers represent the 29 % of the total work force, an increase from the previous year, and according to the Court, that number indicates the increased dependency on interim workers; notes that in 2019 the Agency paid approximately EUR 923 000 for those services, representing 5,60 % of the Agency's budget; notes, moreover, that the Court refrained from making observations regarding the application of the Directive 2008/104/EC ([3]) on temporary agency workto Union agencies, as there is a case pending before the Court of Justice;

Procurement

9. Notes with concern from the Court's report the observed weakness in the procurement procedures, where, in three out of four cases audited, an overlap was observed between selection criteria and award criteria, and a lack of separation constituting a procedural flaw, exposing the Agency to the risk of tendering procedures being annulled; further notes that the Agency did not comply with Financial Regulation deadlines for the publication of the award notice in the Official Journal;

10. Notes from the Court's report that in two out of four framework services contracts audited, the tender specifications did not provide precise information on the method for comparing the financial offers based on case-scenarios, not ensuring the most economical implementation; notes from the Court's report that the Agency has set an incorrect threshold sum for three contracts given the scope and the value of the contracts and that it did not carried out any assessment on the risks related to the actual implementation and financial dependency to the Agency tied to a fixed sum offered for the contract; notes the Agency's reply to the Court's findings and the measures taken by the Agency to prevent a recurrence of these failures;

Prevention and management of conflicts of interest and transparency

11. Notes the Agency's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interest and notes that the CVs of the members of the management board and their declaration of conflicts are being published on its website; notes that the Agency does not publish the declarations of conflicts of interest and CVs of senior management on its website, with the exception of those of the executive director; calls the Agency to publish the declarations of conflicts of interest and the CVs of its senior management and to report to the discharge authority on the measures taken in that regard;

Internal controls

12. Notes that the Agency has planned to adopt a new sensitive posts policy in 2020;

13. Notes regarding the audit of the Commission's internal audit service (IAS) on 'Stakeholders' involvement in the production of deliverables in ENISA' that one important recommendation is still pending as relevant procedures needed to be revised and approved internally;

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

14. The internal audit service released a report on human resources management and ethics in 2019, four important and three very important recommendations were issued; notes that an action plan to address the recommendations has been agreed with the IAS and calls the Agency to report on their implementation status;

Other comments

15. Notes with concern that the Agency has not yet developed a formal and comprehensive environmental management policy to ensure an environmentally friendly working place; calls on the Agency to act upon this;

16. Notes the Agency has produced 55 reports and has been active in raising awareness regarding cybersecurity issues;

17. Calls upon the Agency to focus on disseminating the results of its research to the general public;

18. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([4]) on the performance, financial management and control of the agencies.

([4]) Texts adopted, P9_TA(2021)0215.

DECISION (EU, EURATOM) 2021/1607 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the European Union Agency for Railways for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Railways for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0062/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU) 2016/796 of the European Parliament and of the Council of 11 May 2016 on the European Union Agency for Railways and repealing Regulation (EC) No 881/2004 ([4]), and in particular Article 65 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0077/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 138, 26.5.2016, p. 1.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Grants the Executive Director of the European Union Agency for Railways discharge in respect of the implementation of the Agency's budget for the financial year 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Union Agency for Railways, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1608 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the European Union Agency for Railways for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Railways for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0062/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU) 2016/796 of the European Parliament and of the Council of 11 May 2016 on the European Union Agency for Railways and repealing Regulation (EC) No 881/2004 ([4]), and in particular Article 65 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0077/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 138, 26.5.2016, p. 1.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Approves the closure of the accounts of the European Union Agency for Railways for the financial year 2019;

2. Instructs its President to forward this decision to the Executive Director of the European Union Agency for Railways, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1609 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Union Agency for Railways for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Union Agency for Railways for the financial year 2019,

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0077/2021),

A. whereas, according to its statement of revenue and expenditure [1], the final budget of the European Union Agency for Railways (the 'Agency') for the financial year 2019 was EUR 27 139 347, representing a decrease of 5,74 % compared to 2018; whereas the budget of the Agency derives mainly 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 2019 (the 'Court's report'), has stated that it has obtained reasonable assurance that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2019 resulted in a budget implementation rate of 99,98 %, equal to the implementation rate in 2018; notes that the payment appropriations execution rate was 92,22 %, representing an increase of 3,27 % compared to 2018;

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

3. Notes that increased revenue linked to fees is balanced by a decrease in the subsidy granted to the Agency; regrets that the increased activity is not considered by the Commission to be a ground for increasing that subsidy;

4. Notes that, following the enlargement of the Agency's mandate under its new Regulation, in 2019 the Agency started to collect fees and charges for certification tasks, taking into account the specific needs of medium-sized enterprises (SMEs); notes that, according to Regulation (EU) 2016/796 of the European Parliament and of the Council, fees and charges represent assigned revenue for the Agency; notes that amendments to the implementing rules for the Agency's Financial Regulation have been introduced;

5. Notes that in 2019, 36 ex-post nonconformities (non-compliance events) were registered in the Agencies' nonconformity register, compared to 29 in 2018 and 7 in 2017; notes that these non-compliance events relate mainly to mission rules, ex-post commitments, contract management and payments and internal procedures; notes that the Agency indicated that corrective measures have been put in place and awareness has been raised; calls on the Agency to stop the trend towards an increasing number of ex-post nonconformities and to emphasise preventive measures;

6. Recalls the importance of increasing the digitalisation of the agency in terms of its own internal operation and management but also in order to speed up the digitalisation of procedures; stresses the need for the agency to continue to be proactive in this regard in order to avoid a digital gap between the agencies at all costs; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;

[1] OJ C 107, 31.3.2020, p. 70.

Performance

7. Underlines the successful use of Key Performance Indicators (KPIs) by the Agency to assess its efficiency in conducting its missions; acknowledges that the Agency attained a satisfactory level of achievement for its Key Performance Indicators and its targets for outputs; notes that out of 136 KPIs, 118 were achieved or partly achieved whereas 18 were not achieved; notes a considerable underperformance of KPI 5 '100 % Member States having their vehicle-related National Technical Rules cleaned up' with a final score of 67 % and notes the absence of an explanation for this result, which is low compared to the target of 100 %; calls on the Agency to provide a supporting narrative, along with the scores of the Key Performance Indicators;

8. Urges the Agency to explore possibilities of resources sharing on overlapping tasks among other agencies with similar activities; encourages the Agency to actively seek further and broader cooperation with all of the Union agencies; encourages the Agency to explore the possibility of staff sharing in certain non-expert, technical and administrative fields;

9. Calls upon the Agency to aim its focus on disseminating the results of its research to the general public;

10. Recalls that the Agency has the smallest budget among the transport agencies despite the outstanding environmental performance and other benefits of rail transport; stresses in particular that the Agency should not be put in a position where it feels compelled to request additional support from the Commission, due to inadequate financial means, especially at a time when railways are a policy priority of the European Union; calls for an increase of the budget of the Agency in order to provide it with the necessary means to enable it to act as an efficient authority and to fulfil its tasks, particularly those with regard to increasing competitiveness, improving safety and cross-border interoperability;

Staff policy

11. Notes that, on 31 December 2019, the establishment plan was 93,92 % executed, with 139 temporary agents appointed out of 148 temporary agents authorised under the Union budget (compared with 148 authorised posts in 2018); notes that, in addition, 35 contract agents worked for the Agency in 2019; notes that on 31 December 2019, no seconded national experts worked for the Agency;

12. Is very concerned by the lack of gender balance reported for 2019 for senior managers (89 % male and 11 % female) and the management board (70 % male and 30 % female); asks the Commission and the Member States to take into account the importance of ensuring gender balance when nominating their members to the Agency's management board; invites the Agency to increase its effort to achieve a better gender balance at all levels;

13. Encourages the Agency to pursue the development of a long-term Human Resources policy framework which addresses the work-life balance, the lifelong guidance and career development, the gender balance, the teleworking, the geographical balance and the recruitment and integration of people with disabilities.

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

15. Notes that the results of the annual benchmarking exercise regarding the staff are similar to those of 2018 with 19,39 % of the staff assigned to administrative tasks (20,33 % in 2018), 69,95 % assigned to operational tasks (68,88 %), and 11,04 % of the staff assigned to control and financial tasks (10,79 %);

16. Regrets that the Management Board did not manage in 2019 to decide on a language arrangement for the Agency;

Procurement

17. Notes that, according to the Court's report, the Agency failed to formally appoint at least one member of an evaluation committee of a procurement procedure, jeopardising the transparency of the procurement procedure; notes the Agency's reply to the Court's finding and the measures taken by the Agency to prevent a recurrence of this failure;

18. Notes that, according to the Court's report, the Agency concluded three separate framework contracts 'in cascade' with three companies; notes from the Court's observations that the Financial Regulation stipulates that it is possible for this to be done without reopening the tendering procedure provided that the framework contract precisely sets out all of the terms governing the provision of the works, supplies or services concerned; notes that the Court concluded that the framework contract is not sufficiently specific, further notes from the Court's observations that the bidders' financial offers were based only on a daily rate for a day of work, without considering important elements such as worker profiles or the complexity of the work involved; notes from the Court's conclusion that the use of this sort of framework contract was not appropriate, considering the level of detail available on the work to be performed and that the financial data was also insufficiently detailed to ensure that the work was performed as economically as possible; notes the Agency's reply that the tender in question concerned assistance for the Agency's new task and accordingly to the Agency, it would not be proportionate to organise a reopening of a competition (lasting at least 3 weeks) for technical assistance (lasting a maximum of 15 days) when the legal requirement to assess the completeness of an application file is one month; calls on the Agency to keep the discharge authority informed in respect of expenditure under these framework contracts;

Prevention and management of conflicts of interest and transparency

19. Notes that, according to the Agency's own statement, the Agency's exposure to conflicts of interest has increased as of 16 June 2019, when the Agency became an authority with significant decision making powers; notes that the Agency's management board adopted a framework of good administrative behaviour in May 2019 that contains strict measures on management of conflicts of interest for individuals involved in the implementation of the 4th Railway Package and that the Management Board further clarified rules on gifts and hospitality and the use of social media; calls on the agency to closely monitor the effectiveness of the measures taken and to report to the discharge authority on the experience and possible need for adjustments;

20. Notes that the Agency has published the declarations of interests of the management board and senior management, and the CVs of its management board members and of its executive director on their website; calls the Agency to publish the CVs of its senior management and to report to the discharge authority on the measures taken in that regard;

21. Notes the continuation of steps taken in order to enhance the transparency of the Agency's activities by reporting the meetings that the Agency's staff has with external stakeholders, in particular the director's meetings with organisations and self-employed individuals, and their availability on the Agency's website;

22. Notes that the suspected fraud case, first reported in 2017, was closed by the European Anti-Fraud Office in September 2019, without recommending the taking of any action; notes that the investigation did not establish any evidence of fraud or irregularity affecting the financial or other interests of the Union;

Internal controls

23. Notes the observation in the Court's report that the Commission, under a service level agreement, invoiced the Agency for the provision of different IT services, but that that invoice was partially based on an incorrect number of users; notes the limited financial impact of overcharging the Agency EUR 4 675; notes, however, the weaknesses in the internal controls of the Agency identified of by the Court, which demonstrate that no check had been carried to ensure that the invoiced amount complied with the terms of the service level agreement; calls on the Agency to assess the identified weakness, to introduce preventive measures, to address the risks identified and to inform the discharge authority about the measures taken by June 2021;

24. Notes that in 2019 all but one of the open recommendations from the Internal Audit Service were closed; notes that the one open recommendation stems from the 2018 audit on project and service management and refers to the effective use of MS Project; notes that the Agency reported in September 2020 in its follow-up report on the 2018 discharge, that the recommendation would be closed in June 2020; reminds the Agency that this recommendation should be implemented in accordance with the its agreed action plan; calls on the Agency to keep the discharge authority informed in respect of the implementation of this recommendation and to provide an explanation for any delay by June 2021;

25. Points out the role of the Agency in ensuring the safety and interoperability of the European railway system and in improving the competitiveness of railway with respect to other modes of transport, reducing administrative and technical obstacles, promoting market access and guaranteeing non-discrimination, making more efficient use of public funds in public rail transport services and improving infrastructure governance; supports the Commission's vision of a European rail system that is a world leader in terms of safety performance; calls for an increase of the budget of the Agency in order to provide it with the necessary means to enable it to act as an efficient authority and to fulfil its tasks, particularly those with regard to increasing competitiveness, improving safety and cross-border interoperability;

26. Welcomes the fact that, by 16 June 2019, the Agency had successfully started to perform its role as the EU authority responsible for issuing authorisation for placing railway vehicles on the market, single safety certificates for railway undertakings and ERTMS trackside approvals, in the legal framework of the 4th Railway Package; notes that those two missions were conducted in relation to the eight Member States that transposed the technical pillar of the 4th Railway Package in 2019; welcomes the continued development of the 'one-stop shop'; insists on the need for the Agency to be given the necessary financial, material and human resources alongside greater responsibilities are attributed to the Agency in order to carry out these new and additional functions in an efficient and effective way;

27. Welcomes that the Agency was subject to a second ISO 9001 surveillance audit to certify that the management system is complying with the ISO requirements and that no non-conformities were identified by the certification body;

Other comments

28. Notes that the Agency has started discussions with the French authorities concerning the construction of a new building; encourages the Agency to include state-of-the-art requirements as regards the well-being of personnel and environmental standards;

29. Welcomes the efforts made by the Agency to create an environment-friendly working frame;

30. Recalls the importance for the agency to develop greater visibility in the media and on the Internet in order to make its work known;

31. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([2]) on the performance, financial management and control of the agencies.

([2]) Texts adopted, P9_TA(2021)0215.

DECISION (EU, EURATOM) 2021/1610 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the European Union Agency for Law Enforcement Training (CEPOL) for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Law Enforcement Training (CEPOL) for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0063/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU) 2015/2219 of the European Parliament and of the Council of 25 November 2015 on the European Union Agency for Law Enforcement Training (CEPOL) and replacing and repealing Council Decision 2005/681/JHA ([4]), and in particular Article 20 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 319, 4.12.2015, p. 1.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

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

— having regard to the report of the Committee on Budgetary Control (A9-0071/2021),

1. Grants the Executive Director of the European Union Agency for Law Enforcement Training (CEPOL) discharge in respect of the implementation of the Agency's budget for the financial year 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Union Agency for Law Enforcement Training (CEPOL), the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1611 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the European Union Agency for Law Enforcement Training (CEPOL) for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Law Enforcement Training (CEPOL) for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0063/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU) 2015/2219 of the European Parliament and of the Council of 25 November 2015 on the European Union Agency for Law Enforcement Training (CEPOL) and replacing and repealing Council Decision 2005/681/JHA ([4]), and in particular Article 20 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0071/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 319, 4.12.2015, p. 1.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Approves the closure of the accounts of the European Union Agency for Law Enforcement Training (CEPOL) for the financial year 2019;

2. Instructs its President to forward this decision to the Executive Director of the European Union Agency for Law Enforcement Training (CEPOL), the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1612 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Union Agency for Law Enforcement Training (CEPOL) for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Union Agency for Law Enforcement Training (CEPOL) for the financial year 2019,

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0071/2021),

A. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Union Agency for Law Enforcement Training (CEPOL) (the 'Agency') for the financial year 2019 was EUR 18 267 682 representing an increase of 75,37 % compared to 2018, mainly caused by a change of reporting on financial paragraphs related to delegation and contribution agreements with a multi-annual character; whereas approximately half the Agency's budget is financed by a contribution from the Union and the other half by assigned revenue from projects;

B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Agency for the financial year 2019 (the 'Court's report'), states that it has obtained reasonable assurance that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with appreciation that the budget monitoring efforts during the financial year 2019 resulted in a budget implementation rate of 99,90 %, representing an increase of 1,93 % compared to 2018; notes that the execution rate of payment appropriations was 89,32 %, representing an increase of 12,81 % compared to the previous year;

Performance

2. Welcomes the fact that the Agency uses key performance indicators to improve its budget management and to measure its training activities and their impact, in particular the satisfaction level of the participants, in order to assess the added value provided by those activities;

3. Reminds the Agency to regularly review and update its performance measurement system and key performance indicators to ensure the Agency's efficient contribution and expertise at Union level; encourages the Agency to carefully analyse the outcomes and use them to improve its strategy and activity planning;

4. Notes with satisfaction that the Agency has successfully delivered its mandate, and in some cases exceeded the objectives set in its annual work programme for 2019;

5. Highlights the role of the Agency in providing national law enforcement experts with information on latest developments in the fields of security, law enforcement and information exchange, and in facilitating the sharing of best practices;

6. Expresses its satisfaction that the Agency training activities are closely aligned with the requirements voiced by the EU Policy Cycle EMPACT groups while expertise was secured from Member States, European Union Agency for Law Enforcement Cooperation (Europol), European Union Agency for Criminal Justice Cooperation (Eurojust), European Border and Coast Guard Agency, European Judicial Training Network, European Union Agency for Fundamental Rights, European Asylum Support Office and other stakeholders;

([1]) OJ C 107, 31.3.2020, p. 96.

7. Welcomes the fact that in 2019 the Agency carried out 327 training activities which saw the participation of 34 723 police officers; also expresses its satisfaction that another 28 students were able to graduate from the European Joint Master Program (EJMP);

8. Observes that the Agency contracted an external provider to evaluate the process and impact of the EU-Strategic Training Needs Assessment (EU-STNA) pilot exercise to prepare for the next strategic plan phase in 2019 in order to launch the new EU-STNA in 2021;

9. Notes that the Agency has identified cybercrime as its key priority for the upcoming years, and that the CEPOL Cybercrime Academy (CCA), hosted at the premises of the Hungarian International Training Centre, was established in 2019 providing a platform fully configured to simultaneously train up to 100 participants;

10. Welcomes the fact that the Agency continues to closely cooperate with the Justice and Home Affairs agencies' network, and agencies which comprise it, including in particular the Europol and the European Border and Coast Guard Agency; notes that they share training activities and organise courses together; notes that the Agency actively cooperates with the European Institute of Innovation and Technology (EIT) sharing facilities and support for recruitment and procurement procedures; acknowledges the fact that the Agency has outsourced accounting services to the Commission since 2014; encourages the Agency to actively seek further and broader cooperation with other Union bodies, offices and agencies;

11. Calls on the Agency to continue to increase cooperation and exchange of good practices with other Union bodies, offices and agencies with a view to improve efficiency as regards human resources, building management, IT services and security;

12. Observes that, following the five-year periodical external evaluation concluded in January 2016, for which the Agency had to implement corrective actions, 32 actions addressing 17 recommendations needed to be completed by the end of 2018; notes that since the adoption of the action plan 31 actions have been completed by 2020 and that the one pending action is related to the further development of the Agency's e-learning platform (LEEd);

Staff policy

13. Notes that, on 31 December 2019, the establishment plan was 93,75 % executed, with 30 temporary agents appointed out of 32 temporary agents authorised under the Union budget (compared to 32 authorised posts in 2018); notes that in addition, 17 contract agents and 5 seconded national experts worked for the Agency in 2019;

14. Highlights that in 2019, the Agency received a high number of applications to the programmes it offers; underlines that the Agency was only able to accommodate 47 % of that demand for the exchange programme and has had to decline 55 % of the applicants for a course on cybercrime activities due to a shortage in human resources; calls on the Commission and co-legislators to further engage with the Agency in the process of allocating budgetary resources in order to address staff shortfalls and allow the Agency to fully implement its mandate;

15. Notes that gender balance was almost achieved in 2019 among senior managers (2 men and 1 woman); is concerned, however that there is no gender balance among the members of the management board (20 men and 8 women); asks the Commission and the Member States to take into account the importance of ensuring gender balance when nominating their members to the Agency's management board;

16. Observes that, following its relocation from the United Kingdom to Hungary and the resulting lower correction coefficient applied to staff salaries, the staff turnover has been high and geographical balance has not always been maintained as applications from Member States other than the host country have decreased; notes that in 2019, the Agency continued to receive a significant number of applications from Hungarian citizens and host Member State nationals continued to be overrepresented in the total number of staff; notes with appreciation that in 2019, in order to reduce the high staff turnover, the Agency continued to implement staff retention and business continuity measures, for example, the Agency engaged a number of interim staff and seconded national experts, awaiting the completion of the recruitment of statutory staff, continued the reclassification of staff and functions and maintained social arrangements (e.g. schooling for staff's children), teleworking and flexitime arrangements;

17. Highlights the difficulties faced by the Agency in the recruitment and retention of qualified staff; underlines that the correction coefficients vary significantly from one Member State to another, having a serious impact on the ability of agencies located in Member States with lower correction coefficients to recruit and retain staff and expertise; calls on the Commission to consider the possibility of setting up different correction coefficients based on a regional rather than national assessment; highlights that usually the headquarters of agencies located in Member States with lower correction coefficients are in capital cities where living and subsistence costs are significantly higher than in other parts of the countries;

18. Encourages the Agency to pursue the development of a long-term human resources policy framework which addresses work-life balance, lifelong guidance and career development, gender balance, teleworking, geographical balance and the recruitment and integration of people with disabilities;

19. Recalls the suggestion of the Court in 2018 to publish vacancy notices on the website of the European Personnel Selection Office in order to increase publicity and to avoid incurring high translation costs; notes that the Agency publishes all its vacancies on its own website, social media and on the interagency job board developed by the EU Agencies Network; calls for the Agency to take appropriate measures and report an update to the discharge authority with steps taken to publish vacancy notices on the website of the European Personnel Selection Office;

20. Welcomes the Agency's efforts to build a more diverse and inclusive work environment and culture by taking actions in favour of people with disabilities; asks the Agency to assess the possibilities of further strengthening and integrating the principles of equal opportunities in recruitment, training, career development, working conditions as well as to raise staff awareness of those aspects; calls on the Agency to consider the possible reasonable improvements and modifications of its buildings, including as regards access and adequate office equipment, for people with reduced mobility or other disabilities;

Procurement

21. Recalls from the Court's report 2018 that the Agency had not yet introduced all the tools launched by the Commission aiming to introduce a single solution for the electronic exchange of information with third parties participating in public procurement procedures (e-procurement); notes with satisfaction that the Agency introduced e-invoicing and e-tendering in 2018 and introduced e-submission in 2019, thus fully implementing e-procurement;

22. Notes that in 2018, the Agency awarded a framework contract for travel arrangements for its own staff and for participants in training, without requesting an explanation from the winning tenderer for its potentially abnormally low tender; acknowledges that the Agency has changed its policy to ensure proper documentation on (potential) abnormally low prices for a winning tender, including a specific paragraph to request and analyse the reasons for potentially abnormally low tenders;

Prevention and management of conflicts of interest, ethics and transparency;

23. Notes the Agency's existing measures and ongoing efforts to secure transparency and prevention and management of conflicts of interest, and to ensure the protection of whistleblowers; expresses satisfaction that the Agency has set up and implemented a Code of Administrative Behaviour and guidelines on whistleblowing in 2019 and appreciates the fact that declarations of interest and the CV's of management board members and senior management are published on the website of the Agency; notes with appreciation that in 2019 the management board has approved implementing decisions on whistleblowing as well as on the setting up of a staff committee;

24. Underlines the fact that the current ethical framework applicable to Union institutions, bodies, offices and agencies suffers from considerable drawbacks due to its fragmentation and lack of consistency between existing provisions; highlights that those issues should be addressed by setting up a common ethical framework, ensuring the application of high ethical standards for all Union institutions, bodies, offices and agencies;

25. Underlines that certain officials fill in declarations of absence of conflicts of interest and provide self-assessments with regard to respect for ethical standards; highlights, however, that such self-declarations and self-assessments are not sufficient and that additional scrutiny is therefore needed;

Internal controls

26. Notes that in 2019, the Agency undertook an internal exercise to assess its internal control systems, concluding that they have been effectively implemented and that only minor improvements are needed;

27. Notes that, according to the Court's report, on one occasion, a budgetary commitment of EUR 180 000 was approved in the accrual-based accounting system (ABAC) by an inappropriately authorised staff member and thus the Agency should ensure consistency between ABAC authorisation rights and the written decision signed by the executive director; notes from the Agency's reply that the identified non-compliance was documented in the register of exceptions and non-compliance events, together with actions for improvement, in order to strengthen the controls over ABAC rights; calls on the Agency to report to the discharge authority about the actions for improvement it implemented and to avoid any future situations where budgetary commitments are approved by inappropriately authorised staff members, and to ensure full compliance with all principles of sound budgetary execution;

28. Regrets that, according to the Court's report, on one occasion, a framework contract with a value of EUR 100 000 was signed by an authorising officer whose authorisation limit for legal commitments was EUR 60 000 and the executive director did not provide specific sub-delegations during his absence in order to ensure the continuity of Agency's operations; notes from the Agency's reply that, following the audit finding, an amended decision on sub-delegations was adopted, where allocated ceilings for authorised officers were increased to better enable continuity of operations; calls on the executive director to ensure the business and operation continuity at all times, including during temporary absences;

29. Notes that the Agency performed a staff engagement survey in 2019 with the aim of measuring soft controls (integrity, leadership, competencies, openness and motivation); acknowledges that the Agency has created an action plan to increase awareness of the soft controls in place;

30. Notes that, according to internal audit findings, the Agency does not have enough office space and area for operational activities and that it operates from three different physical locations, bringing additional challenges especially from IT and document workflow perspective; acknowledges the Agency's ongoing discussions with the Hungarian government to find suitable office space;

31. Notes that in 2019, the Commission's Internal Audit Service issued an audit report on 'Training implementation, knowledge sharing and monitoring of results', which was followed by a corrective action plan that is under implementation; notes that the Internal Audit Service formulated one critical finding concerning the design and establishment of the EJMP; acknowledges that the management board decided to postpone the continuation of the EJMP for one year, to enable an open procurement procedure for the next cycle, therefore the non-compliant practice was stopped;

Other comments

32. Notes that in February 2017, the Agency successfully concluded ISO 9001:2015 certification of the Agency's management system in order to improve and better demonstrate its commitment to quality; observes that, based on the positive results of surveillance audits implemented in 2019 and in the beginning of 2020, the Agency has maintained its certification;

33. Notes with appreciation that the ISO 29993 certification had been successfully obtained for four key residential activities and that in 2019 pre-course quality control was introduced for granted residential activities;

34. Notes that the Agency has an extendable rental contract in place since beginning of November 2019 and lasting for one year at Avenue de la Joyeuse Entrée, 17-21 Brussels, for a pilot project of a Brussels liaison office, in order to facilitate the dialogue and exchange of information with the Union institutions and Justice and Home Affairs agencies present in Brussels;

35. Deplores the fact that the Agency does not have a policy regarding cybersecurity and protection of digital records in its possession which in current times is very important; acknowledges that in 2020 the Agency initiated the process to implement the advanced records management system (ARES) as a document management system together with EIT; calls on the Agency to cooperate with other Union bodies, offices and agencies in developing and implementing a strong and reliable cybersecurity policy; calls on the Agency to report to the discharge authority regarding the progress of implementation;

36. Stresses the importance of increasing the digitalisation of the Agency in terms of internal operations and management procedures; stresses the need for the Agency to continue to be proactive in that regard in order to avoid a digital gap between the agencies at all costs; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;

37. Welcomes the fact that the Agency has adopted the comprehensive strategy towards its digitalisation, addressing its digitalisation needs with the objective of providing a holistic long-term vision on the development of a technology-enhanced business model; encourages the Agency to further develop its digitalisation strategy;

38. Points out that a complex approach is needed in order to make the websites of the Union institutions, bodies, offices and agencies accessible to persons with all kinds of disabilities as provided for in Directive (EU) 2016/2102 ([2]), including the availability of national sign languages; suggests that organisations representing disabled persons are involved in that process;

39. Notes that the Agency did not carry out a comprehensive analysis of the impact of the UK's withdrawal from the Union on its organisation, operations and accounts; acknowledges the fact that the UK did not take part in the adoption of Regulation (EU) 2015/2219 ([3]), thus treating the Agency's operational activities with the UK as with a third country; notes that under Regulation (EU) 2015/2219 the Agency's operational activities with third countries are regulated by working arrangements and such an arrangement does not yet exist with the UK;

40. Notes that the Agency managed in 2019 to connect with a wider demographic of people by reinforcing its presence in social media;

41. Encourages the Agency to continue promoting its work, research and activities to increase its public visibility;

42. Notes the Agency's efforts to ensure a cost-effective and environment-friendly work-place; regrets the fact that the Agency does not have a carbon offsetting scheme in place but acknowledges on the basis of the Agency's reply to the standard questionnaire that the cost of participating in such a scheme cannot be covered from its limited financial resources, and acknowledges that the Agency encourages its staff to make use of public transportation to reduce emissions and considers reimbursing the costs for public transport for employees;

43. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([4]) on the performance, financial management and control of the agencies.

([2]) Directive (EU) 2016/2102 of the European Parliament and of the Council of 26 October 2016 on the accessibility of the websites and mobile applications of public sector bodies (OJ L 327, 2.12.2016, p. 1).

([3]) Regulation (EU) 2015/2219 of the European Parliament and of the Council of 25 November 2015 on the European Union Agency for Law Enforcement Training (CEPOL) and replacing and repealing Council Decision 2005/681/JHA (OJ L 319, 4.12.2015, p. 1).

([4]) Texts adopted, P9_TA(2021)0215.

DECISION (EU, EURATOM) 2021/1613 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the European Border and Coast Guard Agency for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Border and Coast Guard Agency for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0064/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU) 2016/1624 of the European Parliament and of the Council of 14 September 2016 on the European Border and Coast Guard and amending Regulation (EU) 2016/399 of the European Parliament and of the Council and repealing Regulation (EC) No 863/2007 of the European Parliament and of the Council, Council Regulation (EC) No 2007/2004 and Council Decision 2005/267/EC ([4]), and in particular Article 76 thereof,

— having regard to Regulation (EU) 2019/1896 of the European Parliament and of the Council of 13 November 2019 on the European Border and Coast Guard and repealing Regulations (EU) No 1052/2013 and (EU) 2016/1624 ([5]), and in particular Article 116 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([6]), and in particular Article 105 thereof,

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial 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]),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 251, 16.9.2016, p. 1.
([5]) OJ L 295, 14.11.2019, p. 1.
([6]) OJ L 122, 10.5.2019, p. 1.
([7]) OJ L 328, 7.12.2013, p. 42.

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0081/2021),

1. Postpones its decision on granting the Executive Director of the European Border and Coast Guard Agency discharge in respect of the implementation of the budget of the Agency for the financial year 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Border and Coast Guard Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1614 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the European Border and Coast Guard Agency for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Border and Coast Guard Agency for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0064/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU) 2016/1624 of the European Parliament and of the Council of 14 September 2016 on the European Border and Coast Guard and amending Regulation (EU) 2016/399 of the European Parliament and of the Council and repealing Regulation (EC) No 863/2007 of the European Parliament and of the Council, Council Regulation (EC) No 2007/2004 and Council Decision 2005/267/EC ([4]), and in particular Article 76 thereof,

— having regard to Regulation (EU) 2019/1896 of the European Parliament and of the Council of 13 November 2019 on the European Border and Coast Guard and repealing Regulations (EU) No 1052/2013 and (EU) 2016/1624 ([5]), and in particular Article 116 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([6]), and in particular Article 105 thereof,

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 251, 16.9.2016, p. 1.
([5]) OJ L 295, 14.11.2019, p. 1.
([6]) OJ L 122, 10.5.2019, p. 1.

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial 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]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0081/2021),

1. Postpones the closure of the accounts of the European Border and Coast Guard Agency for the financial year 2019;

2. Instructs its President to forward this decision to the Executive Director of the European Border and Coast Guard Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([7]) OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2021/1615 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Border and Coast Guard Agency for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Border and Coast Guard Agency for the financial year 2019,

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0081/2021),

A. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Border and Coast Guard Agency (the 'Agency') for the financial year 2019 was EUR 330 107 000, representing an increase of 14,36 % compared to 2018; whereas the Agency's budget derives mainly from the Union budget;

B. Whereas pursuant to Article 80(1) of Regulation (EU) 2019/1896 ([2]) the European Border and Coast Guard is to guarantee the protection of fundamental rights in the performance of its tasks under that Regulation in accordance with relevant Union law, in particular the Charter of Fundamental Rights of the European Union (the 'Charter'), and relevant international law, including the 1951 Convention relating to the Status of Refugees, the 1967 Protocol thereto, the Convention on the Rights of the Child and obligations related to access to international protection, in particular the principle of *non-refoulement*; whereas Regulation (EU) 2019/1896 has not only provided for new resources for the Agency in the area of fundamental rights but has also put in place a new comprehensive internal independent mechanism designed to monitor the compliance of the Agency's operational activities with fundamental rights; whereas this mechanism is based on the reinforced role and the independence of the Agency's fundamental rights officer reporting to the management board but also becoming a delegated appointing authority for his or her own staff;

C. Whereas pursuant to Regulation (EU) 2019/1896 the fundamental rights officer is to be assisted by a deputy fundamental rights officer and at least 40 fundamental rights monitors acting under the hierarchal supervision of the fundamental rights officer as his or her 'eyes and ears' on the ground;

D. Whereas the Roadmap for the implementation of the European Border and Coast Guard 2.0 which the Agency and the Commission set up in July 2019, stressed the need to bring the relevant framework for fundamental rights monitoring in line with the letter and spirit of Regulation (EU) 2019/1896, in particular as regards the recruitment of 40 fundamental rights monitors by 5 December 2020;

E. Whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Agency for the financial year 2019 (the 'Court's report'), states that it has obtained reasonable assurance that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular; whereas the Court recently launched an audit to examine whether the Agency has so far provided effective support to Member States in the implementation of European integrated border management which will be finalised in 2021;

([1]) OJ C 143, 30.4.2020, p. 6.

([2]) Regulation (EU) 2019/1896 of the European Parliament and of the Council of 13 November 2019 on the European Border and Coast Guard and repealing Regulations (EU) No 1052/2013 and (EU) 2016/1624 (OJ L 295, 14.11.2019, p. 1).

F. Whereas the European Ombudsman has opened an inquiry (CASEOI/5/2020/MHZ) to assess how the Agency deals with alleged breaches of fundamental rights, in particular to assess the effectiveness and transparency of the Agency's complaints mechanism for those who believe their rights have been violated in the context of the Agency's border operations, as well as the role and independence of Agency's fundamental rights officer;

G. Whereas the European Anti-Fraud Office (OLAF) has opened an investigation over allegations of harassment, misconduct and migrant pushbacks concerning the Agency;

H. Whereas since December 2019 the Agency is implementing a new mandate with an important and essential scale-up in terms of missions and staff, requiring an adequate budget;

Budget and financial management

1. Notes with satisfaction that the budget-monitoring efforts during the financial year 2019 resulted in a budget implementation rate of 99,84 %, representing an increase of 1,46 % compared to 2018; notes with concern that the payment appropriations execution rate was low at 69,13 %, representing a decrease of 0,56 % compared to 2018;

2. Notes from the Court's report that in 2019 the Agency had financing agreements with cooperating countries for operational activities, representing 55 % of the Agency's budget; notes that the Agency has taken steps to improve the *ex ante* verifications and has re-introduced *ex post* verifications on reimbursements in 2019; expresses concern over the Court's emphasis that the reimbursement of equipment-related expenditure is still based on actual costs and deeply deplores the fact that the project to move to unit-cost based reimbursements is still not completed; highlights that the procedure has not been completed in spite of this being a recurrent situation that had been raised in the previous discharge procedure; notes with great concern from the Court's report that cooperating countries had not always presented cost claims supported by invoices, or by other evidence, duly substantiating the actual costs incurred in operations and that there were delays for providing supporting documents; at the same time, the Court's report stresses that the duty to submit accurate and timely supporting evidence together with the cost claims lies with the cooperating countries; notes from the Agency's reply that during *ex post* control the Agency ascertained the questioned expenditure with bank statements and the beneficiary was notified that pro-forma invoices would no longer be accepted as supporting documents even if such invoices respected the applicable national regulatory framework; furthermore, delays in providing supporting documents were associated with the implementation of a simplified grant scheme for the deployment of officers, and the final payment procedure in 2019 was therefore much extended in order to ensure sound financial management; is deeply unsatisfied with the lack of commitment to addressing this situation from the side of the Agency's leadership; calls on the Agency to cease all remaining reimbursements for any cost claims not supported by invoices; urges the Agency to finalise the move to unit-cost based reimbursements immediately and to fully apply all principles of sound financial management;

3. Deplores the fact that according to the Court's report the Agency had modified the contractual arrangements of reconstruction works carried out on the Agency's premises at a late stage of the project and introduced the possibility of a pre-financing for works still to be completed, although initially payments were to be made only when works were accepted, notes with great concern that as a result a key element of control was forfeited and the consumption of funds did not reflect the real progress of the works; notes from the Agency's reply that the pre-financing was a solution that enabled the reconstruction of the building to continue and that the Agency's key control remained since the pre-financing was paid to the landlord, who could not make a payment to the contractor before a portion of completed works had been accepted by the Agency and any unused funds were returned to the Agency by the landlord, all of which was guaranteed by contractual safeguards; calls on the Agency to review its mechanisms concerning such payments and ensure compliance with the principles of sound financial management;

4. Considers the explanation of the Agency particularly weak, in light of information on a possible fraud case involving Polish IT software where a similar modus operandi was applied;

5. Points to recent media reports on expensive annual events, the costs of which amounted to almost half a million euros in 2019; recalls that the Agency is financed by Union taxpayers' money; welcomes in this respect the Agency's decision to stop the costly annual event; calls on the Agency to be more prudent in its implementation of the budget, when it comes to the organisation of events;

Performance

6. Notes that the Agency uses certain measures as key performance indicators to assess the added value provided by its activities and also uses other measures to improve its budget management, such as satisfaction level by means of online surveys, late payment evaluation and vacancy rate; calls on the Agency to clarify why 'refusal of entry' is part of the key performance indicators;

7. Stresses the essential role of the Agency as the cornerstone of the Union's efforts to safeguard the area of freedom, security and justice and to guarantee the freedom of movement without internal borders checks; underlines that the Agency, by mutualising resources and means at a Union level in the field of migration policy, is the main tool of Union solidarity in that field;

8. Notes that Regulation (EU) 2019/1896 was adopted on 13 November 2019 and entered into force on 4 December 2019, with an extended mandate and resources, including the creation of the standing corps with executive powers; notes that the Agency had to implement major internal restructuring and faced the challenge of designing new tasks in order to fulfil the provisions of the new mandate; notes that the Agency was faced with an unforeseen reduction in the number of administrators to be employed in 2020 that led to adjustments in the Agency's establishment plan; is concerned by the length of the ongoing discussion between the Agency and the Commission concerning those adjustments; calls on the Commission and the Agency to quickly find an adequate solution to ensure a proper and timely implementation of the Agency's new mandate;

9. Underlines the challenges posed for the Agency by the long planning cycle leading to the adoption of the single programming document in light of the volatile environment in which it is operating;

10. Notes that the first technical and operational European integrated border management strategy was adopted in March 2019;

11. Notes that the Agency has taken the lead in the initiative to establish a common liaison office space in Brussels for Justice and Home Affairs agencies, in order to benefit from an efficient use of resources, to share facilities and services and to foster the networking effect; further notes that an administrative arrangement with requirements related to the common office space and the terms of cooperation among partners is being finalised and the next steps, envisaged for the period from 2020 to 2021, will be procuring, fitting out and eventually relocating to the new premises;

12. Expresses great concern over the Court's findings of the previous year that, although the Agency moved to its current premises in 2014, the Agency still has no comprehensive business continuity plan approved by the management board; notes from the Agency's reply that an ad interim business continuity policy and business continuity plan is being developed and that the adoption of the business continuity plan was envisaged in 2020; calls on the Agency to report to the discharge authority with regard to the adoption and implementation stages of the business continuity plan;

13. Notes that in line with Article 80(1) of Regulation (EU) 2019/1896 the Agency, with the contribution of and subject to the endorsement by the fundamental rights officer, is to draw up, implement and further develop a fundamental rights strategy and action plan, including an effective mechanism for monitoring respect for fundamental rights in all the activities of the Agency; notes that the action plan should implement the strategy by ensuring practical fundamental rights safeguards that guide the implementation of the Agency's operational activities; deplores the fact that this action plan has yet not been adopted;

14. Deplores the fact that despite repeated calls of Parliament and a significant overall staff increase for the Agency, the fundamental rights officer still lacks adequate human resources and is therefore clearly hampered to properly conduct the tasks that are entrusted to him or her; urges the Agency to provide its fundamental rights officer with adequate resources and staff, in particular in relation to further developing and implementing the Agency's strategy to monitor and ensure the protection of fundamental rights; reminds the Agency of the importance of adhering to the Staff Regulations of Officials of the European Union and the Conditions of Employment of Other Servants of the Union, laid down in Council Regulation (EEC, Euratom, ECSC) No 259/68 ([3]); calls on the Agency to establish a regular mechanism by which the Agency briefs Members of the European Parliament about ongoing operations including about serious incidents and other reports about violence and non-respect of fundamental rights at the external borders;

15. Stresses the importance of increasing the digitalisation of the Agency in terms of internal operations and management procedures; stresses the need for the Agency to continue to be proactive in that regard in order to avoid a digital gap between the agencies at all costs; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;

16. Notes from the Agency's reply that an internal ICT security and cybersecurity team has been established; encourages the Agency to finalise its Cybersecurity action plan 2020–25 without undue delay; calls on the Commission to support the Agency in finding solutions to advance the digitalisation of the Agency;

17. Welcomes the creation of a register of documents but considers that the current register does not fulfil the legal requirements of Regulation (EC) No 1049/2001 ([4]) as all documents produced or held by the Agency should be listed in the register; acknowledges that in line with Article 4 of that Regulation, the Agency is to refuse access to documents where it is in the public interest as regards public security, defence and military matters, international relations or the financial, monetary or economic policy of the Union or a Member State; reiterates its call on the Agency to ensure full transparency in all its activities; more particularly, given the expected further significant overall increase of the Agency's budget in the coming years and its enhanced responsibilities, calls on the Agency to provide it with more detailed information on the implementation of its budget on operational activities per chapter listing the precise activities financed under the articles and items; regrets that the Court's report assesses only legality and regularity of the Agency's spending; given the size and scope of the Agency's budget, calls on the Court to conduct a more qualitative assessment of the Agency's performance in the future, which would allow the discharge authority to better assess how the Agency's budget is being spent;

Staff policy

18. Regrets that, on 31 December 2019, the establishment plan was only 75,83 % implemented, with 367 temporary agents appointed out of 484 temporary agents authorised under the Union budget (compared to 418 authorised posts in 2018); notes that, in addition, 214 contract agents and 168 seconded national experts worked for the Agency in 2019;

19. Notes the ongoing recruitment procedure of the fundamental rights officer, the deputy fundamental rights officer and fundamental rights monitors; underlines the close cooperation between the Agency and the European Union Agency for Fundamental Rights in 2019 on the establishment of the specific selection criteria for the recruitment of the fundamental rights officer and 40 fundamental rights monitors; regrets, however, the delays in the recruitment procedures; recalls that under Regulation (EU) 2019/1896 the Agency was obliged to have recruited at least 40 fundamental rights monitors by 5 December 2020; notes that the first group of fundamental rights monitors was expected to be recruited in March 2021; notes that the scope of duties of the fundamental rights officer has been increased by Regulation (EU) 2019/1896 and the post thus had to be defined as a middle management function requiring a specific selection procedure; notes that those organisational and personnel changes have raised ambiguities regarding legal implications and implementation; calls on the Agency to prioritise handling of fundamental rights; insists therefore that the Agency recruit the 40 fundamental rights monitors at the appropriate AD level as required under Article110(6) of Regulation (EU) 2019/1896 without any undue delay and ensure that the future fundamental rights monitors have the necessary standing to perform their duties independently;

([3]) OJ L 56, 4.3.1968, p. 1.
([4]) Regulation (EC) No 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents (OJ L 145, 31.5.2001, p. 43).

20. Is concerned by the lack of gender balance reported for 2019, in particular at the level of the management board (48 men and 8 women); calls on the Agency to improve the significant gender imbalance at management board level; asks the Commission and the Member States to take into account the importance of ensuring gender balance when nominating their members to the Agency's management board;

21. Notes that the Agency has adopted a policy on protecting the dignity of the person and preventing harassment on 1 August 2019; expresses its concern about the five cases of harassment reported by the Agency in 2019 and notes that further allegations of harassment have been made more recently by whistleblowers; calls on the management board to assess whether the Agency's policy on protecting the dignity of the person and preventing harassment is correctly implemented and effective;

22. Expresses concern about reports from journalistic investigations regarding the attitude of high ranking officials towards lower ranking staff; highlights in particular its concerns about reports of insulting and disrespectful behaviour towards staff, as well as remarks that allegedly control mechanisms at the Agency are becoming less effective; notes that the Agency had not reported any official complaints about those actions; notes that, according to its mandate, the Frontex Scrutiny Working Group will monitor the Agency's internal management, including procedures for reporting and handling of complaints; encourages the Agency to cooperate with the Frontex Scrutiny Working Group to clarify any concerns in this regard and follow up on future recommendations made regarding this aspect on the functioning of the Agency;

23. Notes from the Court's report that in 2019, the Agency continued to recruit new staff in line with its enlarged mandate, with an intake for the year of 218 newcomers; notes that, although the recruitment procedure is deemed successful, the Agency should improve the guidance given to selection committee members and verify more closely candidates' financial entitlements for the salary payments; notes from the Agency's reply that the Agency organises training for selection committee members to ensure they have proper knowledge to fulfil their role, respecting the margin of discretion and independence every selection committee holds; furthermore, the rights and entitlements established for staff members were communicated on 6 February 2020, after the payroll was published and executed; notes that newcomers' salaries are checked against the decisions and, where discrepancies are discovered, the newcomer must be informed by the twelfth day of the month; notes with concern the recent media reports according to which the Agency did not properly communicate on the status of recruitment procedures to candidates; calls on the Agency to improve its communication in this regard;

24. Notes that 2019 was the fourth year of the five-year growth plan following the adoption of Regulation (EU) 2016/1624 ([5]) that significantly increased the Agency's budget and staff; notes that the Agency started shifting to a paperless, cloud-based e-recruitment system which was expected to be operational in the summer of 2020; notes furthermore that the Agency faces challenges in attracting suitable external candidates and achieving a sound geographical balance mainly due to the low correction coefficient; underlines that the correction coefficients vary significantly from one Member State to another, having a serious impact on the ability of agencies located in Member States with lower correction coefficients to recruit and retain staff and expertise; stresses that agencies located in countries where a low correction coefficient is applied should receive further support from the Commission in implementing complementary measures in order to make them more attractive to current and prospective staff; calls on the Commission to assess the impact and viability of applying salary correction coefficients based on a regional rather than national assessment; highlights that usually the headquarters of agencies located in Member States with lower correction coefficients are in capital cities where living and subsistence costs are significantly higher than in other parts of the countries;

25. Expresses great concern that in spite of being aware, as early as March 2019, of the changes that entered into force in December 2019 with regard to the role and competences of the fundamental rights officer and the fundamental rights monitors, the executive leadership of the Agency did not take the necessary measures to adapt to those changes, resulting in repeated delays in the implementation of provisions concerning the respect for fundamental rights within the Agency; deeply deplores the manner in which the executive director decided to bypass the management board in the replacement procedure of the fundamental rights officer at the end of 2019; notes with concern that the procedure had started just as the fundamental rights officer was returning from an extended illness, informing the incumbent on a very short notice; highlights that the Agency had to suspend the publication

([5]) Regulation (EU) 2016/1624 of the European Parliament and of the Council of 14 September 2016 on the European Border and Coast Guard and amending Regulation (EU) 2016/399 of the European Parliament and of the Council and repealing Regulation (EC) No 863/2007 of the European Parliament and of the Council, Council Regulation (EC) No 2007/2004 and Council Decision 2005/267/EC (OJ L 251, 16.9.2016, p. 1).

of the vacancy note for the post of fundamental rights officer due to the lack of compliance with relevant legislation; underlines the comments made by the Commission with regard to that situation as "plain and simply unlawful"; takes note that currently the post of fundamental rights officer is occupied ad interim by a former member of the cabinet of the executive director; is seriously concerned over media reports that the executive director had repeatedly ignored reports and advice coming from the fundamental rights officer, concerning its operations in several Member States; underlines that up until February 2021 the Agency had not recruited a single person for the post of fundamental rights monitor; expresses serious concerns over the Commission remarks concerning the Agency's reluctance to implement guidance provided by the Commission with regard to recruitment, including the recruitment of the fundamental rights officer and monitors, further obstructing and delaying this process; urges the Agency to fully comply with all obligations stemming from Regulation (EU) 2019/1896 and to report to the discharge authority on the progress made;

26. Acknowledges that the fundamental rights officer was selected at the management board meeting in March and will take up duties on 1 June 2021; notes that, as of April 2021, 15 applicants for the Fundamental Rights Monitors' positions have accepted the Agency's job offer, of which 10 will be employed as AST 4 and 5 will be employed as AD 7, with anticipated starting dates being in mid-June and the beginning of July 2021;

27. Notes that the implementation of Regulation (EU) 2019/1896 brought changes to organisational structure of the Agency; notes that the portfolio of the three deputy executive directors had to be defined and assessed; notes that the management board adopted in December 2020 an amended organisational structure of the Agency; emphasises that the three deputy executive directors need clearly defined competences and areas of responsibilities to increase transparency and capacity to act;

28. Encourages the Agency to pursue the development of a long term human resources policy framework which addresses the work-life balance, the lifelong guidance and career development, the gender balance, teleworking, the geographical balance and the recruitment and integration of people with disabilities;

Procurement

29. Notes that the Agency, through its inspection and control office, is participating in the performance-developing network of the European Union Agencies Network; notes that the Agency also participates in the European Union Agencies Network of Procurement Officers, assessing inter-institutional tenders in terms of needs and financial resources;

30. Notes the Agency's procurement of remotely piloted aircraft systems for medium altitude long endurance maritime aerial surveillance within a framework contract totalling a maximum of EUR 50 million and a maximum total duration of the contract of four years for each of the respective contractors in 2020; recalls that both to rescue migrants in distress at the external border and to procure technical equipment to ensure border management are essential parts of the Agency's mission and encourages the Agency to continue following the applicable procurement rules when acquiring technical equipment;

Prevention and management of conflicts of interest, ethics and transparency;

31. Notes the deficiency of the Agency's existing measures regarding transparency, prevention and management of conflicts of interest, and whistleblower protection; notes that the whistleblowing policy was adopted on 18 July 2019 and entered into force on 1 August 2019; regrets that not all management board member CVs and declarations of interest are published on the Agency's website; urges the Agency, with the aim of increasing transparency, to publish the CVs and declarations of interest for all members of its management board, the executive director, and the deputy executive director and to report to the discharge authority on the measures taken in that regard;

32. Highlights the increased involvement of the Agency in new types of procurements and tenders for services, equipment, outsourced projects and studies in order to fulfil the provisions of Regulation (EU) 2019/1896; recalls that the Agreement between the European Parliament and the European Commission on the transparency register for organisations and self-employed individuals engaged in EU policy-making and policy implementation ([6]) (the '2014 Interinstitutional Agreement') is based on Article 295 of the Treaty on the Functioning of the European Union; recalls that the 2014 Interinstitutional Agreement binds the Parliament and the Commission; recalls that paragraph 35 of the 2014 Interinstitutional Agreement invites the European Council and the Council to join the register and encourages other Union institutions, bodies, offices and agencies to use the framework created by that agreement; notes that the Agency never officially informed the Joint Secretariat about a decision to use the

([6]) OJ L 277, 19.9.2014, p. 11.

transparency register; calls on the Agency to establish a coherent and official register to provide transparency regarding its interactions with third-party stakeholders as provided for in Article 118 of Regulation (EU) 2019/1896; welcomes the fact that the Agency is currently developing its own transparency register in order to avoid ambiguities regarding its interactions with third-party stakeholders related to procurements and tenders for services, equipment or outsourced projects and studies; calls on the Commission to assist the Agency in defining an adequate framework for the register that provides legal clarity regarding transparency rules while taking into account the special sensitivity and security requirements that the nature of activities of the Agency demands;

33. Notes with great concern that according to journalistic investigations based on documents made available by the Agency under the relevant legislation on the freedom of information, between 2018 and 2019 the Agency has conducted several meetings with representatives of industries relevant to its field of work, 70 % out of which being meetings with representatives of companies that are not listed in the Union transparency register; notes that the Agency held meetings with multiple companies in the field of military technology, surveillance and biometrics industries during its so-called Industry Days in 2019, including with companies that have failed to register in the Union transparency register; deplores the fact that the Agency failed to provide Parliament with the correct information regarding meetings with lobbyists in 2019; calls on the Agency to update its transparency policy to ensure systematic publication of information on meetings with the representatives of relevant industries, listing the scope, duration and occasion of the meetings and to refrain from meeting with companies that are not registered in the Union transparency register; calls on the Agency to report to the discharge authority on the progress made in this regard by June 2021;

34. Underlines the fact that the current ethical framework applicable to the Union institutions, bodies, offices and agencies suffers from considerable drawbacks due to its fragmentation and lack of coordination between existing provisions; highlights that those issues should be addressed by setting up a common ethical framework, ensuring the application of high ethical standards for all Union institutions, bodies, offices and agencies;

35. Underlines that certain officials fill in declarations of absence of conflicts of interest and provide self-assessments with regard to respect for ethical standards; highlights, however, that such self-declarations and self-assessments are not sufficient and that additional scrutiny is therefore needed;

Internal controls

36. Notes that, in line with the 2019-2020 plan for the *ex post* controls of the grants completed, the inspection and control office of the Agency has performed inspections in eight Member States and 10 institutions;

37. Notes that, in 2019, the Commission's Internal Audit Service (IAS) performed an audit on IT governance and project management, which resulted in two 'very important' and two 'important' recommendations that were accepted by the Agency, and that an action plan for the implementation of those recommendations was adopted and presented to the IAS;

38. Notes that, as of 5 February 2020, five recommendations have the status 'ready for a review' and are awaiting a final decision from the IAS and that 11 recommendations have the status 'pending' and must still be implemented;

39. Deplores the fact that regarding follow-up from the Court's findings of the previous year that the Agency does not have a 'sensitive post' policy that would identify sensitive functions, keep them updated and define appropriate measures to mitigate the risks of vested interests; acknowledges from the Agency's reply that a draft policy was finalised in 2019 but in view of a possible reassessment was suspended and was to be considered for adoption in the third quarter of 2020; urges the Agency to adopt and implement the policy as soon as possible in order to comply with the Agency's internal control standards; calls on the Agency to report to the discharge authority on the progress made in that field by June 2021;

40. Calls on the Agency to urgently take corrective action with regard to all outstanding observations of the Court, including the adoption and implementation of a sensitive posts policy in line with its own internal control standards, addressing the risk of double funding from the Internal Security Fund, managed by the Commission, and the Agency's funding, and addressing the level of carry-overs, which remains high;

41. Reiterates its call on the Agency to ensure in all its activities, full transparency and full respect for fundamental rights; stresses that the reinforced mandate of the Agency should go hand in hand with strengthening of mechanisms to ensure full respect of fundamental rights; notes that law enforcement relies on public trust and requires transparency; stresses furthermore that the exercise of power is commensurate with a high level of responsibility and due diligence; reminds all parties involved to mutually respect their competences and engage in constructive cooperation to overcome challenges related to the fast expansion of the Agency and to fulfil further the mission and strategic objectives of the Agency;

Other comments

42. Observes, in light of comments and observations from the discharge authority related to the construction of the new headquarters building and the establishment of a European school in Warsaw, that in 2019 an adequate plot of land was attributed to the Agency by the Polish authorities and planning is ongoing to build purpose-designed premises for the Agency's headquarters by the end of 2024, and that the European school accreditation was ongoing in 2020 with the school announcing its readiness to commence partly operating from the academic year 2020/2021;

43. Calls on the Agency to continue to increase cooperation and exchange of good practices with other Union bodies, offices and agencies with a view to improve efficiency as regards human resources, building management, IT services and security;

44. Notes that all four pending legal cases reached a resolution by the end of 2019 and that for all of the cases the result was in the Agency's favour; is deeply concerned that the Agency has ordered to recover legal fees in the amount of EUR 23 700 from two individuals in the General Court case T-31/18 regarding requests for access to documents; notes that the Court has reduced that amount to EUR 10 520; highlights that charging civil society with excessively high legal fees has a chilling effect on civil society's access to justice in the field of access to documents which is a fundamental right laid down in Article 42 of the Charter and undermines their right to an effective remedy under Article 47 of the Charter; calls on the Agency to withdraw its demand for recovering of the costs in this case and to refrain from seeking to recover the costs of external lawyers from applicants in court cases based on access to information requests in the future;

45. Notes the repeated allegations of complicity of the Agency in fundamental rights violations by the Greek authorities concerning its involvement in migrant pushbacks; recalls that the Agency is mandated to control borders while ensuring that border controls are conducted in accordance with the fundamental rights, the Convention relating to the Status of Refugees, as provided in Regulation (EU) 2016/399 ([7]) and Regulation (EU) 2019/1896, which in its Article 46 obliges the executive director to suspend, terminate or not launch activities in case of fundamental rights violations; notes the establishment of the Working Group on Fundamental Rights and Legal Operational Aspects in the Aegean Sea (WG FRaLO); notes that WG FRaLO identified 13 relevant incidents which were later examined - 8 were clarified according to the final report ([8]) of the Frontex Management Board Working Group and 5 still under consideration; stresses the need to involve the Frontex Scrutiny Working Group, established by the Parliament's Committee on Civil Liberties, Justice and Home Affairs, to fully clarify the incidents; calls on the Agency to regularly inform Parliament about the Agency's work at the external borders; welcomes the adoption by the Agency of a Roadmap implementing the recommendations of WG FRaLO and responding to the allegations with a clear timetable and very specific objectives ([9]);

([7]) Regulation (EU) 2016/399 of the European Parliament and of the Council of 9 March 2016 on a Union Code on the rules governing the movement of persons across borders (Schengen Borders Code) (OJ L 77, 23.3.2016, p. 1).

([8]) Fundamental Rights and Legal Operational Aspects of Operations in the Aegean Sea, Final Report of the Frontex Management Board Working Group, 1 March 2021 (https://frontex.europa.eu/assets/Key_Documents/MB_Documents/Agenda_Point_WG_FRaLO_final_report.pdf).

([9]) Frontex news release 2021-03-05 Roadmap addressing the recommendations of the preliminary report of the Management Board Working Group on Fundamental Rights and Legal and Operational Aspects of Operations: https://frontex.europa.eu/media-centre/news/news-release/roadmap-addressing-recommendations-of-management-board-working-group-lBZxAh.

46. Welcomes the Agency's decision to suspend its operations at the Hungarian border, following the judgment of the Court of Justice of 17 December 2020 in Case C-808/18 ([10]); notes, however, that the allegations concerned widespread illegal pushbacks of migrants by the Hungarian authorities were already well-documented by the NGO Hungarian Helsinki Committee; regrets therefore the slow pace of action taken by the Agency;

47. Takes note of the investigation on the Agency launched by OLAF; takes note of the fact that the Frontex Scrutiny Working Group will monitor all aspects of the functioning of the Agency; calls on the Agency to immediately brief Members of the European Parliament about the outcome of the OLAF investigation in an appropriate and legal manner respecting the confidential nature of information and the rules of data protection;

48. Finds disconcerting the Commission's reaction to allegations of fundamental rights violations by the Agency; expresses its uneasiness about the apparent lack of constructive and effective communication as well as cooperation between the Commission and the Agency; urges the Commission and the Agency to enhance their communication and cooperation without undue delay; calls on the Commission to provide legal guidance to ensure appropriate, lawful and timely procedures for critical situations at external (sea) borders given the complex geopolitical challenges of those operations;

49. Observes, that besides the significant growth in size of the Agency, both in terms of its budget and staff, the Agency has also undergone a fundamental change in nature, which is best characterised by the ability of Category 1 staff of the standing corps to carry weapons and wear uniforms; notes that those unique attributes make the Agency distinct among all other Union bodies, offices and agencies; therefore calls on the Commission and Member States in coordination with Schengen associated countries to define a profound legal framework that provides clear guidance regarding all aspects of those specific and unique activities of the Agency;

50. Notes that the European Ombudsman opened an inquiry on her own initiative into the Agency's complaints mechanism for those who believe their fundamental rights have been breached in the context of an Agency operation; calls on the Agency to fully cooperate with that inquiry and to report on how it will implement recommendations of the European Ombudsman;

51. Points out that a complex approach is needed in order to make the websites of the Union institutions, bodies, offices and agencies accessible to persons with all kinds of disabilities as provided for in Directive (EU) 2016/2102 ([11]), including the availability of national sign languages; suggests that organisations representing disabled persons are involved in that process;

52. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([12]) on the performance, financial management and control of the agencies.

53. Highlights that the concerns identified in the management of the Agency in 2019 do not question the existence, legitimacy or mandate of the Agency; continues to consider the Agency as an essential tool in the management of Union's external borders with a duty to ensure the proper functioning of the Schengen area and the freedom of movement within the Union; expects the Agency to fully implement the recommendations of WG FRaLO and to present to the discharge authority concrete actions with a clear timetable to address the problems identified; considers these steps to be a mandatory condition for granting the discharge to the Agency;

([10]) Judgment of the Court of Justice of 20 December 2020, Commission v Hungary, C-808/18, ECLI:EU:C:2020:1029.

([11]) Directive (EU) 2016/2102 of the European Parliament and of the Council of 26 October 2016 on the accessibility of the websites and mobile applications of public sector bodies (OJ L 327, 2.12.2016, p. 1).

([12]) Texts adopted, P9_TA(2021)0215.

DECISION (EU, EURATOM) 2021/1616 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the European GNSS Agency for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European GNSS Agency for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0065/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU) No 912/2010 of the European Parliament and of the Council of 22 September 2010 setting up the European GNSS Agency, repealing Council Regulation (EC) No 1321/2004 on the establishment of structures for the management of the European satellite radio navigation programmes and amending Regulation (EC) No 683/2008 of the European Parliament and of the Council ([4]), and in particular Article 14 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

— having regard to the report of the Committee on Budgetary Control (A9-0074/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 276, 20.10.2010, p. 11.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

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 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European GNSS Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1617 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the European GNSS Agency for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European GNSS Agency for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0065/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU) No 912/2010 of the European Parliament and of the Council of 22 September 2010 setting up the European GNSS Agency, repealing Council Regulation (EC) No 1321/2004 on the establishment of structures for the management of the European satellite radio navigation programmes and amending Regulation (EC) No 683/2008 of the European Parliament and of the Council ([4]), and in particular Article 14 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

— having regard to the report of the Committee on Budgetary Control (A9-0074/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 276, 20.10.2010, p. 11.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Approves the closure of the accounts of the European GNSS Agency for the financial year 2019;

2. Instructs its President to forward this decision to the Executive Director of the European GNSS Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1618 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 2019

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 2019,

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

— having regard to the report of the Committee on Budgetary Control (A9-0074/2021),

A. whereas, according to its statement of revenue and expenditure [1], the final budget of the European GNSS Agency (the 'Agency') for the financial year 2019 was EUR 33 589 862,79, representing an increase of 4,22 % compared to 2018; whereas the Agency's budget derives mainly from the Union budget [2];

B. whereas the Court of Auditors (the 'Court'), in its report on the Agency's annual accounts for the financial year 2019 (the 'Court's report'), states that the Court obtained reasonable assurance that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2019 resulted in a budget implementation rate of 100 %, representing the same rate as in 2018; notes furthermore that the execution rate of payment appropriations was 85,95 %, representing an increase of 2,22 % compared to 2018;

2. Notes that in addition to its core budget, the Agency continued to manage a large amount of delegated budget in 2018 to cater for the European Geostationary Navigation Overlay Service (EGNOS), the Galileo Delegation Agreement, the Delegation Agreement for Public Regulated Service and the Horizon 2020 delegation agreement; notes that a total of EUR 290 696 766,98 was committed under a delegated budget in 2019 and EUR 523 494 171,23 made in payments;

Performance

3. Notes that the Agency uses certain measures as key performance indicators to assess the added value provided by its activities and other measures to improve its budget management, such as percentage of successful independent vulnerabilities assessments carried out and commitment and payment rate within prescribed time limits;

4. Welcomes the fact that the Agency has outsourced its accounting services to the Commission from 2015 and that it shares the internal audit capability with the European Chemicals Agency; encourages the Agency to seek further and broader cooperation with the Union agencies;

5. Calls on the Agency to continue to develop its synergies, increase cooperation and exchange of good practices with other Union agencies with a view to improve efficiency in areas such as human resources, building management, IT services and security;

6. Notes that in July 2019 the Agency experienced an incident that resulted in a six-day outage of Galileo services leading to urgent recovery procedures being activated in the affected Galileo infrastructure; notes that the Agency's security accreditation board analysed the file on the 2018-2019 service outages, with particular attention to that in July 2019, and issued a number of points and actions to be addressed in order to increase the robustness of the system; calls on the Agency to report to the discharge authority on the developments in that regard;

[1] OJ C 430, 20.12.2019, p. 12.
[2] OJ C 430, 20.12.2019, p. 12.

7. Notes that four new satellites were put in service in February 2019;

8. Notes that the MyGalileoApp competition in 2019, which involved around 150 teams, awarded a financial price to 3 new innovative usages of Galileo, supporting Union start-ups and young innovators to grow their business potential;

9. Notes that according to the Court's Special Report on the Future of the Agencies (Court's Special Report) the Agency has very limited autonomy in practice regarding its main task is to exploit the Galileo global satellite navigation system under a delegation agreement with the Commission; calls on the Commission to review the autonomy of the Agency particularly regarding its competencies on implementing the delegation agreement through a number of complex contracts with industrial partners and public sector entities; calls on the Agency to report back on the developments in that regard to the discharge authority;

10. Notes that, according to the Court's Special Report following the audit conducted between March and September 2019, the Agency significantly needs to improve its cooperation with Member States, international bodies and other Union agencies as it was noted that the Agency had only limited information on Member State strategies and actions in supporting the uptake of Galileo services; strongly encourages the Agency to increase its cooperation and knowledge sharing with Member States, international bodies and other Union agencies in order to increase the uptake of Galileo services and to pursue the common purpose to deliver on Union policies in the interest of Union citizens; calls on the Agency to report back on the developments in that regard to the discharge authority;

11. Stresses the importance of increasing the digitalisation of the Agency in terms of internal operations and management procedures; stresses the need for the Agency to continue to be proactive in this regard in order to avoid a digital gap between the agencies at all costs; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed; recalls also the importance for the Agency to develop greater visibility in the media, internet, and social media in order to make its work known;

Galileo-Incident

12. Regrets the fact that on 10 July 2019, during a system upgrade, a service incident occurred in the Galileo ground infrastructure and that it resulted in a six-day interruption of the Galileo initial navigation and timing services; welcomes, however, that the Commission set up an independent inquiry board to investigate the incident and provide recommendations to avoid similar incidents in the future;

13. Recalls that the inquiry board found mishandling, a technical anomaly of an equipment, a non-standard configuration of the equipment that was subject to the anomaly, recalls that the inquiry board identified root causes of different nature, related to organisation and management of Galileo, human factors, complex and non-standard system configuration; calls on the Commission and the Agency to consistently follow up the recommendations of the inquiry board, particularly regarding the continuity of service and optimising Galileo's governance as well as ensuring better institutional communication towards users and Member States for crisis situations; invites the Commission and the Agency to regularly inform the discharge authority about the follow up actions;

Staff policy

14. Notes that on 31 December 2019 the establishment plan was 92,81 % implemented, with 129 temporary agents appointed out of 139 temporary agents authorised under the Union budget (compared to 128 authorised posts in 2018); notes that, in addition, 55 contract agents and 3 seconded national experts worked for the Agency in 2019; notes that 10 additional posts were allocated to the Agency for its 2019 establishment plan in addition to one post that was already provided for;

15. Is concerned that according to Court's Special Report the Agency struggles to recruit staff with the necessary technical expertise and in order to compensate for a shortage of posts or national experts, the Agency increasingly outsources core tasks to private contractors, on whom it may then become dependent; calls on the Commission to examine the situation carefully and to provide the Agency with the necessary means to recruit the necessary staff; calls on the Commission to report back to the discharge authority on that matter;

16. Welcomes the Agency's efforts and new measures introduced to attract, recruit and retain highly competent staff;

17. Regrets the persisting geographical imbalances in the composition of the Agency's staff, especially at middle and senior management levels; calls on the Agency to establish a proper representation of nationals from all Member States, while at the same time respecting the competencies and merits of the candidates as indicated in the Article 27 of the Staff Regulations of Officials;

18. Encourages the Agency to pursue the development of a long-term human resources policy framework which addresses work-life balance, lifelong guidance and career development, gender balance, teleworking, geographical balance and the recruitment and integration of people with disabilities;

19. Notes the lack of gender balance in 2019 among the senior management (7 men and 4 women) and on the administrative board (24 men and 5 women); asks the Agency to ensure gender balance at the senior management level in the future; asks the Commission and the Member States to take into account the importance of ensuring gender balance when nominating members to the Agency's administrative board;

20. Is concerned about the large size of the agency's management board, which makes decision making difficult and generates considerable administrative costs;

Sustainability

21. Regrets that the Agency has not yet adopted CO_2 reduction targets; calls on the Agency to create an environmentally friendly working frame and to reduce its carbon footprint, its energy consumption and to develop a paperless workflow;

22. Regrets that the energy supplied via an operator which does not provide the share of energy sources in detail and that the use of renewable energy by the Agency cannot therefore be determined; invites the Agency to switch to an operator which is capable of providing the details on the energy sources;

Procurement

23. Notes, regarding the follow-up to its the Court's findings in 2018, that legal proceedings had been lodged against the Agency at the Court of Justice of the European Union (CJEU), challenging the outcome of the procurement procedure for a framework contract on the implementation of the Galileo satellite system during the period from 2017 to 2027, amounting to EUR 1,5 billion; notes that the case was abandoned by Eutelsat and cancelled by the CJEU;

24. Notes, regarding the follow-up of previous year's findings of the Court, that the e-procurement procedures' e-submission module did not address the Agency's complex procurement needs, and it was decided that tenders will not be carried out electronically, thus not using any of the e-procurement IT tools developed by the Commission; notes from the Agency's reply that the Agency is resuming contacts with the Commission to evaluate the possibility to use electronic tendering for those procurements for which it may be most opportune; calls on the Agency to report to the discharge authority on developments in that regard;

Prevention and management of conflicts of interest and transparency

25. Notes that not all CVs of administrative board members have been published on the Agency's website; reiterates its calls on the Agency to publish the CVs of all the members of the administrative board and to report to the discharge authority on the actions taken in that regard; notes that the administrative board secretariat as well as the internal control coordinator reminds and urges administrative board members to submit missing documents and that declarations of interest of administrative board are stored on the Agency's document management system;

26. Notes that the CVs and declarations of interest of senior management are published on the Agency's website; notes, however, that the CVs and declarations of interest of management staff are not published on the Agency's website; notes that the Agency is waiting for the formal implementation approval of conflict of interest implementing rules by the Commission in order to publish the CVs of management staff on its website;

27. Underlines the fact that the current ethical framework applying to Union institutions and agencies suffers from considerable drawbacks due to its fragmentation and lack of consistency between existing provisions; highlights that these issues should be addressed by setting up a common ethical framework, ensuring the application of high ethical standards for all Union institutions, bodies, offices and agencies;

28. Underlines that certain officials fill in declarations of absence of conflicts of interest and provide self-assessments with regard to respect for ethical standards; highlights, however, that such self-declarations and self-assessments are not sufficient and that additional scrutiny is therefore needed;

Internal controls

29. Notes from the Court's report that the Agency has signed working arrangements with the European Space Agency (ESA) on the implementation of the EGNOS and GALILEO programmes, and in 2019 the Agency paid EUR 55,5 million under the EGNOS working arrangement and EUR 223,7 million under the GALILEO working arrangement; notes from the Court's report that there is a risk that the Agency's payments to the ESA may be calculated on the basis of inaccurate costs due to the absence of a comprehensive *ex-ante* or *ex-post* strategy; notes from the Agency's reply that *ex-ante* control is carried out to confirm that payment requests' amounts agree with the respective payment plans and pre-financing stated in working agreements and that *ex-post* control is not applicable as the Agency has a contractual obligation to pay; notes from the Agency's reply that it is to undertake *ex-post* control, in particular full reconciliation of costs and activities against cost claims, between 2020 and 2023;

30. Notes from the Court's report that the Agency is experiencing delays in the implementation of its new internal control framework, which was due to be approved in 2019, and in the approval of its business continuity plan, which has been the subject of follow-up enquiries by the Court since 2015 and has been approved only on 15 May 2020, thus constituting major internal weaknesses in the Agency's procedures; notes from the Agency's reply that it intends to finalise its internal control framework in 2020;

31. Notes that the internal audit service (IAS) delivered an audit report on EGNOS Exploitation in November 2019 with five important recommendations and one issue identified for consideration; calls on the Agency to report to the discharge authority on the progress made in that regard;

32. Notes that the internal audit capability performed an audit of the 'Capacity Building of GSA's staff' in 2019 and although the report was not finalised in 2019 but it was planned to include one very important and four important recommendations; calls on the Agency to report to the discharge authority on the progress made in the implementation of those recommendations;

33. Notes that in 2019 the Agency selected an audit firm BDO to perform the three customary external audits on the 2018 activity under three delegation agreements with DG GROW (now DEFIS), EGNOS, Galileo and Horizon 2020 grants, concluding that the funds delegated by DG DEFIS had been properly spent; although certain clerical errors were detected, there were no material findings;

34. Notes, regarding the follow-up actions with regard to the discharge authority's comments in previous years, that the IAS performed an audit on 'IT Governance in GSA' in 2018 and that the Agency drew up an action plan with six actions to address potential areas for improvement; notes that in March 2020, IAS closed two actions and the Agency prepared all the other documentation relevant for remaining actions and the Agency believes that after the submission of the prepared package the IAS will be able to close most, if not all, of the remaining actions; calls on the Agency to report to the discharge authority on the developments in that regard;

Other comments

35. Notes, in light of comments and observations by the discharge authority related to the Agency's commitment to minimise any negative impact from the UK's decision to withdraw from the Union, that some contracts affected have been re-assigned from UK contractors to companies established in the territory of one of Member States and other contracts have achieved natural expiry before the withdrawal date, and that the back-up site of the Galileo Security Monitoring Centre has been relocated from the UK to Spain, ensuring continuity of services;

36. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([3]) on the performance, financial management and control of the agencies.

([3]) Texts adopted, P9_TA(2021)0215.

DECISION (EU, EURATOM) 2021/1619 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the European Fisheries Control Agency for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Fisheries Control Agency for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0066/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Council Regulation (EC) No 768/2005 of 26 April 2005 establishing a Community Fisheries Control Agency and amending Regulation (EEC) No 2847/93 establishing a control system applicable to the common fisheries policy ([4]), and in particular Article 36 thereof,

— having regard to Regulation (EU) 2019/473 of the European Parliament and of the Council of 19 March 2019 on the European Fisheries Control Agency ([5]), and in particular Article 45 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([6]), and in particular Article 105 thereof,

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial 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]),

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

— having regard to the opinion of the Committee on Fisheries,

— having regard to the report of the Committee on Budgetary Control (A9-0092/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 128, 21.5.2005, p. 1.
([5]) OJ L 83, 25.3.2019, p. 18.
([6]) OJ L 122, 10.5.2019, p. 1.
([7]) OJ L 328, 7.12.2013, p. 42.

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 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Fisheries Control Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1620 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the European Fisheries Control Agency for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Fisheries Control Agency for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0066/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Council Regulation (EC) No 768/2005 of 26 April 2005 establishing a Community Fisheries Control Agency and amending Regulation (EEC) No 2847/93 establishing a control system applicable to the common fisheries policy ([4]), and in particular Article 36 thereof,

— having regard to Regulation (EU) 2019/473 of the European Parliament and of the Council of 19 March 2019 on the European Fisheries Control Agency ([5]), and in particular Article 45 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([6]), and in particular Article 105 thereof,

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial 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]),

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

— having regard to the opinion of the Committee on Fisheries,

— having regard to the report of the Committee on Budgetary Control (A9-0092/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 128, 21.5.2005, p. 1.
([5]) OJ L 83, 25.3.2019, p. 18.
([6]) OJ L 122, 10.5.2019, p. 1.
([7]) OJ L 328, 7.12.2013, p. 42.

1. Approves the closure of the accounts of the European Fisheries Control Agency for the financial year 2019;

2. Instructs its President to forward this decision to the Executive Director of the European Fisheries Control Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1621 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 2019

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 2019,

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

— having regard to the opinion of the Committee on Fisheries,

— having regard to the report of the Committee on Budgetary Control (A9-0092/2021),

A. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Fisheries Control Agency (the 'Agency') for the financial year 2019 was EUR 17 247 000, representing a decrease of 0,93 % compared to 2018; whereas the budget of the Agency derives mainly from the Union budget;

B. whereas the Court of Auditors (the 'Court') has stated in its report on the Agency's annual accounts for the financial year 2019 (the 'Court's report') that it has obtained reasonable assurance that the Agency's annual accounts for the financial year 2019 are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with appreciation that budget monitoring efforts during the financial year 2019 resulted in a budget implementation rate of 99,88 %, representing a slight increase of 0,15 % compared to 2018; notes that the payment appropriations execution rate was at 85,69 %, representing a decrease of 1,93 % compared to 2018;

Performance

2. Notes with satisfaction that the Agency uses certain measures as key performance indicators (KPIs) to assess the added value provided by its activities and other measures to improve its budget management, such as inspections and infringements trends, attendance at training sessions and budget implementation per quarter;

3. Notes that the Agency implemented 99 % of its activities on time and that it fully implemented its annual communication strategy plan in 2019; highlights that in 2019 the Agency coordinated 32 381 fishing vessel inspections, which led to the detection of 1 487 suspected infringements, representing an increase, respectively, of 20,2 % and 107,8 % on the 2018 figures; takes the view that those figures show that inspections and follow-up activities remain an essential tool for ensuring that the rules of the common fisheries policy (CFP) are observed;

4. Notes with satisfaction that in 2019 the Agency has significantly expanded the scope of its activities without additional resources; stresses in particular that the Agency has coordinated monitoring, control and surveillance measures applicable to approximately 45 additional fish species in European waters, including all species subject to landing requirements, and has extended those activities to recreational fisheries (cod in the Western Baltic Sea);

5. Recalls the importance of fisheries control in achieving the objectives of the CFP; acknowledges the Agency's vital contribution to implementing those objectives; stresses that the ongoing revision of the regulations governing fisheries control will increase the Agency's workload; emphasises the incoherence of seeking to tackle growing obligations without sufficient resources to do so; stresses, therefore, that the financial and human resources available to the Agency need to be increased in the coming years;

([1]) OJ C 192, 8.6.2020, p. 1.

6. Notes that the Agency, the European Border and Coast Guard Agency (Frontex) and the European Maritime Safety Agency (EMSA) adopted a tripartite working arrangement defining the cooperation between those agencies and the cooperation with national authorities carrying out coast guard functions by providing services, information, equipment and training, as well as by coordinating multipurpose operations; notes that, during 2019, the Agency extended operational cooperation with Europol and Eurojust in the framework of the European Multidisciplinary Platform against Criminal Threats, which covers illegal fishing activities; considers those arrangements to be a successful example of synergy between Union agencies that should inspire agencies in other areas;

7. Encourages the Agency to pursue the digitalisation of its services, as a way to reduce bureaucracy;

8. Takes note that the results of the second five-year independent external evaluation of the Agency for the period 2012-2016 were presented in 2017; notes with satisfaction that, of the 11 recommendations made, 10 were implemented and the last open recommendation is progressing in line with the roadmap presented to the administrative board on 22 October 2019;

9. Notes that, in cooperation with the Coast Guard Fora, the Agency supported the third workshop of the European Coast Guard Functions Forum (ECGFF) on "Multipurpose Maritime Operations" (MMO) held in Catania, Sicily, Italy from 3 to 5 June 2019 that was attended by 90 delegates from 16 Member States, EMSA and Frontex;

10. Highlights the assistance provided by the Agency to the Commission with regard to cooperation with third countries and the Agency's crucial role in securing a level playing field with all coastal states; stresses, in that regard, the need to increase the resources allocated to the Agency with a view to making it possible to handle the increased workload caused by the withdrawal of the United Kingdom from the Union and any potential consequences of the new relationship for the fisheries control framework;

Staff policy

11. Notes that, on 31 December 2019, the establishment plan was 96,72 % filled, with 59 temporary agents appointed out of 61 temporary agents authorised under the Union budget (61 authorised posts in 2018); notes that, in addition, 10 contract agents and six seconded national experts have been working for the Agency in 2019;

12. Welcomes the Agency's efforts to build a more diverse and inclusive work environment and culture by taking actions in favour of people with disabilities; asks the Agency to assess the possibilities of further strengthening and integrating the principles of equal opportunities in recruitment, training, career development, working conditions as well as to raise staff awareness of those aspects; requests the Agency to examine the possible reasonable improvements and modifications of the Agency's buildings (access, adequate office equipment) for people with reduced mobility or other disabilities;

13. Is extremely concerned by the total lack of gender balance at the senior management level and on the administrative board (43 men and 13 women); deplores the fact that women represent only 26 % of the staff employed in grades AD 8 or above, while they represent almost half of the overall staff; notes with satisfaction, however, the improvement of that figure by 9 percentage points compared to 2018 and by 2 percentage points compared to 2017; invites the Agency to increase its effort to achieve a better gender balance at all levels; asks the Commission and the Member States to step up their efforts to ensure gender balance when nominating their members to the Agency's administrative board;

14. Takes note of the policy of the Agency to promote equal treatment of staff and the objective of gender balance in terms of number, grade and level of responsibility;

15. Encourages the Agency to develop a long-term human resources policy framework which addresses the work-life balance of its staff, lifelong guidance and career development, gender balance, teleworking, non-discrimination, geographical balance and the recruitment and integration of people with disabilities; notes that the Agency is preparing a wide-ranging human resources strategy to be completed by the end of 2020;

Procurement

16. Highlights that the main procurement activity in 2019 was focused on launching two open calls respectively for software development and IT services, and communication services and materials;

17. Welcomes that, following the objective of Union agencies of sharing procurement efforts, the Agency launched an inter-institutional open call for tender in 2019 and that two other agencies joined that procurement procedure; calls on the Agency to report to the discharge authority on future developments regarding its joint procurement procedures; regards that practice as an example worth following; encourages the Agency to further explore possibilities of streamlining procedures with other institutions;

Prevention and management of conflicts of interest and transparency

18. Acknowledges the Agency's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interest, and whistle-blower protection; regrets that some of the Agency's administrative board members' CVs and declarations of interest are not published on the Agency's website; calls on the Agency to publish the CVs and the declarations of interest of all the members of the administrative board and to report to the discharge authority on the measures taken in that regard;

19. Underlines the commitment made by the Agency to enhance the transparency of its activities by reporting the meetings that the Agency's staff and Executive Director have with interest representatives and their availability on the Agency's website; regrets that that information appears in a section existing only on the English version of its website; invites the Agency to fulfil its commitment and to regularly update the page dedicated to that information in all language versions of its website;

20. Welcomes the Agency's efforts to increase the visibility of its action both in the traditional press and on social networks; believes that the communication strategy implemented by the Agency contributes to a better understanding by the general public of the role, institutional organisation and action of the Union in the field of fisheries control; invites the Agency to continue its efforts in that direction and to strengthen its links with civil society, in particular the scientific and academic community;

Internal Controls

21. Notes that, in 2019, the Commission's Internal Audit Service issued an audit report on 'Implementation and assessment of the Joint Deployment Plans (JDP)' and that an action plan for potential areas of improvement was agreed; calls on the Agency to report to the discharge authority on the measures taken;

22. Notes that, in 2018, the Commission's Internal Audit Service issued an audit report on 'Planning, Budgeting and Monitoring in the Agency' and that an action plan for potential areas of improvement was agreed; notes that the Agency has implemented four out of five recommendations; calls on the Agency to report to the discharge authority on the measures taken;

23. Notes that, in April 2019, the administrative board of the Agency adopted a revised internal control framework aligned with the internal control framework adopted by the Commission and required under Article 30 of the new EFCA Financial Regulation ([2]); notes that the annual assessment of the internal control framework concluded that measures are needed to further improve the control activities component, in particular in the area of contract management; calls on the Agency to report to the discharge authority on the progress made;

24. Notes with concern that three exceptions and one event of non-compliance were registered in 2019, with an overall notional value of EUR 46 000, mainly relating to a late signature of contract amendments; notes that, although a notional value was attributed to the events, there was no financial impact/loss for the Agency and that the appropriate measures are being taken to avoid the occurrence of such errors; calls on the Agency to report to the discharge authority on the progress made;

([2]) Decision No 19-W-5 of the Administrative Board of the European Fisheries Control Agency of 29 August 2019 concerning the Financial Regulation of the European Fisheries Control Agency (https://www.efca.europa.eu/sites/default/files/AB%20Decision%2019-W-5_Financial%20Regulation.pdf).

Other comments

25. Notes that the Agency has initiated a process in order to be certified in the EU Eco-Management and Audit Scheme ('EMAS') and has taken a series of measures aiming at reducing its overall impact on the environment; points out, however, that the Agency does not have any additional measures in place to reduce or offset CO_2 emissions;

26. Notes that the Agency has carried out an analysis of the likely impact of the United Kingdom's decision to withdraw from the Union and identified the necessary mitigating steps;

27. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([3]) on the performance, financial management and control of the agencies.

([3]) Texts adopted, P9_TA(2021)0215.

DECISION (EU, EURATOM) 2021/1622 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the European Chemicals Agency for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Chemicals Agency for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0067/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC ([4]), and in particular Article 97 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0075/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 396, 30.12.2006, p. 1.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Grants the Executive Director of the European Chemicals Agency discharge in respect of the implementation of the budget of the Agency for the financial year 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Chemicals Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1623 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the European Chemicals Agency for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Chemicals Agency for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0067/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC ([4]), and in particular Article 97 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0075/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 396, 30.12.2006, p. 1.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Approves the closure of the accounts of the European Chemicals Agency for the financial year 2019;

2. Instructs its President to forward this decision to the Executive Director of the European Chemicals Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1624 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 2019

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 2019,

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0075/2021),

A. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Chemicals Agency (the 'Agency') for the financial year 2019 was EUR 112 834 290 representing a decrease of 4,99 % compared to 2018; whereas approximately 39,51 % of the Agency's budget derives from fees and charges and 57,61 % from the Union and third countries ([2]) (in 2018, 72,47 % from fees and charges and 26,18 % from the Union and third countries); notes that the significant changes in budget composition when compared to the previous year are related to Regulation (EC) No 1907/2006 ([3]) which provided for a final registration deadline in 2018, and as no further registration deadlines are defined in Regulation (EC) No 1907/2006, no peaks in registration fee income are expected;

B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Agency for the financial year 2019 (the 'Court's report'), states that it has obtained reasonable assurance that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that budget monitoring efforts during the financial year 2019 resulted in a budget implementation rate of 98,79 %, representing a decrease of 1,13 % compared to 2018; notes with concern that the payment appropriations execution rate was 86,09 %, representing a decrease of 0,95 % in comparison to 2018;

2. Emphasises that the Agency is partly financed from the fees it receives from companies that request the registration of chemicals as required under Regulation (EC) No 1907/2006; notes that the applicable fees depend on the size of the companies and the volume of chemicals registered (different thresholds); notes that, according to the Court's report, since the first registrations in 2009, some 26 % of the companies claimed to be micro, small or medium-sized; notes with concern, however, that thanks to the Agency's effective system of ex-post verifications, the Agency has identified that some 50 % of the companies had incorrectly declared their size, resulting in lower fees; stresses that this finding demonstrates the limitations of a system that relies excessively on self-declarations made by applicants; notes that, in order to mitigate this situation, the Agency has, over the years, invoiced and cashed fee corrections and administrative charges amounting to EUR 32,2 million, and that the Agency has made considerable progress in recovering undue fee reductions and collecting overdue administrative charges; notes, however, that there is still a considerable verification workload ahead and that the remaining amount of necessary fee corrections was unknown at the end of 2019; calls on the Agency to report to the discharge authority on its efforts, and on the results achieved, to continue to reduce the considerable verification workload and to implement the fee corrections; asks the Commission to propose measures to solve this situation, thereby avoiding fraud in declaring the size of the applicants and granting more stable budget planning for the Agency;

([1]) OJ C 107, 31.3.2020, p. 255.
([2]) OJ C 107, 31.3.2020, p. 255.
([3]) Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC (OJ L 396, 30.12.2006, p. 1).

3. Notes, regarding follow-up of the Court's findings concerning the financial year 2018, that the Agency has revenues coming both from fees and charges payable by industry, and a balancing subsidy from the Union budget; notes that, as the third registration deadline under Regulation (EC) No 1907/2006 expired in May 2018, income from fees and charges started to drop significantly from 2019 onwards and this trend is expected to continue; points out that there is a risk that relatively stable expenditure and much less predictable revenue may have a negative effect on the Agency's operations and budget implementation; takes note, however, that according to the Agency's reply, it has engaged proactively and is in ongoing discussions with the Commission to work towards ensuring sustainable financing and overcoming challenges in its financing model; calls on the Agency and the Commission to keep the discharge authority updated on developments in this regard; points out that relying on a predictable balancing subsidy from the Union budget, combined with transferring the income from fees and charges to the Commission, may guarantee more predictable revenue for the Agency, necessary to fulfil its mandate;

Sustainability

4. Highlights the fact that with regard to Regulation (EU) No 649/2012 ([4]) ('PIC Regulation') and Regulation (EU) 2019/1021 ([5]) (the Regulation on Persistent Organic Pollutants (POPs)), the Agency is fully financed by a Union subsidy, which amounted to EUR 1,56 million in 2019 (EUR 1,10 million for PICs in 2018);

5. Welcomes the Agency's efforts to provide a cost-effective and environmentally friendly workplace and all the measures taken by the Centre to reduce its CO_2 emissions, its energy consumption and to develop a paperless workflow; notes with satisfaction that the Executive Director of the Agency has pledged that the Agency will be carbon neutral by 2030;

Performance

6. Acknowledges, that the Agency reworked its performance management model for the 2019 Work Programme, with a view to better indicating the impact and outcome of its work; regrets that the Agency achieved 34 out of 53 of its key performance indicator targets in 2019; notes the Agency's comment that the 19 targets that were not met relate mainly to input and output indicators that are difficult to predict based on several factors; urges the Agency to strive to achieve 100 % fulfilment of its key performance indicator targets;

7. Recalls that the Agency is the driving force among regulatory authorities in implementing the Union's chemicals legislation for the benefit of human health and the environment as well as for innovation and competitiveness; notes that it provides information on chemicals, helps companies comply with legislation and brings about advances in the safe use of chemicals;

8. Acknowledges that the Agency underwent a strategic reorganisation in 2019 and has a new strategic plan for 2019-2023 with the following three strategic priorities: identification and risk management of substances of concern, safe and sustainable use of chemicals by industry, and sustainable management of chemicals through the implementation of Union legislation;

9. Regrets the absence in the 2019-2023 strategic plan of any pro-active measures and resourcing for speeding up, improving and quantifying reductions in the number of animal tests and the replacement of such tests by new approach methodologies; reiterates the importance of the principles of the 3Rs (Replacement, Reduction and Refinement) in animal testing; notes the recommendation made by Parliament in its resolution of 10 July 2020 on the Chemicals Strategy for Sustainability ([6]) that there should be a team established within the Agency exclusively dedicated to animal protection and the promotion of non-animal test methods; notes with concern the reply given by the Agency's Director in discussion with the Committee on Budgetary Control on 7 January 2021 that the Agency has not followed up on Parliament's call to reduce animal testing; urges the Agency to strongly reduce its reliance on animal testing; calls on the Agency to contribute to international activities aimed at promoting alternative test methods within its mandate and to regularly publish information on the use of alternative methods under REACH;

([4]) Regulation (EU) No 649/2012 of the European Parliament and of the Council of 4 July 2012 concerning the export and import of hazardous chemicals (OJ L 201, 27.7.2012, p. 60).
([5]) Regulation (EU) 2019/1021 of the European Parliament and of the Council of 20 June 2019 on persistent organic pollutants (OJ L 169, 25.6.2019, p. 45).
([6]) Texts adopted, P9_TA(2020)0201.

10. Recognises that the new organisational structure, introduced at the start of 2019, was designed to increase the Agency's interconnectivity and facilitate more collaborative ways of working; welcomes the 50 % increase in full compliance checks of substances compared to 2018, which was achieved as a result of an increased focus on compliance checks through internal staff redeployment and without additional resources being allocated to the Agency;

11. Notes that the Agency continues to share its internal audit capability with the European Global Navigation Satellite Systems Agency, and that the Agency provided support to the Consumers, Health, Agriculture and Food Executive Agency for data protection services in 2019, furthermore, the Agency closely collaborates with other agencies, including by way of sharing services in the context of an inter-agency network and by way of sharing resources through memoranda of understanding; commends this cooperation as an example for other agencies that is worth following; encourages the Agency to seek further and broader cooperation with the Union's other agencies; encourages the Agency to initiate discussions on the topic of resources-sharing on overlapping tasks among other agencies with similar activities;

12. Calls on the Agency to continue to develop its synergies, increase cooperation and exchange of good practices with other Union agencies with a view to improving efficiency (human resources, building management, IT services and security);

13. Asks the Agency to develop guidance on the minimum information requirements needed to justify granting derogations concerning restrictions and to ensure that no derogation is accepted when registration dossiers are not compliant or updated;

14. Stresses the importance of increasing the digitalisation of the Agency in terms of internal operations and management procedures; stresses the need for the Agency to continue to be proactive in this regard, in order to avoid a digital gap between the agencies at all costs; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;

15. Recalls the importance for the Agency of developing greater visibility in the media, on the internet, and in social media in order to make its work known;

Staff policy

16. Notes that, on 31 December 2019, the establishment plan was 96,75 % executed, with 446 temporary agents appointed out of 461 temporary agents authorised under the Union budget (compared with 452 authorised posts in 2018); notes that in addition, 122 contract agents and 14 seconded national experts worked for the Agency in 2019;

17. Notes that there was gender imbalance in 2019 with regard to the senior management positions (71 % male and 29 % female) and with regard to the management board (69 % male and 31 % female); asks the Agency to ensure there is gender balance at the senior management level in the future; asks the Commission and the Member States to take into account the importance of ensuring there is gender balance when appointing their members to the Agency's management board;

18. Notes that the Agency has an anti-harassment policy and related guidelines in place; acknowledges that it organised training sessions and made confidential counselling available, furthermore, notes that a pilot project with mediation in teams that have experienced conflicts was started in 2019; notes that the Agency had one informal harassment procedure in 2019;

19. Notes the publication of the Agency's vacancy notices on its website, on social media and on the EU Agencies Network's dedicated site, in order to publicise such notices more; notes the Agency's reply that it has started to review processes to be able to post vacancy notices on the website of the European Personnel Selection Office; calls on the Agency to publish vacancy notices on the website of the European Personnel Selection Office; calls on the Agency to explore further possibilities of attracting highly-qualified staff by broadening the reach of vacancy notices; calls upon the Agency to focus on disseminating the results of its research to the general public;

20. Welcomes the Agency's efforts to build a more diverse and inclusive work environment and culture by taking actions in favour of people with disabilities, asks the Agency to assess the possibilities of further strengthening and integrating the principles of equal opportunities in recruitment, training, career development and working conditions, as well as to raise staff awareness of these aspects; and requests the Agency to assess the possible reasonable improvements and modifications of the Agency's buildings (access, adequate office equipment) for people with reduced mobility or other disabilities;

21. Encourages the Agency to pursue the development of a long term human resources policy framework which addresses work-life balance, lifelong guidance and career development, gender balance, teleworking, geographical balance and the recruitment and integration of people with disabilities;

22. Underlines, furthermore, the necessity of ensuring there is adequate staffing reflecting the needs of the European Green Deal and the Union Chemical Strategy for Sustainability, the Circular Economy Action Plan and zero pollution ambition in particular, and for additional resources for any additional tasks required, such as the Agency conducting its own evaluations of substances;

Prevention and management of conflicts of interest, and transparency

23. Welcomes the fact that the Agency publishes on its website the CVs of all members of the Management Board and its Committees, including those of its chairs who are members of staff of the Agency, the Executive Director and all members of the Board of Appeal; welcomes the fact that the Agency publishes the declarations of interest of all members of the Management Board, the senior management and the Committee Chairs on its website;

24. Calls on the Agency to align its practices with the recommendations of the European Ombudsman of 7 May 2020 in case 2168/2019/KR in particular by ensuring, where necessary, that the option of forbidding its senior staff from taking up certain positions after their term-of-office has ended is invoked, by setting out criteria for when it will forbid moves of staff to the private sector; by informing applicants for senior posts in the Agency of the criteria when they apply, and by putting in place internal procedures so that once a member of its staff moves to another job, their access to confidential information is cut off with immediate effect;

25. Welcomes the further steps taken in order to enhance transparency and whistleblower protection, such as mandatory online training courses on whistleblowing for all staff, and a continued focus on awareness of ethics, procurement and contract management, and information security; notes that, according to the Agency, all meetings of its senior management with stakeholders are registered and published on its website to ensure that there is full transparency;

26. According to the Agency, its budgeted fee income for 2019 represents circa 39,5 % of its total income; acknowledges that the Agency has an exemplary system of monitoring and for preventing any conflicts of interest, and its view that there is a limited danger of such conflicts arising, due to the cost-covering purpose of the fees and the regular assessment of the Agency's staff involved in opinion-making to ensure there is independence; notes that the Agency would welcome a solution whereby the Commission would collect the fees on behalf of the Agency, thereby facilitating the Agency's financial management and helping to mitigate the risks of shortfalls; notes that the fees paid by industry vary substantially year by year, and that it is therefore not possible for the Agency to estimate the need for a balancing subsidy from the Union budget at a reasonable margin, which complicates budgetary planning; calls for a dialogue on how to reform the financing mechanism of the Agency, with the aim of putting it on a sustainable basis;

27. Underlines the fact that the current ethical framework applying to Union institutions and agencies suffers from considerable drawbacks due to its fragmentation and the lack of consistency between existing provisions; highlights that these issues should be addressed by setting up a common ethical framework, ensuring the application of high ethical standards for all Union institutions and agencies;

28. Underlines that certain officials fill in declarations of absence of conflicts of interest and provide self-assessments with regard to respect for ethical standards; highlights, however, that such self-declarations and self-assessments are not sufficient and that additional scrutiny is therefore needed;

Internal controls

29. Notes from the Court's report that, in one audited procurement procedure, the tender specifications did not give tenderers a clear understanding of how to price a certain item in their financial offers, and, since the offers were not comparable, the Agency decided to cancel and relaunch the procedure, which added extra time to the procedure and created a potential reputational risk for the Agency; notes the Agency's comment that procurement documents were considered to be clear and comprehensive, and the additional effort involved in relaunching the procedure was minimal, with no reputational consequences;

30. Notes from the Court's report, that the decision making process in recruitment procedures was not sufficiently structured and exhaustive to provide for a clear, chronological trail showing when the documents had been approved and by whom; notes the Agency's reply that it has altered its procedures to ensure that standard emails are sent to selection committee members after each meeting to record the meeting minutes and decisions taken by the Committee, furthermore, the Agency ensures that, after each meeting, electronic approval flows are finalised before advancing in the selection; calls on the Agency to improve its selection procedures so as to ensure that the processes are diligently carried out and transparent;

31. Notes that the Commission's Internal Audit Service conducted an assurance audit on the Agency's performance management, concluding with one very important recommendation related to the use of the four performance categories to ensure that each jobholder's performance is appraised without being compared with the performance of other staff, and one important recommendation to update the planning, monitoring and reporting procedure; notes that the Agency has already taken the necessary steps to implement both recommendations;

32. Notes with concern that, in May 2019, the Agency faced a crisis with an outage of all of the Agency's IT systems during the migration of servers to new infrastructure; the crisis was resolved in 48 hours; recommends that the Agency implement IT best practice procedures when performing IT operations with a high risk of disruption for the primary processes of the Agency;

33. Asks the Agency to improve the transparency and the user-friendliness of its database, and the interface between evaluation and follow-up risk management, including, for example, a short note on the Agency's registered substances in the database with regard to the compliance and evaluation status of the dossiers, adding the outcome of the substance evaluation (whether further risk management is needed or not), stating explicitly whether the dossier was found non-compliant and on what ground, and adding the outcome of Board of Appeal decisions as well as the follow-up delivered or intended to be delivered by the Agency;

34. Notes that the Agency developed a new integrated management system strategy and framework in 2019, which was approved by the Management Board on 15 December 2019 and replaced the Integrated Management Standards;

35. Encourages the Agency to pursue its efforts to perform its dossier evaluation checks under Regulation (EC) No 1907/2006 and to make the process more effective; recalls that dossier evaluation checks on over 2 000 dossiers covering 700 substances revealed that 70 % of the dossiers were not compliant with the legal information requirements of Regulation (EC) No 1907/2006 or did not contain sufficient information to ensure safe use for Union citizens and the environment;

Other comments

36. Notes that the process of moving to the Agency's new premises in Helsinki began on 21 December 2019 and that the new building was open and operational for the Agency's staff at the beginning of January 2020, concluding four years of preparations for relocating staff; invites the Agency to ensure its employees' well-being by providing sustainable and environmentally friendly working conditions;

37. Notes that the Agency developed an extensive communication package to support companies and minimise disruptions to the internal market during the preparation for the UK's withdrawal from the Union and the transition period; notes that the impact on the Agency of the UK's withdrawal from the Union is limited;

38. Notes with concern that the Agency has several litigation, appeal and complaint cases that have been sent to the Agency's Board of Appeal, the European Court of Justice, or the European Ombudsman and most of these cases have been dismissed (20 of 37 cases);

39. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([7]) on the performance, financial management and control of the agencies.

([7]) Texts adopted, P9_TA(2021)0215.

DECISION (EU, EURATOM) 2021/1625 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the Euratom Supply Agency for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Euratom Supply Agency for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0068/2021),

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

— having regard to Council Decision 2008/114/EC, Euratom of 12 February 2008 establishing Statutes for the Euratom Supply Agency ([4]), and in particular Article 8 of the Annex thereto,

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

— having regard to the report of the Committee on Budgetary Control (A9-0088/2021),

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 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director General of the Euratom Supply Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 41, 15.2.2008, p. 15.

DECISION (EU, EURATOM) 2021/1626 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the Euratom Supply Agency for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Euratom Supply Agency for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0068/2021),

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

— having regard to Council Decision 2008/114/EC, Euratom of 12 February 2008 establishing Statutes for the Euratom Supply Agency ([4]), and in particular Article 8 of the Annex thereto,

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

— having regard to the report of the Committee on Budgetary Control (A9-0088/2021),

1. Approves the closure of the accounts of the Euratom Supply Agency for the financial year 2019;

2. Instructs its President to forward this decision to the Director General of the Euratom Supply Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 41, 15.2.2008, p. 15.

RESOLUTION (EU) 2021/1627 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 2019

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 2019,

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

— having regard to the report of the Committee on Budgetary Control (A9-0088/2021),

A. whereas, according to its financial statements of revenue and expenditure, the final budget of the Euratom Supply Agency (the 'Agency') for the financial year 2019 was EUR 223 000, representing an increase of 81,30 % compared to 2018, due to the implementation of an IT service contracts for which the Agency received an additional contribution from the Commission at the end of 2019; whereas the entire budget of the Agency derives from the Union budget;

B. whereas the Court of Auditors (the 'Court'), in its report on the Agency's annual accounts for the financial year 2019 (the 'Court's report'), states that the Court has obtained reasonable assurance that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with appreciation that budget monitoring efforts during the financial year 2019 resulted in a commitment appropriations implementation rate of 99,86 % representing an increase of 2,02 % compared to 2018; regrets, however, that the payment appropriation execution rate was 41,05 %, representing a decrease of 31,85 % compared to 2018; whereas that decrease is due to carrying forward outstanding commitments that amounted to EUR 131 137,56 or 59 % of committed amounts in relation to signed IT service contracts that were not been completed by the year end;

Cancellation of carry-overs

2. Notes with regard to the follow-up actions to the Court's findings in 2018, that the cancellation rate of budget appropriations carried over from 2018 to 2019 was 17 %, demonstrating unjustified commitments in 2018; calls on the Agency to carry over budget appropriations only when justified;

Performance

3. Notes that in 2019 the Agency, under Article 52 of the Agency's Treaty activities, assigned 178 new registration references corresponding to new contracts and amendments or supplements to existing contracts and, under Articles 75 and 74 of the Treaty activities, the Agency assigned 139 new registration references covering transactions related to the provision of services for the supply of small quantities of nuclear materials; acknowledges the Agency's continuing efforts on the diversification of sources of supply;

4. Encourages the Agency to pursue the digitalisation of its services as a way of reducing bureaucracy;

Staff policy

5. Notes that on 31 December 2019, the establishment plan was 100 % implemented, with 17 Commission officials appointed out of 17 authorised posts in the establishment plan (compared to 25 authorised posts in 2018);

Internal controls

6. Notes that in 2019 the Agency applied the Commission's internal control standards (ICSs) for effective management in accordance with the Commission's communication of October 2007 concerning the revision of the ICSs; notes that the Agency performed a risk assessment with particular focus on finance and IT in 2019;

7. Notes that in 2019 the Agency started to develop the new internal control framework that will be effective from 2020; encourages the Agency to continue on that path and to keep the discharge authority informed about progress made;

Other comments

8. Notes, with regard to the UK's withdrawal from the Union, that the Joint Political Declaration stipulated that the future relationship should include a wide-ranging nuclear cooperation agreement between the Agency and the UK on peaceful uses of nuclear energy and parties agree on cooperation, through the exchange of information, on the supply of medical radioisotopes; calls on the Agency to ensure that it remains aware of the effects of the UK's withdrawal and that it reports to the discharge authority of the further developments in that regard;

9. Notes that the Agency had an acting director-general between January and March 2019 and that, following appointment by the Commission, a new director-general has been in charge since April 2019;

10. Calls on the Agency to focus on disseminating the results of its research and activities to the public via the social media and other media outlets;

11. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([1]) on the performance, financial management and control of the agencies.

([1]) Texts adopted, P9_TA(2021)0215.

DECISION (EU, EURATOM) 2021/1628 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the European Union Agency for Law Enforcement Cooperation (Europol) for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Law Enforcement Cooperation (Europol) for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0069/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU) 2016/794 of the European Parliament and of the Council of 11 May 2016 on the European Union Agency for Law Enforcement Cooperation (Europol) and replacing and repealing Council Decisions 2009/371/JHA, 2009/934/JHA, 2009/935/JHA, 2009/936/JHA and 2009/968/JHA ([4]), and in particular Article 60 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0096/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 135, 24.5.2016, p. 53.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Grants the Executive Director of the European Union Agency for Law Enforcement Cooperation (Europol) discharge in respect of the implementation of the Agency's budget for the financial year 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Union Agency for Law Enforcement Cooperation (Europol), the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1629 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the European Union Agency for Law Enforcement Cooperation (Europol) for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Law Enforcement Cooperation (Europol) for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0069/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU) 2016/794 of the European Parliament and of the Council of 11 May 2016 on the European Union Agency for Law Enforcement Cooperation (Europol) and replacing and repealing Council Decisions 2009/371/JHA, 2009/934/JHA, 2009/935/JHA, 2009/936/JHA and 2009/968/JHA ([4]), and in particular Article 60 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0096/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 135, 24.5.2016, p. 53.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Approves the closure of the accounts of the European Union Agency for Law Enforcement Cooperation (Europol) for the financial year 2019;

2. Instructs its President to forward this decision to the Executive Director of the European Union Agency for Law Enforcement Cooperation (Europol), the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1630 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Union Agency for Law Enforcement Cooperation (Europol) for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Union Agency for Law Enforcement Cooperation (Europol) for the financial year 2019,

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0096/2021),

A. whereas, according to its statement of revenue and expenditure [1], the final budget of the European Union Agency for Law Enforcement Cooperation (Europol) (the 'Agency') for the financial year 2019 was EUR 141 620 456, representing an increase of 4,33 % compared to 2018; whereas the Agency's budget mainly derives from the Union budget;

B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the European Union Agency for Law Enforcement Cooperation (Europol) for the financial year 2019 (the 'Court's report'), states that it has obtained reasonable assurance that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that budget monitoring efforts during the financial year 2019 resulted in a budget implementation rate of 99,42 %, representing an increase of 3,31 % compared to 2018; notes that the payment appropriations execution rate was 86,61 %, indicating a decrease of 0,31 % compared to 2018;

2. Notes the late payments issued by the Agency in 20 % of the cases in 2019; notes that the level of late payments was even higher in previous years but calls on the Agency to increase its efforts in making payments within prescribed terms in order to avoid reputational risk; welcomes the mitigation actions taken by the Agency in that regard, which resulted in an overall immaterial interest amount of EUR 1 624,53 being paid in 2019;

3. Notes that, according to the Court's report, in 2019 the Agency frequently failed to make payments within prescribed terms, exposing the Agency to reputational risks; notes that, according to the Agency's reply, in 2019 the Agency was faced with an understaffing situation which affected the financial administration but that the Agency is conscious of the risk profile regarding payment delays and carefully monitors the payment amounts on a monthly basis and has taken mitigation actions to adhere to the principles of sound financial management; notes that, according to the Agency's reply, the overall value of invoices paid late amounted to approximately EUR 6,6 million in 2019, representing 4,6 % of the payments made;

4. Notes that in 2019 the Agency received a final budget of EUR 138,3 million and an increase of 15 temporary agents; highlights, however, that the draft estimate budget adopted by the Agency's management board called for a total allocation of EUR 143,3 million and a net increase in posts of 43 temporary agents; underlines that due to the budgetary and staffing shortfall, the Agency has had to deprioritise a number of objectives and actions; calls on the Commission and the co-legislators to enhance their dialogue with the Agency with regard to addressing the budgetary and staffing shortfalls;

[1] OJ C 184, 28.5.2019, p. 1.

Performance

5. Notes with satisfaction that the Agency uses certain measures as key performance indicators to assess the added value provided by its activities and other measures to improve its budget management, such as budget outturn rate, work programme objectives implementation rate and satisfaction with the Agency's image;

6. Reminds the Agency to regularly review and update its performance measurement system and key performance indicators to ensure that it efficiently contributes, and to ensure its expertise, at Union level; encourages the Agency to carefully analyse the outcomes and use them to improve its strategy and activity planning;

7. Notes that the Agency implemented 79 % of work programme objectives and 75 % of the actions contained in the 2019 work programme;

8. Notes with appreciation that in 2019 the Agency continued to carry out joint activities and shared services with other Union agencies, including the European Union Agency for Criminal Justice Cooperation, and that the Agency joined 21 interinstitutional procurement procedures;

9. Calls on the Agency to continue to increase cooperation and exchanges of good practices with other Union agencies with a view to improving efficiency (human resources, building management, IT services and security);

10. Notes that, according to the assessment of the management board, a number of important projects and activities were deprioritised and did not materialise due to the fact that the budget and establishment plan allocated to the Agency for 2019 was significantly lower than the initial estimates and that an in-depth revision of the annual work programme was required;

11. Welcomes that, in collaboration with eu-LISA, the Agency managed to integrate searches in SIS II into the USE user interface and that further progress was achieved towards establishing access to VIS; deplores, however, the fact that the setting up of a SIRENE office within the Agency did not materialise in 2019; encourages the Agency to step up its efforts towards advancing in aligning and coordinating its internal resources with the developments of Union interoperability initiatives;

12. Underlines the important role of the Agency in supporting Member States' criminal investigations and providing operational analysis; emphasises also the extension of its tasks and its growing role in the prevention and combating of terrorism, cybercrime and other serious and organised forms of crime across the Union;

13. Highlights that the number of operations that the Agency supported grew from 1 748 in 2018 to 1 921 in 2019 (representing an increase of 9,89 %) and that operational meetings funded by the Agency increased from 427 in 2018 to over 500 in 2019 (representing an increase of 17 %), which underlines the increase in the Agency's work; stresses the highly specialised investigations supported by the Agency in recent years to counter highly sophisticated organised criminal networks, drug trafficking, illicit waste disposal and illicit trafficking on dark web;

Staff policy

14. Notes that, on 31 December 2019, the establishment plan was 92,89 % implemented, with 549 temporary agents appointed out of 591 temporary agents authorised under the Union budget (compared to 576 authorised posts in 2018); notes that, in addition, 196 contract agents and 66 seconded national experts worked for the Agency in 2019;

15. Notes that the Agency ended 2019 with a vacancy rate of 3,6 %, which was higher than the 2 % target; acknowledges that mitigation measures such as increasing the pace of publishing vacancy notes or using reserve lists were put in place; notes with concern, however, that the Agency also recorded a higher than expected turnover rate of 11,7 %, compared to 8,7 % in the previous year; notes that, according to the Agency's reply, the turnover rate was the result of a high number of resignations and a number of contracts ending in 2019 and that the Agency has closely monitored the situation; calls on the Agency to address that issue in light of potential 'revolving door' situations;

16. Is very concerned by the lack of gender balance reported for 2019 for senior managers (139 men and 28 women), the management board (43 men and 10 women) and staff; invites the Agency to increase its efforts to achieve a better gender balance at all levels; asks the Commission and the Member States to take into account the importance of ensuring gender balance when nominating their members to the Agency's management board;

17. Notes that the Agency has adopted a policy on protecting the dignity of the person and preventing harassment; notes that two cases of alleged psychological harassment and related inappropriate behaviour were reported and subsequently investigated by means of a formal administrative inquiry in 2019 and a decision on the outcome was to be taken in 2020; calls on the Agency to report to the discharge authority on the findings of the inquiry;

18. Welcomes the fact that the scope of the existing e-recruitment tool was successfully expanded to also cover restricted posts; notes with satisfaction that the Agency implemented the Court's observation from 2017 on publication of vacancy notices on the EPSO website;

19. Encourages the Agency to pursue the development of a long term human resources policy framework which addresses the work-life balance, the lifelong guidance and career development, the gender balance, the teleworking, the geographical balance and the recruitment and integration of people with disabilities;

Public procurement

20. Notes with concern the finding of the Court, which also relates to the follow-up of the previous year's findings, that the Agency irregularly prolonged the duration of a framework contract for the provision of business travel services by signing amendments in 2018 and 2019 after the contract had expired, rendering the amendments and related payments irregular; notes the Agency's reply that the prolongation in 2019 was the result of a conscious business decision to preserve business continuity and did not constitute a weakness in *ex-ante* control and that, furthermore, an internal audit was to commence in the fourth quarter of 2020 with a view to obtaining additional assurances on the Agency's contract management approach; calls on the Agency to improve the regularity of transactions and to strengthen accordingly contract management and *ex-ante* controls;

21. Notes that, according to the Court's report, for the procurement of furniture, accessories and related services, the terms used in the documents for the call for tender were not specific enough, undermining the competitive nature of the tendering procedure; notes, moreover, that the Agency did not sufficiently check the accuracy of underlying prices and the calculation of discounts applied for the non-standard items before submitting the order form to the contractor; calls on the Agency to ensure full compliance with the principles of competition law in all tendering procedures; notes that, according to the Agency's reply, the tender documentation included the subject matter of the procurement and the applicable exclusion, selection and award criteria, thus allowing for competitiveness and notes that, with regard to the discount given by the contractor, the contractor had offered a higher discount than the standard rate included in the contract and the Agency thus acted in compliance with the principles of sound financial management, in line with the provisions of the contract; calls on the Agency to ensure that tendering specifications are comprehensive to allow fair and effective competition;

Prevention and management of conflicts of interest, ethics and transparency;

22. Notes the Agency's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interest, whistleblower protection and the fight against harassment; notes that two cases of alleged psychological harassment and related inappropriate behaviour were reported and subsequently investigated by means of a formal administrative inquiry in 2019 and a decision on the outcome was to be taken in 2020; deplores the fact that the CVs and declarations of interest of some of the members of the Agency's management board have not been published on the Agency's website; reiterates its calls on the Agency to rapidly publish the CVs and declarations of interest of all members of the Agency's management board and to report to the discharge authority on the measures taken in that regard;

23. Underlines the fact that the current ethical framework applying to Union institutions and agencies suffers from considerable drawbacks due to its fragmentation and the lack of coordination between existing provisions; calls for those issues to be addressed by the setting up of a common ethical framework, which would ensure the application of high ethical standards for all Union institutions and agencies;

24. Underlines that certain officials fill in declarations of absence of conflicts of interest and provide self-assessments with regard to respect for ethical standards; highlights, however, that such self-declarations and self-assessments are not sufficient and that additional scrutiny is therefore needed;

Internal controls

25. Notes, in light of comments and observations from the discharge authority related to the audit of the Commission's Internal Audit Service on human resources management and ethics in the Agency, that three important recommendations were issued, two of which were implemented in 2019, and one open recommendation relating to the update of the administrative inquiry and disciplinary procedure process description was expected to be implemented by the end of 2020;

26. Notes that the internal audit capability completed the following audit engagements: operational analysis, the grant management process, the validation of user access rights granted in ABAC, and an ISO 17020:2012 audit of the Agency's forensic laboratory; notes that, while the internal audit capability concluded that internal controls are in place and are effective, 41 new recommendations were made during 2019 with a 95 % implementation rate of critical and very important recommendations that were expected to be completed in 2019;

27. Notes that the management board adopted the Agency's internal control framework in December 2018 and that, during the course of 2019, the Agency concluded that internal control framework components are present and functioning, with minor improvements needed;

Other comments

28. Stresses the importance of increasing the digitalisation of the Agency in terms of internal operations and management procedures; stresses the need for the Agency to continue to be proactive in that regard in order to avoid a digital gap between Union agencies at all costs; stresses, however, the need to take all necessary security measures to avoid any risk to the online security of information processed;

29. Notes that, with the continuing uncertainty surrounding the UK's withdrawal from the Union, in the first quarter of 2019 the Agency explored all possible opportunities to maintain an effective operational relationship with the UK as a third country;

30. Encourages the Agency to continue promoting its work, research and activities in order to increase its public visibility;

31. Highlights the fact that a complex approach is needed in order to make the Union institutions' home pages accessible to persons with all kind of disabilities as provided for in Directive (EU) 2016/2102 ([2]), including the availability of national sign languages; suggests that organisations representing disabled persons be involved in this process;

32. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([3]) on the performance, financial management and control of the agencies.

([2]) Directive (EU) 2016/2102 of the European Parliament and of the Council of 26 October 2016 on the accessibility of the websites and mobile applications of public sector bodies (OJ L 327, 2.12.2016, p. 1).

([3]) Texts adopted, P9_TA(2021)0215.

DECISION (EU, EURATOM) 2021/1631 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the European Institute for Gender Equality for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Institute for Gender Equality for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Institute in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0070/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EC) No 1922/2006 of the European Parliament and of the Council of 20 December 2006 on establishing a European Institute for Gender Equality ([4]), and in particular Article 15 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

— having regard to the opinion of the Committee on Women's Rights and Gender Equality,

— having regard to the report of the Committee on Budgetary Control (A9-0072/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 403, 30.12.2006, p. 9.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

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 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the European Institute for Gender Equality, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1632 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the European Institute for Gender Equality for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Institute for Gender Equality for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Institute in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0070/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EC) No 1922/2006 of the European Parliament and of the Council of 20 December 2006 on establishing a European Institute for Gender Equality ([4]), and in particular Article 15 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

— having regard to the opinion of the Committee on Women's Rights and Gender Equality,

— having regard to the report of the Committee on Budgetary Control (A9-0072/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 403, 30.12.2006, p. 9.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Approves the closure of the accounts of the European Institute for Gender Equality for the financial year 2019;

2. Instructs its President to forward this decision to the Director of the European Institute for Gender Equality, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1633 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 2019

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 2019,

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

— having regard to the opinion of the Committee on Women's Rights and Gender Equality,

— having regard to the report of the Committee on Budgetary Control (A9-0072/2021),

A. whereas, according to its statement of revenue and expenditure [1], the final budget of the European Institute for Gender Equality (the 'Institute') for the financial year 2019 was EUR 7 847 000, representing a decrease of 1,68 % compared to 2018; whereas the entire budget of the Institute derives from the Union budget;

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 2019 (the 'Court's report'), states that it has obtained reasonable assurance that the Institute's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2019 resulted in a budget implementation rate of 98,96 %, representing a decrease of 0,42 % compared to 2018; notes that the payment appropriations execution rate was 82,50 %, representing an increase of 1,35 % compared to the previous year;

2. Acknowledges a decrease in the Institute's carry-over operating expenditure to 28,01 % in 2019 (compared to 51,29 % in 2016); notes that for the first time the carry-over is below the Court's target threshold of 30 %;

3. Notes with concern that the Institute's annual budget published in 2019 but subsequently amended did not included a portion of revenue assigned under the Instrument for Pre-Accession Assistance; notes that, according to the Court's report, under the Financial Regulation the Institute should have included that information with the necessary disclosures in its initial published budget;

Performance

4. Notes that the Institute uses certain key performance indicators in relation to operational objectives and the management of financial and human resources to assess the added value provided by its activities and to improve its budget management; further notes that the Institute completed 95,80 % of the single programming document activities in 2019; welcomes the plan to introduce specific performance indicators for measuring the performance of horizontal services;

5. Notes that the Institute cooperates with the European Union Agency for Fundamental Rights and Eurofound for research purposes and for disseminating activities; welcomes the fact that the Institute is engaged in the network of the Justice and Home Affairs agencies and that it explores further opportunities to share resources with other agencies; commends this cooperation as an example for other Union agencies worth following;

[1] OJ C 107, 31.3.2020, p. 112.

6. Calls on the Institute to continue to develop synergies, increase cooperation and exchanges of good practices with other Union agencies with a view to improving efficiency (human resources, building management, IT services and security);

7. Welcomes the release of the 2019 Gender Equality Index, which had a specific thematic focus on work-life balance and which provides new insight into the monitoring of the implementation of the European Pillar of Social Rights and its New Start initiative on work-life balance;

8. Recalls the importance of increasing the digitalisation of the Institute in terms of internal operation and management and in order to speed up the digitalisation of procedures; stresses the need for the Institute to continue to be proactive in that regard in order to avoid a digital gap between Union agencies at all costs; stresses, however, the need to take all the necessary security measures to avoid any risk to the online security of information processed;

9. Notes the scheduled preparatory work for the next external evaluation; notes that, due to the fact that the first evaluation's recommendations are still being implemented and the relative small size of the Institute, the Institute's board deferred the second external evaluation from 2020 to 2022 and decided on carrying out an evaluation every seven years; calls on the Institute to report on the developments on the postponed external evaluation and on the decision to steer away from the Commission prescription in the Common Approach to carry out an evaluation every five years; notes that the Commission has considered the postponed evaluation as duly justified;

10. Recalls that the Institute was established in order to contribute to, and strengthen the promotion of, gender equality in the Union, including gender mainstreaming in all Union policies and resulting national policies, the fight against discrimination based on gender, and raising Union citizens' awareness of gender equality;

11. Welcomes the ongoing cooperation between the Institute and Parliament's Committee on Women's Rights and Gender Equality (FEMM Committee), in particular the Institute's contribution to the ongoing efforts of the FEMM Committee concerning the impact of the Covid-19 pandemic on women, gender-based violence, work-life balance, equal pay and the pension gap, gender budgeting and the development of a gender-sensitive parliament tool; strongly supports the work of the Institute, which, by means of studies, research and high-quality data, enables the FEMM Committee to properly do its work; stresses the valuable contribution that the Institute can make to all Parliament committees in order to better integrate the gender perspective in all Union policies and encourages Parliament to establish an ever closer cooperation;

12. Welcomes the work of the Institute in 2019, in particular its analysis on gender equality in parliaments across the Union and in Parliament;

13. Supports the work of the Institute in providing important input for gender equality support in the work of the Commission, the Member States and Parliament through its relevant studies and research;

14. Welcomes the Institute's 2021-2023 Single Programming Document and its key objectives and priorities;

15. Stresses the Institute's central role in collecting, analysing, processing and disseminating data and information as regards gender equality and in developing, analysing, evaluating and disseminating methodological tools in order to support the integration of gender equality in all Union policies and resulting national policies; encourages collaboration between the Institute and other Union agencies such as the European Union Agency for Fundamental Rights, and calls on the Commission to respect the specific mission of the Institute and to refrain from merging the Institute with other Union agencies;

Staff policy

16. Notes that, on 31 December 2019, the establishment plan was 96,30 % implemented, with 26 temporary agents appointed out of 27 temporary agents authorised under the Union budget (compared to 27 authorised posts in 2018); notes that, in addition, 12 contract agents and four seconded national experts worked for the Institute in 2019;

17. Notes that, due to a pending court ruling on the use of interim workers, the Court decided to refrain from making any observation on the "other matter" paragraph until the Court of Justice of the European Union ('CJEU') has issued a final ruling; notes that on 31 December 2019 the Lithuanian Supreme Court referred six questions concerning the interpretation of Directive 2008/104/EC ([2]) to the CJEU, and that this might have an impact on the use the Agency makes of interim workers in relation to several aspects, including pay; calls on the Institute to take serious account of the ruling of the CJEU, when available, and to report back to Parliament on further developments;

18. Notes that the Institute reported one harassment case under investigation from 2018; notes that the case, regarding five former Institute employees who accused the Institute of exploiting the "temporary employee" status, is pending and that the Lithuanian Supreme Court addressed questions to the CJEU; notes that the case initially was dealt with by the Lithuanian Labour Dispute Committee, which ruled in favour of the interim staff;

19. Raises concerns about claims of former temporary agency workers regarding their rights; notes that the Lithuanian Supreme Court asked the CJEU to assess whether Directive 2008/104/EC applies to Union Agencies in their capacity as public bodies engaged in economic activities and whether they must comply in full with Article 5(1) of that Directive, which concerns the rights of temporary agency workers to basic working and employment conditions, in particular as regards pay;

20. Notes with concern the lack of gender balance on the management board (7 men and 23 women); notes with concern the lack of male representation within senior management; asks the Institute to ensure gender balance at the senior management level in the future; asks the Commission and the Member States to take into account the importance of ensuring gender balance when nominating their members to the Institute's management board;

21. Is concerned by the overrepresentation of one gender at all levels in the Institute and recalls that gender issues are not only relevant for women; invites the Institute to increase its efforts in achieving a better gender balance;

22. Encourages the Institute to pursue the development of a long term human resources policy framework which addresses the work-life balance, the lifelong guidance and career development, the gender balance, the teleworking, the geographical balance and the recruitment and integration of people with disabilities;

23. Calls for additional and adequate funding to be allocated to the Institute in order to increase the number and the quality of its statutory workers and to enhance the Institute's capacities in terms of research, data collection and analysis;

24. Raises concerns about irregularities found by the Court regarding the Institute's selection of external experts, namely that the procedures used for selecting and contracting external experts systematically lacked a solid audit trail; recalls that the Institute must comply with the principles of non-discrimination and equal treatment set out in Article 237 of the Financial Regulation; notes the Institute's commitment to apply improved procedures in new calls for expression of interest;

Procurement

25. Notes that 47 operational and 62 administrative procurement procedures were completed in 2019; notes that the Institute introduced procurement guidelines to improve the quality of documents and has put in place an in-house training session for newcomers and project managers; notes that in 2019 the Institute introduced e-submission;

26. Notes that the Court did not find a solid audit trail regarding the procedure used for selecting and contracting external experts or evidence that the experts had been assigned to tasks on the basis of pre-defined selection criteria which assessed their merits relative to those of other potential candidates; notes that the Court considered that the related payments were irregular; notes that the payments do not exceed the materiality threshold; notes, however, the systemic, recurring character of the error;

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

Prevention and management of conflicts of interest and transparency

27. Notes the Institute's existing measures and ongoing efforts to secure transparency, the prevention and management of conflicts of interest and whistleblower protection; welcomes the publication of the declarations of interest and the CVs of the members of the management board and of the Institute's senior management on its website;

Internal controls

28. Notes that the last three recommendations from the 2017 audit of the Internal Audit Service concerning stakeholder relations management and external communication were closed; notes that all recommendations and sub-recommendations from the audit of the Internal Audit Service on procurement supporting operational processes were concluded in 2019 and the last sub-recommendation was closed in early 2020;

29. Notes with concern that the Court reported that the Institute has not carried out *ex-post* controls of operations on its budgetary implementation since 2016; notes that the Court recommends a dedicated *ex-post* control programme based on specific risks;

Other comments

30. Notes the Institute's efforts to ensure a cost-effective and environmentally friendly working place; observes that the Institute nominated a green officer to reduce the impact of the Institute's operations on the environment;

31. Notes the Institute's improvement on disseminating the results of its research to the public and to reach out to the public via social media and other outlets;

32. Points out that a complex approach is needed in order to make the Union institutions' home pages accessible to persons with all kind of disabilities as provided for in Directive (EU) 2016/2102, including the availability of national sign languages; suggests that organisations representing disabled persons are involved in that process;

33. Recalls the importance for the Institute in developing greater visibility in the media and on the internet in order to make its work known;

34. Welcomes the efforts made by the Institute to appoint a green officer in order to develop an environmentally friendly working environment;

35. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([3]) on the performance, financial management and control of the agencies.

([3]) Texts adopted, P9_TA(2021)0215.

DECISION (EU, EURATOM) 2021/1634 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the European Banking Authority for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Banking Authority for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0071/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC ([4]), and in particular Article 64 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0091/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 331, 15.12.2010, p. 12.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

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 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Banking Authority, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1635 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the European Banking Authority for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Banking Authority for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0071/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC ([4]), and in particular Article 64 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0091/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 331, 15.12.2010, p. 12.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Approves the closure of the accounts of the European Banking Authority for the financial year 2019;

2. Instructs its President to forward this decision to the Executive Director of the European Banking Authority, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1636 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 2019

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 2019,

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0091/2021),

A. whereas, according to its statement of revenue and expenditure [1], the final budget of the European Banking Authority (the 'Authority') for the financial year 2019 was EUR 45 326 900, representing an increase of 6,44 % compared to 2018; whereas the Authority is financed by a contribution from the Union (EUR 17 394 600, representing 38,38 %), and contributions from national supervisory authorities of the Member States and observers (EUR 27 160 689,50 representing 59,92 %);

B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the European Banking Authority for the financial year 2019 (the 'Court's report'), states that it has obtained reasonable assurance that the Authority's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with concern that the budget monitoring efforts during the financial year 2019 resulted in a budget implementation rate of 97,29 %, representing a decrease of 2,56 % compared to 2018; notes with concern that the rate of execution of payment appropriations was 85,88 %, representing a decrease of 2,35 % compared to the previous year;

2. Notes the emphasis of matter paragraph in the Court's report about a provision of EUR 10,1 million related to the lease agreement of the Authority's London office; notes that, in particular, part of the provision concerns the reinstatement costs of the London office in its original state, which amounts to EUR 3,4 million;

3. Notes with concern the Court's observation that the amended 2019 budget and the 2020 budget of the Authority do not contain adequate information on the new host Member State's contributions to the Authority's running costs; calls on the Authority to correct this omission or to diligently communicate the reasons for this omission to the discharge authority;

4. Is concerned that in contrast to the established budget, the contributions of EFTA Members' national competent authorities (NCAs) were not calculated according to the formula set out in that very same budget and thus reduced the payments of Union and EFTA NCAs by EUR 0,7 million; notes that the calculation of pension contributions needs further clarification; is aware that the calculation is an estimate and that it is subject to the composition of the staff during the year and to the possibility of making adjustments annually; calls on the Commission to ensure the receipt of missing payments;

[1] OJ C 107, 31.3.2020, p. 221.

Performance

5. Notes that the Authority uses certain measures as key performance indicators to assess the added value provided by its activities and also uses other measures to improve its budget management, such as percentage of completed yearly assessments of supervisory colleges, feedback on training from seminar participants and budget execution; welcomes the fact that the Authority's key performance indicators measure the entire scope of its activity and that they are adapted to following the performance of the annual and multi-annual objectives;

6. Notes that the administrative staff of the Authority, of the European Securities and Markets Authority and of the European Insurance and Occupational Pensions Authority hold regular meetings to discuss matters of shared interest that have resulted in the sharing of practices and templates, with resultant efficiency gains; strongly encourages the Authority to continue its efforts to increase cooperation and exchange of good practices among decentralised agencies to improve efficiency, in particular in the areas of human resources, building management, IT services and security;

7. Notes that in 2019 the Authority moved its seat from London to Paris and that associated activities, such as the migration to new data centres, the establishment of new relationships with providers and other tasks, were carried out throughout the year in addition to the obligations arising out of the Authority's mandate; acknowledges the challenges faced by the Authority in this process, such as loss of staff and know-how and the limited resources assigned to the relocation project;

8. Acknowledges that for the Authority, 2019 was also characterised by the fundamental review of the tasks, powers and governance of the European Supervisory Authorities, resulting in the amendment of the Authority's founding regulation and the strengthening of the Authority's role in the fields of anti-money laundering, countering the financing of terrorism, consumer protection and relations with third countries;

9. Acknowledges that the composition of the board of supervisors seems appropriate to deal with the Authority's rulemaking responsibilities, but less so for its supervisory roles; recalls, in this context, the Authority's new mandate in the fight against money laundering and terrorist financing;

10. Calls on the Authority to improve and intensify its communication with the Member States; urges the Authority to improve and intensify its cooperation with the Member States and the Member States' national banks and commercial banking bodies;

11. Regrets that the Authority delivered only 19 out of 30 activities from its 2019 work programme; notes that the overview of policy achievements of the Authority regarding its 2019 work programme as presented in its annual activity report does not give a complete overview of the activities performed by the Authority, as the results of ongoing activities are not described; notes with concern that, of the activities described in its annual activity report, 17 out of 21 activities reported were (partially) delivered and that the Authority carried out additional sub activities for nine activities, that seven sub activities were postponed, that five sub activities were delayed, that four sub activities were cancelled and that one is still pending; calls on the Authority to evaluate the shortcomings and causes of weak performance and adopt measures aimed at improving an efficient delivery of the work programme objectives;

12. Stresses the importance of increasing the digitalisation of the Authority's internal operations and management procedures; stresses the need for the Authority to continue to be proactive in this regard in order to avoid, at all costs, a digital gap between the agencies; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;

13. Welcomes the Authority's efforts towards a more coordinated supervisory regime across the European financial system; underlines its role of ensuring a stable, well-integrated, efficient and safe financial market; highlights the importance of consumer protection in the Union by promoting fairness and transparency on the product and financial services market, and looks forward to receiving an update on future measures taken in this direction, including also responses to the challenges of the digitalisation of the economy and of sustainability measures;

14. Stresses that the supervision of the public financial sector positively contributes to combating tax fraud and money laundering;

15. Recalls the importance of the Authority in the prevention of money laundering and of the financing of terrorism, as well as the Authority's new mandate therein; looks forward to receiving the Authority's 10-point action plan for 2020/21 to enhance the future framework of prudential and anti-money laundering requirements covering dividend arbitrage trading schemes; stresses further that the Authority should make full use of the powers granted to it under Chapter II of Regulation (EU) No 1093/2010 to ensure that all assignments and tasks are carried out properly and on time, and to ensure attainment of the tasks and objectives set out in that same Chapter, particularly with regard to consumer protection in the fast-growing area of digital finance, including neobanks;

16. Underlines the duty of the financial system to respond appropriately to financial sustainability challenges, the European Green Deal, and the Paris Agreement; welcomes, therefore, the Authority's efforts to incorporate environmental, social, and governance factors fully into its work; is interested, in particular, in the Authority's intention to gather evidence over time on exposures related to assets of activities associated substantially with environmental and/or social objectives, and looks forward to an update on this work;

17. Notes that the Authority has conducted an inquiry into dividend arbitrage trading schemes such as cum-ex or cum-cum as requested by Parliament in its resolution of 29 November 2018 on the cum-ex scandal: financial crime and loopholes in the current legal framework ([2]); notes, however, the report's shortcomings in shedding light on those illegal practices and regrets that no date for a formal inquiry has been set;

18. Points out that the Authority, when carrying out its activities, needs to pay attention to ensuring compliance with Union law, to respecting the principle of proportionality as guiding principle where relevant, and to complying with the fundamental principles which govern the internal market; welcomes the establishment of an Advisory Proportionality Committee to oversee the principle of proportionality and looks forward to receiving the proposed methodology on how the Committee will provide input to the Authority's annual work programme;

19. Notes that, as the Authority's workload is increasingly shifting from regulatory tasks to enforcing and applying Union law, budgetary and personnel resources have to be reallocated internally; points out that a strict focus on the mandate assigned by the Union legislator will ensure a more effective and more efficient use of resources; stresses the urgency of allocating sufficient resources to the Authority to allow it to carry out its allocated tasks in an adequate and efficient manner; considers that the future responsibilities arising, inter alia, from the Digital Finance Strategy as well as the responsibilities inherent in the fight against money laundering require an adaptation of the Authority's financing; notes that budget increases should be gradual and continuous over time in line with the increase in competences;

20. Calls on the Authority to focus on disseminating the results of its research to the general public;

([2]) OJ C 363, 28.10.2020, p. 102.

Staff policy

21. Notes that, on 31 December 2019, the establishment plan was 99,31 % implemented, with 144 temporary agents appointed out of 145 temporary agents authorised under the Union budget (compared to 145 authorised posts in 2018); notes that, in addition, 42 contract agents (49 authorised) and 16 seconded national experts (17 authorised) worked for the Authority in 2019; notes that staff turnover amongst temporary agents, contract agents and seconded national experts decreased from 12,1 % to 9,0 %;

22. Notes that the Authority has undertaken changes in its top management following the appointment of the new chairperson in March 2019 and the resignation of its executive director in August 2019;

23. Notes with satisfaction that the Authority suffered fewer relocation-driven resignations than it had assumed and that the core business was able to continue almost as normal throughout the period of the relocation; acknowledges this extraordinary commitment of the Authority's staff;

24. Notes with satisfaction that the Authority reported that it employs staff of 28 nationalities, of whom the Authority reports that 50 % are female and 50 % are male; notes with concern that 83 % of senior management is male and 17 % is female; asks the Authority to ensure gender balance at the senior management level in the future;

25. Encourages the Authority to pursue the development of a long-term human resources policy framework which addresses work-life balance, lifelong guidance and career development, gender balance, teleworking, geographical balance among members of staff and the recruitment and integration of people with disabilities;

Procurement

26. Notes that the Authority ran four procurement procedures above the threshold laid down in Directive 2014/24/EU of the European Parliament and of the Council ([3]), and that the Authority also concluded 14 contracts arising from negotiated procedures above EUR 15 000;

27. Notes the observation of the Court that the Authority used a framework contract with an IT company for the provision of IT consultants and that the Authority issued work instructions to some of those IT consultants directly, potentially blurring the lines between the Authority's staff and the consultants; stresses the risks brought about by the use of external IT consultants; urges the Authority to pay special attention to ensuring operations security and data protection; notes the Authority's reply that this resulted from the implementation of a new IT-service model and related framework contract and that the Authority is working to mature its management of the third party service integration; calls on the Authority to keep the discharge authority informed about this process of maturation and entrenchment of service-based consumption of IT services;

28. Notes with high concern the observation of the Court that the Authority runs legal and reputational risks by using an IT company not domiciled in the Authority's host country to provide IT consultants working at the Authority's premises that would qualify for posted worker status under the provisions of French law concerning the transposition of the Posting of Workers Directive ([4]) and the Enforcement Directive ([5]), and by not verifying the declaration of compliance with Union and national law of the contractor;

Prevention and management of conflicts of interest and transparency

29. Welcomes the further steps taken in order to enhance the transparency of the Authority's activities by reporting the meetings that the Authority's staff have with external stakeholders, and their availability, on the Authority's website;

([3]) Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65).

([4]) Directive 96/71/EC of the European Parliament and of the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services (OJ L 18, 21.1.1997, p. 1).

([5]) Directive 2014/67/EU of the European Parliament and of the Council of 15 May 2014 on the enforcement of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services and amending Regulation (EU) No 1024/2012 on administrative cooperation through the Internal Market Information System ('the IMI Regulation') (OJ L 159, 28.5.2014, p. 11).

30. Notes with satisfaction that the declarations of interest and the CVs of the senior management and of all members of the management board are published on the Authority's website; notes with concern that the annual declarations of interest published on the website are based on self-assessment by the members of the management board; calls on the Authority to evaluate independently the potential existence of conflicts of interest; welcomes the extension of the scope of conflicts of interest to non-staff beyond the board of supervisors and management board, to include the anti-money laundering standing committee, the resolution committee and independent panels, including panels investigating breaches of Union law;

31. Notes that the Authority established harassment prevention policies and related training frameworks;

32. Notes the adoption of the 2019 anti-fraud strategy by the Authority in January 2020, reflecting the update of the Commission's anti-fraud strategy to ensure full alignment; notes that the most recent fraud risk assessment, which is a central instrument for tailoring anti-fraud measures in accordance with the Commission's anti-fraud strategy, was not performed in 2019 due to the relocation of the Authority and the late conclusion of the previous assessment; calls on the Authority to resume the annual performance of a fraud risk assessment and, where necessary, adjust the Authority's anti-fraud strategy;

33. Recalls its resolution of 16 January 2020 on institutions and bodies of the Economic and Monetary Union: preventing post-public employment conflicts of interest ([6]) and the decision of 18 November 2020 and the recommendation of 7 May 2020 of the European Ombudsman in case 2168/2019/KR; notes with concern the inquiry of the Ombudsman that took place following the Authority's decision not to forbid its former executive director from taking up a role in the Association for Financial Markets in Europe (AFME) and the inquiry's conclusion that there was maladministration by the Authority in not immediately withdrawing its executive director's access to confidential information; stresses that in this case, prohibition of a direct move to AFME might have been considered; notes the recommendations made by the Ombudsman and the Authority's reply that the new staff policy addresses the recommendations; welcomes the adoption by the Authority's Board of Supervisors of its policy 'Independence and Decision Making Processes for avoiding Conflicts of Interests' as a first step towards the prevention and proper management of conflicts of interest and transparency measures; calls on the Authority to ensure that its internal procedures for dealing with conflicts of interest are in line with the Ombudsman's recommendations, if they are not yet fully aligned; looks forward to a full update on the state of play of preventive and management measures taken and/or foreseen in order to avoid the repetition of such a situation; underlines that post-public employment and 'revolving door' conflict- of-interest situations are a problem common to many bodies and agencies across the Union; invites the Authority to prevent future 'revolving door' cases; calls on the Authority to draw inspiration from the publication by the European Central Bank's Ethics Committee of its opinions on cases of conflicts of interest and post-mandate gainful employment, in order to increase transparency on potential conflicts of interest and on post-mandate gainful employment; calls further on the Authority to enforce its Ethics Guide so as to protect the Authority's integrity and establish fair and responsible practices;

34. Calls on the Court to specifically scrutinise in its future audits of the Authority (i) whether senior members of staff have taken up certain positions in the financial industry after their term in office, and (ii) whether access to confidential information for members of staff is withdrawn in a timely manner, once it becomes known that they are moving to another job;

Internal controls

35. Notes the adoption and implementation of a revised internal control framework by the Authority in January 2020; regrets that no annual assessment of the internal control framework was performed in 2019; calls on the Authority to perform the annual assessment without delay and to report to the discharge authority of its results in the framework of the annual discharge procedure;

([6]) Texts adopted, P9_TA(2020)0017.

36. Notes that after the completed relocation from London to Paris following the UK's withdrawal from the Union, a provision of EUR 10,1 million is made for the lease of the Authority's London office; suggests that an audit be conducted once all the costs and consequences of the move are clear in order to identify best practices and areas for improvement;

Other comments

37. Welcomes the Authority's commitment to register its office space under the Union's eco-management and audit scheme; invites the Authority to strengthen its commitment to creating a sustainable work environment; encourages the Authority to follow closely EMAS guidelines;

38. Welcomes the efforts made to increase the Authority's cyber security and data protection, especially as regards the training campaign for the entire statutory staff;

39. Believes that the Authority should take account of new digital challenges and those related to sustainability; considers that the fulfilment of these established objectives and their integration into the regulatory and supervisory framework must always be in line with the strengthening of the market, without undermining its competitiveness and without placing an excessive burden on market actors, especially small and medium-sized ones; considers that the monitoring of the implementation of these objectives must be met with adequate resources;

40. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([7]) on the performance, financial management and control of the agencies.

([7]) Texts adopted, P9_TA(2021)0215.

DECISION (EU, EURATOM) 2021/1637 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0072/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC ([4]), and in particular Article 64 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0079/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 331, 15.12.2010, p. 48.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

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 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Insurance and Occupational Pensions Authority, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1638 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the European Insurance and Occupational Pensions Authority for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0072/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC ([4]), and in particular Article 64 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 331, 15.12.2010, p. 48.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0079/2021),

1. Approves the closure of the accounts of the European Insurance and Occupational Pensions Authority for the financial year 2019;

2. Instructs its President to forward this decision to the Executive Director of the European Insurance and Occupational Pensions Authority, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1639 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 2019

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 2019,

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0079/2021),

A. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Insurance and Occupational Pensions Authority (the 'Authority') for the financial year 2019 was EUR 27 138 027,61, representing an increase of 7,66 % compared to 2018; whereas the Authority is financed by a contribution from the Union (EUR 10 083 336, representing 37,16 %) and contributions from national supervisory authorities from the Member States (EUR 17 054 691,61, representing 62,84 %);

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 2019 (the 'Court's report'), states that it has obtained reasonable assurance that the Authority's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with appreciation that budget monitoring efforts during the financial year 2019 resulted in a budget implementation rate of 100 %, similar to 2018; notes furthermore that the payment appropriations execution rate was at 85,63 %, representing an increase of 0,15 % compared to 2018;

2. Notes that, according to the Court's report, the budget documents of 2019 do not fully describe how the contributions from the Union and EFTA Members' national competent authorities (NCAs) were calculated and that the estimated value of NCAs' contributions for employer's pensions' contributions paid by the employer was not adjusted to the actual amount in 2019 resulting in a higher contribution than required; notes from the Authority's reply that its founding regulation (in particular, Article 62) determines the funding key for the Union and the NCAs' contributions, which is calculated according to a defined weighting factor, and that the actual pension figures are only known in December making remaining time until the year-end insufficient to prepare a budget amendment to reflect the actual amount;

3. Notes that, according to the Court's report, the contribution percentage for the NCAs and the Union is not consistent with the contributions made in 2017 (Union 37,16 % and the NCAs 62,84 %) and the surplus from 2017 was distributed in 2019 (Union 40 % and the NCAs 60 %); notes from the Authority's reply that its founding regulation determines the funding key for the Union (40 %) and the NCAs (60 %), however, due to a misconception, in 2017 and 2019 the total percentage for the recovery from the NCAs was greater than that from the Union; notes that the Authority reimbursed the full budgetary surplus of 2017 to the Union and the Union payed it back to the Authority in 2019, applying the original 40/60 funding key; calls on the Authority to improve its reporting policies to avoid substantial inconsistencies in the future;

([1]) OJ C 391, 18.11.2019, p. 29.

Performance

4. Notes with satisfaction that the Authority uses certain measures such as key performance indicators to assess the added value provided by its activities and other measures to improve its budget management, such as an average number of respondents for relevant public consultations on consumer protection topics and a 99 % budget implementation rate; notes with satisfaction that the Authority achieved its target for all key performance indicators;

5. Notes that 91 % of the Authority's work programme, including 303 different products and services, was delivered successfully and that remaining 9 % experienced minor delays as a result of prioritisation of other more pressing demands, dependencies on external parties and changing requirements;

6. Notes that the Authority is replacing its current e-human resources management system with Sysper, provided by the Commission; acknowledges that the Authority will benefit from lower costs, efficiency and synergies; notes that the project delays linked to the size of the project have been resolved and that it was expected to be implemented in 2020; calls on the Authority to report to the discharge authority on the concrete results in this regard;

7. Notes with satisfaction that the Authority is proactive in identifying opportunities for efficiency and synergies with other agencies, in particular with the European Banking Authority and the European Securities and Markets Authority through the European Supervisory Authorities' Joint Committee and through joint procurement procedures; welcomes the news that the Authority has been engaged with other agencies on areas related to FinTech, innovation and cyber resilience; strongly encourages the Authority to actively seek further and broader cooperation with all Union agencies;

8. Encourages the Authority to pursue the digitalisation of its services, as a way to reduce bureaucracy;

9. Welcomes the Authority's efforts towards a more coordinated supervisory regime across the European financial system; underlines its role of ensuring a stable, well-integrated, efficient and safe financial market; highlights the importance of consumer protection in the Union by promoting fairness and transparency on the product and financial services market, and looks forward to receiving an update on future measures taken in this direction, including also responses to the challenges of the digitalisation of the economy and sustainability measures;

10. Welcomes the Authority's new measures with a view to increased consumer protection, including bilateral country visits with a focus on conduct issues, supporting national competent authorities, and the development of cooperation platforms focusing on cross-border issues in order to address the need for closer supervision in certain Member States thereby addressing vulnerabilities in the insurance markets and protecting consumers from unfair practices of multinational insurance companies;

11. Underlines the duty of the financial system to respond appropriately to financial sustainability challenges, the European Green Deal, and the Paris Agreement;

12. Considers that the responsibilities of the Authority have progressively increased since its creation; notes that budget increases should be gradual and continuous over time in line with the increase in competences; considers that future responsibilities arising, inter alia, from the Digital Finance Strategy as well as the responsibilities inherent in the fight against money laundering require an adaptation of the Authority's financing;

13. Underlines that in certain cases the mandates adopted at level 1 of the legislation do not take into account the minimum timeframes required for the Authority to carry out the necessary work to develop and adopt level 2 measures, thereby requiring reallocations of resources and causing delays in the implementation of certain measures;

14. Notes that, as the Authority's workload is increasingly shifting from regulatory tasks to enforcing and applying Union law, budgetary and personnel resources have to be reallocated internally; points out that a strict focus on the mandate assigned by the Union legislator will ensure a more effective and more efficient use of resources; considers that further efforts are needed in terms of budget and recruitment and governance of management and procedures in order to foster supervisory convergence, thereby contributing to the functioning of the internal market; stresses the urgency of allocating sufficient resources to the Authority to allow it to carry out its allocated tasks in an adequate and efficient manner;

15. Believes that the Authority should take account of new digital challenges and those related to sustainability; considers that the fulfilment of these established objectives and their integration into the regulatory and supervisory framework must always be in line with the strengthening of the market, without undermining its competitiveness and without placing an excessive burden on market actors, especially small and medium-sized ones; considers that the monitoring of the implementation of these objectives must be met with adequate resources;

16. Points out that the Authority, when carrying out its activities, needs to pay attention to ensuring compliance with Union law, to respecting the principle of proportionality as a guiding principle and to complying with the fundamental principles which govern the internal market;

17. Calls on the Authority to ensure a proper follow-up and implementation of the Court's recommendations;

18. Calls on the Authority to address the long-term systemic challenges arising from the low real interest rate environment, which are particularly relevant for funded pension schemes and for some life insurance and insurance-based investment products, and also to inquire into potential solutions at Union level that would benefit consumers/investors and ensure financial stability of service providers;

19. Asks the Authority to address proactively sustainability and heterogeneity issues of private funded pension schemes in the Union in a way that protects consumers/investors as well as market integrity;

Staff policy

20. Notes that, on 31 December 2019, the establishment plan was 98,26 % implemented, with 113 temporary agents appointed out of 115 temporary agents authorised under the Union budget (compared to 112 authorised posts in 2018); notes that, in addition, 36 contract agents and 17 seconded national experts worked for the Authority in 2019;

21. Notes the lack of gender balance reported for 2019 with regard to the senior managers (six men and three women) and the management board (five men and three women); asks the Authority to ensure gender balance at the senior management level in the future; welcomes the Authority's intention to publish a shortlist consisting of at least one woman and one man for nomination as its Chair; calls on the Authority to draw inspiration from the European Central Bank's initiatives to propose internal programmes for the promotion of women and for greater diversity among its staff; welcomes the staff's geographical representation within the Authority;

22. Notes with regard to the follow-up on the previous year's Court report, that the Authority has not yet accomplished the shift from regulatory to supervisory tasks and that the Authority should strengthen human resources assigned to its supervisory tasks; notes that in 2021, the Authority plans to allocate 59,75 of available full-time equivalents (FTEs) to core supervisory tasks; calls the Authority to report to the discharge authority on the progress made;

23. Considers that the Authority should have some flexibility in the recruitment of its staff and the management of its resources, as it has to respond to the urgent, precise and technical needs of the sectors which it supervises;

24. Acknowledges that the composition of the Authority's board of supervisors seems appropriate to deal with the Authority's rulemaking responsibilities, but less so for its supervisory roles; reiterates its concern that national supervisors have a decisive say in the Authority's main governing body, which means that they are in a position to decide the scope of the Authority's action to review their own effectiveness (peer reviews); stresses that the lack of resources prevents the Authority from fulfilling its duties independently from Member States ([2]);

25. Is of the opinion that the combination of public-private experience that its staff brings is beneficial to the Authority; considers that systems should be explored to attract talent from the private sector to the public sector and vice versa, with minimum safeguards in place to promote the independence of both sectors; believes that the implementation of the rules in this area should be monitored by common bodies of the Union and should take into account the specific circumstances of each case;

Prevention and management of conflicts of interest and transparency

26. Takes note of the measures the Authority already has in place and its ongoing efforts to secure transparency, to prevent and manage conflicts of interest, and to protect whistleblowers; notes that the Authority publishes a register of meetings with external stakeholders on its website; notes that one case of conflict of interest was investigated in 2019; notes that some of the Authority's board of supervisors members' CVs and declarations of interest are not published on the Authority's website, and neither are those of the members of the management board; calls on the Authority to publish the CVs and declarations of interest of the members of the management board and to report to the discharge authority on the measures taken in this regard;

27. Notes previous years' comments about the problem of conflicts of interest arising from 'revolving door' situations and stresses the need for a unified approach among the agencies; notes that the Authority's ethics rules were revised and are being approved by the Commission; calls on the Authority to devote its best efforts to prevent 'revolving doors' situations; calls on the Authority to diligently inform the discharge authority about the status of the approval request for the revised ethics rules;

28. Calls on the Authority to implement the recommendations of the European Ombudsman in case 2168/2019/KR, in particular, where necessary, by invoking the option of forbidding its senior staff from taking up certain positions after the end of their term in office, setting out criteria for the possibility for staff to move to the private sector, informing applicants for senior posts of the Authority of the criteria when they apply, and putting in place internal procedures to ensure that when a member of its staff moves to another job, his or her access to the confidential information is withdrawn with immediate effect; further calls on the Authority to consider extending the 12-month mandatory cooling-off period for senior members of staff that contemplate a move that may give rise to post-public employment conflicts of interest;

29. Calls on the Authority to draw inspiration from the publication by the European Central Bank's ethics committee of its opinions on cases of conflicts of interest and post-mandate gainful employment, in order to increase transparency on potential conflicts of interest and on post-mandate gainful employment;

Internal Controls

30. Notes that the Commission's Internal Audit Service (IAS) issued an audit report on 'HR Management and Ethics' which led to six recommendations for improvement and the implementation of an action plan; notes that at the end of 2019 four important recommendations were still open; urges the Authority to inform the discharge authority about the status of implementation of those recommendations;

([2]) See special report of the Court of Auditors: 'In all its activities, EIOPA relies largely on co-operation with NCAs [national competent authorities], but it does not always receive their full support.(…) With only 20 staff members working on oversight issues and a further seven on related topics, EIOPA is faced with a real challenge in terms of carrying out the broad range of complex tasks for which it is responsible' https://www.eca.europa.eu/Lists/ECADocuments/SR18_29/SR_EIOPA_EN.pdf

31. Notes that IAS started a comprehensive audit on the oversight tools in the consumer protection area; notes that the outcome of that audit and consequent action plan was to be available by the end of 2020; calls on the Authority to report to the discharge authority on the outcome of the audit;

32. Notes that the Authority's new internal control framework was adopted by the management board in November 2018 and has been applied since January 2019; notes that the Authority's internal control function ran the first annual assessment of the entire system under the new internal control framework and concluded that all components and principles were implemented and function as intended; calls on the Authority to report how the calculation errors for the determination of the Union and EFTA Members' NCAs' contributions have been taken into account in the assessment and why this did not result in the identification of a deficiency in internal control principles 12 or 13;

Other comments

33. Notes, with regard to the UK's withdrawal from the Union, that the Authority issued recommendations in February 2019 on the treatment of cross-border business from residual contracts after the withdrawal date and that the Authority continued to closely monitor the developments and compliance with opinions and recommendations for the insurance sector;

34. Welcomes the efforts made to increase the Authority's cyber security and data protection;

35. Welcomes the Authority's efforts to provide a cost-effective and environmentally-friendly workplace and to reduce and offset its CO_2 emissions in the areas of premises and travel;

36. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([3]) on the performance, financial management and control of the agencies.

([3]) Texts adopted, P9_TA(2021)0215.

DECISION (EU, EURATOM) 2021/1640 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the European Securities and Markets Authority for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Securities and Markets Authority for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0073/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC ([4]), and in particular Article 64 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0093/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 331, 15.12.2010, p. 84.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

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 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Securities and Markets Authority, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1641 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the European Securities and Markets Authority for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Securities and Markets Authority for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0073/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC ([4]), and in particular Article 64 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 331, 15.12.2010, p. 84.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0093/2021),

1. Approves the closure of the accounts of the European Securities and Markets Authority for the financial year 2019;

2. Instructs its President to forward this decision to the Executive Director of the European Securities and Markets Authority, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1642 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 2019

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 2019,

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0093/2021),

A. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Securities and Markets Authority (the 'Authority') for the financial year 2019 was EUR 47 379 354, representing an increase of 7,21 % compared to 2018; whereas the Authority is financed by a contribution from the Union (28,73 %), contributions from national supervisory authorities of the Member States (45,76 %) and fees received from supervised entities (24,33 %);

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 2019 (the 'Court's report'), states that it has obtained reasonable assurance that the Authority's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2019 resulted in a budget implementation rate of 99,95 %, representing a slight decrease of 0,03 % compared to 2018; notes that the payment appropriations execution rate was at 88,77 %, representing a decrease of 0,11 % compared to the previous year;

2. Notes that, according to the Court's report, the Authority, in accordance with the related fees regulation, charges fees to credit rating agencies and trade repositories and that such fees should only cover the Authority's expenditure related to fees charged; notes, however, that the Court found that fees charged exceeded the associated expenditures, thus creating surpluses; observes that, although the Authority followed the guidance provided by the Commission, surpluses and deficits can lead to an annual cross-financing of activities; notes that, according to the Authority's reply, it did not lead to any significant recurrent cross-financing within the Authority's budget and that in 2019 the deviation between supervisory costs was 2,8 % for credit rating agencies and 1,8 % for trade repositories; calls on the Authority to continue limiting such cross-financing;

3. Notes that, according to the Court's report, the Authority's budget includes contributions made by national competent authorities (NCAs) in an amount of EUR 1 363 258 in 2019, which was based on estimated figures and never adjusted to match the actual figures; notes from the Authority's reply that both the estimated and actual amounts were calculated but the Commission's instructions (Ares(2016)2772696) on pension contributions indicate that agencies should not adjust the NCAs' share of pension contributions to actual levels and that the difference between the actual versus estimated amounts of the NCAs' pension contributions in 2019 was immaterial, i.e., EUR 27 888;

([1]) OJ C 107, 31.3.2020, p. 233.

4. Notes that, according to the Court's report, the fees charged to credit rating agencies, in accordance with the related fees regulation, are based on their revenue as legal entities, but not as a group or group of related entities, thus, creating an opportunity to reduce or avoid fees by transferring revenues from credit rating agencies under Union jurisdiction to their related entities outside the Union and the likely financial effect of this loophole in the regulations is unknown; notes that, according to the Court's report, while the Authority has correctly applied the related fees regulation, it identified the risk and addressed it to the Commission; notes that, according to the Authority's reply, it will actively participate in all initiatives aimed to avoid any loophole in the related fees regulation;

5. Notes that, according to the Court's report, for the fee calculations of trade repositories, the Authority provided independent auditors' opinions stating that their 2018 financial statements gave a true and fair view, but the information submitted on the number of trades reported to the trade repositories during 2018 and the number of recorded outstanding trades on 31 December 2018 were only subject to a limited review by independent auditors; notes that, according to the Authority's reply, it does not have a legal basis to request independent audit reviews from trade repositories on their numbers and the Authority has proposed to the Commission to amend the delegated regulation on fees for trade repositories in order to harmonise the calculation system in line with the Commission's Internal Audit Service's (IAS) recommendations; notes that, according to the Authority's reply, in 2019, the biggest trade repository provided the independent auditor's certification on a voluntary basis on all criteria used in the calculation;

Performance

6. Notes with satisfaction that the Authority uses certain measures such as key performance indicators to assess the added value provided by its activities and other measures to improve its budget management, such as number of peer reviews conducted, number of risk topics analysed and rate of budget outturn;

7. Notes that the Authority completed 95 % of the activities included in its annual work programme in 2019, representing an increase of 5 % compared to 2018;

8. Notes that the Authority, along with the European Banking Authority and the European Insurance and Occupational Pensions Authority, forms part of a joint committee which aims to ensure cross-sector consistency and joint positions in the area of supervision of financial conglomerates and on other cross-sector issues, and that it shares an accounting officer with the European Union Agency for Railways and has taken part in many joint procurements with other agencies, always seeking efficiencies through cooperation; strongly encourages the Authority to actively seek further and broader cooperation with all Union agencies;

9. Welcomes the Authority's efforts towards a more coordinated supervisory regime across the European financial system; underlines its role of ensuring a stable, well-integrated, efficient and safe financial market; highlights the importance of consumer protection in the Union by promoting fairness and transparency on the product and financial services market, and looks forward to receiving an update on future measures taken in this direction, including also responses to the challenges of the digitalisation of the economy and sustainability measures;

10. Underlines the duty of the financial system to respond appropriately to financial sustainability challenges, the European Green Deal, and the Paris Agreement; welcomes, therefore, the Authority's efforts to incorporate additional number of full-time equivalents (FTEs) in its budget for 2020 in order to cover its new mandate on sustainability; looks forward to an update in the second half of 2021 on progress in this area;

11. Points out that the Authority has been given more powers in the area of direct supervision and strengthening of convergence; welcomes this assignment of responsibility but warns that, to be effective, this process must be gradual and continuous;

12. Underlines that in certain cases the mandates adopted at level 1 of the legislation do not take into account the minimum timeframes required for the Authority to carry out the necessary work to develop and adopt level 2 measures, thereby requiring reallocations of resources and causing delays in the implementation of certain measures;

13. Recognises that the composition of the Authority's board of supervisors seems appropriate to address the Authority's regulatory powers, but less so with regard to its supervisory functions; considers that the Authority's ability to obtain accurate information from financial institutions is not sufficient to allow it to exercise its various responsibilities;

14. Points out that the Authority, when carrying out its activities, needs to pay attention to ensuring compliance with Union law, to respecting the principle of proportionality where relevant, and to complying with the fundamental principles which govern the internal market; welcomes the establishment of an Advisory Proportionality Committee to oversee the principle of proportionality and looks forward to receiving the proposed methodology on how the Committee will provide input to the Authority's annual work programme; points out that the principle of proportionality should be a guiding principle for the Authority's work, where relevant;

15. Notes that, as the Authority's workload is increasingly shifting from regulatory tasks to enforcing and applying Union law, budgetary and personnel resources have to be reallocated internally; points out that a strict focus on the mandate assigned by the Union legislator will ensure a more effective and more efficient use of resources; warns that in order to achieve effective supervision it is essential that the Authority has the capacity to adopt measures to adjust to risks or problems that may arise on the market; notes that budget increases should be gradual and continuous over time in line with the increase in competences; considers that the future responsibilities arising, inter alia, from the Digital Finance Strategy as well as the responsibilities inherent in the fight against money laundering require an adaptation of the Authority's financing; stresses the urgency to allocate sufficient resources to the Authority to allow it to carry out its allocated tasks in an adequate and efficient manner;

16. Welcomes the Authority's Fast Track Peer Review Report of 3 November 2020 on the application of the guidelines on the enforcement of financial information (ESMA/2014/1293) by BaFin and FREP in the context of Wirecard, revealing major weaknesses in market and institutional oversight, especially with respect to investor protection and market integrity; suggests that the Authority reflect the lessons learned from this scandal in its guidelines and in its peer reviews of the implementation of those guidelines; calls on the Commission to propose measures to further harmonise Union rules regarding financial supervision;

17. Acknowledges the inquiry into dividend arbitrage trading schemes such as cum-ex or cum-cum, as requested by Parliament in its resolution of 29 November 2018 on the cum-ex scandal: financial crime and loopholes in the current legal framework ([2]); expresses its satisfaction with the thoroughness of this investigation into the integrity of a specific area of financial markets activity;

18. Believes that the Authority should take account of new digital challenges and those related to sustainability; considers that the fulfilment of these established objectives and their integration into the regulatory and supervisory framework must always be in line with the strengthening of the market, without undermining its competitiveness and without placing an excessive burden on market actors, especially small and medium-sized ones; considers that the monitoring of the implementation of these objectives must be met with adequate resources;

Staff policy

19. Notes that, on 31 December 2019, the establishment plan was 73,81 % implemented, with 155 temporary agents appointed out of 210 temporary agents authorised under the Union budget (compared to 156 authorised posts in 2018); notes that the relatively low execution of the establishment plan can be explained by the later than expected adoption of the European Supervisory Authority Review and Regulation (EU) No 648/2012 of the European Parliament and of the Council ([3]) (the European Market Infrastructure Regulation) which would have authorised recruitment of additional staff for the Authority; notes that, in addition, 68 contract agents and 10 seconded national experts worked for the Authority in 2019;

([2]) OJ C 363, 28.10.2020, p. 102.
([3]) Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (OJ L 201, 27.7.2012, p. 1).

20. Welcomes the news that the Authority is close to achieving gender balance on its management board (6 men and 5 women) and at staff level (52 % male and 48 % female); notes with satisfaction the reported gender balance with regard to the senior management (1 man and 1 woman); welcomes the Authority's intention to publish a shortlist consisting of at least one woman and one man for nomination as its Chair, and calls on the Authority to do the same with respect to the nomination of its Executive Director; calls on the Authority to draw inspiration from the European Central Bank's initiatives that propose internal programmes for the promotion of women and for greater diversity among its staff;

21. Notes that the staff turnover rate of the Authority was 5 % in 2019, meeting the Authority's target of less than 10 %;

22. Notes that the Authority has adopted the policy on protecting the dignity of the person and preventing harassment; notes that every year, the Authority's human resources department prepares a report on the activities carried out by the Authority to prevent harassment in the workplace; notes further that the Authority's human resources department and confidential counsellors organise regular awareness sessions;

23. Is of the opinion that the combination of public-private experience that its staff brings is beneficial to the Authority; considers that systems should be explored to attract talent from the private sector to the public sector and vice versa, with minimum safeguards in place to promote the independence of both sectors; believes that the implementation of the rules in this area should be monitored by common bodies of the Union and should take into account the specific circumstances of each case;

24. Shares with concern the Court's observation that to compensate for a shortage of posts the Authority relies increasingly on consultants and interim staff, which may pose risks of inadequate supervision of complex work by external contractors and of contractual litigation issues because of blurred responsibilities; notes, as follow-up from previous years' Court findings, that the Authority uses contracts with IT companies that are formulated in a way that could imply the assignment of interim workers instead of the provision of clearly defined IT services or products; notes that the use of IT service contracts for the provision of labour would not be compliant with the Union social and employment rules and would expose the Authority to legal and reputational risks; notes that, according to the Authority's reply, any potential risks in this context were limited and it has adopted all necessary procedures to avoid any possible confusion between the procurement of IT services and the assignment of interim workers in the contracts; urges the Authority to ensure that contracts avoid any confusion between the procurement of services and that of interim workers;

Procurement

25. Notes the Authority's efforts to seek efficiency gains through joining procurement procedures with other agencies; notes that in 2019 the Authority signed a framework contract, together with the European Banking Authority, on consultancy services in the field of facility management and now it is leading a procurement procedure for interim workers' services together with the three other agencies with headquarters in France;

Prevention and management of conflicts of interest and transparency

26. Notes that 25,41 % of the Authority's budget came from fees charged to the entities it supervises; notes that measures have been implemented in order to mitigate any conflicts of interests, and that those structures and processes have been audited by Union bodies and external auditors; calls on the Authority to continue reporting to the discharge authority on the measures it has taken to ensure that no conflict of interests occurs; furthermore notes that the Authority believes that if the Commission collected the fees, inefficiencies would arise and the risks of inaccuracy and miscalculation, with consequent reputational damage, would increase;

27. Welcomes the further steps taken to enhance the transparency of the Authority's activities by reporting the meetings that the Authority's staff has with external stakeholders and their availability on the Authority's website;

28. Welcomes the fact that the Authority publishes CVs and declarations of interest of its senior management;

29. Recalls the comments and observations from the discharge authority in the resolution accompanying the decision on discharge for the Authority for the financial year 2018 related to the problem of conflicts of interest arising from 'revolving door' situations and stresses the need for a unified approach among the agencies; calls on the Authority to report to the discharge authority on the progress made;

30. Underlines the importance of an open, efficient and independent administration for all Union agencies and the Union as a whole; recalls its resolution of 16 January 2020 on institutions and bodies of the Economic and Monetary Union: preventing post-public employment conflicts of interest ([4]), and the decision of 18 November 2020 and the recommendation of 7 May 2020 of the European Ombudsman in case 2168/2019/KR; stresses the need for a unified legal framework to address these issues; calls on the Authority to implement the recommendations of the European Ombudsman in case 2168/2019/KR, in particular, where necessary, by invoking the option of forbidding its senior staff from taking up certain positions after the end of their term in office, setting out criteria for the possibility for staff to move to the private sector, informing applicants for senior posts of the Authority of the criteria when they apply, and putting in place internal procedures to ensure that when a member of its staff moves to another job, his or her access to the confidential information is withdrawn with immediate effect; further calls on the Authority to consider extending the 12-month mandatory cooling-off period for senior members of staff that contemplate a move that may give rise to post-public employment conflicts of interest; calls on the Authority to draw inspiration from the publication by the European Central Bank's Ethics Committee of its opinions on cases of conflict of interest and post-mandate gainful employment, in order to increase transparency on potential conflicts of interest and on post-mandate gainful employment;

Internal Controls

31. Notes, in light of comments and observations from the discharge authority related to the report of the IAS on 'Revenues and Activity Based Management in the European Securities and Market Authority', that related actions agreed upon have been taken;

32. Notes that the IAS in 2019 issued an audit report on 'IT security and related governance processes' and that the Authority has prepared an action plan to address the areas for improvement; calls on the Authority to report to the discharge authority on the measures taken in this regard;

33. Notes that the Authority's management board adopted the new internal control framework in November 2018; notes that the Authority performed the first annual assessment of the effectiveness of the implementation of the internal control principles in Q1 2020 and concluded that the internal control system is functioning well; notes that 24 deficiencies were identified most of which were minor and none of which called into question the presence and proper functioning of the principles and were mainly related to the control environment and control activities components, as well as information and communication components;

Other comments

34. Notes that, with the continuing uncertainty around the UK's withdrawal from the Union, the Authority continued to take practical preparatory measures for a no-deal scenario by publishing updated statements and measures for IT-applications and databases;

35. Notes the efforts made to increase the Authority's cyber security and data protection;

36. Notes that in November 2019 the Authority moved to new premises in Paris in the building known as 'iBox', which has high quality environmental certification and is less expensive per square metre compared to the old premises;

37. Calls upon the Authority to focus on disseminating the results of its research to the general public;

38. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([5]) on the performance, financial management and control of the agencies.

([4]) Texts adopted, P9_TA(2020)0017.
([5]) Texts adopted, P9_TA(2021)0215.

DECISION (EU, EURATOM) 2021/1643 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the European Union Agency for the Cooperation of Energy Regulators (before 4 July 2019: Agency for the Cooperation of Energy Regulators) for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for the Cooperation of Energy Regulators for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0074/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators ([4]), and in particular Article 24 thereof,

— having regard to Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators ([5]), and in particular Article 35 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([6]), and in particular Article 105 thereof,

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial 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]),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 211, 14.8.2009, p. 1.
([5]) OJ L 158, 14.6.2019, p. 22.
([6]) OJ L 122, 10.5.2019, p. 1.
([7]) OJ L 328, 7.12.2013, p. 42.

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

— having regard to the report of the Committee on Budgetary Control (A9-0078/2021),

1. Grants the Director of the European Union Agency for the Cooperation of Energy Regulators discharge in respect of the implementation of the Agency's budget for the financial year 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the European Union Agency for the Cooperation of Energy Regulators, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1644 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the European Union Agency for the Cooperation of Energy Regulators (before 4 July 2019: Agency for the Cooperation of Energy Regulators) for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for the Cooperation of Energy Regulators for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0074/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators ([4]), and in particular Article 24 thereof,

— having regard to Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators ([5]), and in particular Article 35 thereof,

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([6]), and in particular Article 105 thereof,

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial 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]),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 211, 14.8.2009, p. 1.
([5]) OJ L 158, 14.6.2019, p. 22.
([6]) OJ L 122, 10.5.2019, p. 1.
([7]) OJ L 328, 7.12.2013, p. 42.

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

— having regard to the report of the Committee on Budgetary Control (A9-0078/2021),

1. Approves the closure of the accounts of the European Union Agency for the Cooperation of Energy Regulators for the financial year 2019;

2. Instructs its President to forward this decision to the Director of the European Union Agency for the Cooperation of Energy Regulators, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1645 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Union Agency for the Cooperation of Energy Regulators (before 4 July 2019: Agency for the Cooperation of Energy Regulators) for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Union Agency for the Cooperation of Energy Regulators for the financial year 2019,

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

— having regard to the report of the Committee on Budgetary Control (A9-0078/2021),

A. whereas, according to its statement of revenue and expenditure [1], the final budget of the Agency for the Cooperation of Energy Regulators (the 'Agency') for the financial year 2019 was EUR 16 147 153, representing an increase of 19,06 % compared to 2018; whereas the budget of the Agency derives entirely 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 2019 (the 'Court's report'), states that the Court has obtained reasonable assurance that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with appreciation that budget monitoring efforts during the financial year 2019 resulted in a budget implementation rate of 99,50 %, exceeding the Agency's planned target of 95 %, representing an increase of 0,25 % compared to 2018; notes that the payment appropriations execution rate was 81,35 %, representing an increase of 1,62 % compared to 2018;

Performance

2. Notes that the Agency continues to use certain measures as key performance indicators to assess the added value provided by its activities, in particular to estimate the impact and the effect of network codes, to keep track of all fines imposed and to improve its budget management;

3. Notes that the Agency succeeded in adopting significant decisions, opinions and recommendations in the Union electricity and gas markets resulting from the adoption of Regulation (EU) No 1227/2011 [2] (REMIT); notes with concern that some tasks were deprioritised or not executed due to a lack of resources;

4. Welcomes the fact that the Agency has continued to outsource accounting services to the Commission and to share resources with other Union agencies in the areas of human resources management, information and communication technology management, budget and finance, procurement and facility management; considers that initiative to be a worthwhile example for other Union institutions to follow;

5. Calls on the Agency to continue to develop its synergies and increase cooperation and the exchange of good practices with other Union agencies with a view to improving efficiency (human resources, building management, IT services and security);

[1] OJ C 120, 29.03.2019, p. 139.

[2] Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (OJ L 326, 8.12.2011, p. 1).

6. Stresses the importance of increasing the digitalisation of the Agency in terms of internal operations and management procedures; stresses the need for the Agency to continue to be proactive in that regard in order to avoid a digital gap between the Union agencies at all costs; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;

Staff policy

7. Notes that, on 31 December 2019, the establishment plan was 100 % implemented, with 67 temporary agents appointed out of 67 temporary agents authorised under the Union budget (compared to 67 authorised posts in 2018); notes that, in addition, 26 contract agents and four seconded national experts worked for the Agency in 2019;

8. Reiterates its concern about the lack of gender balance at the Agency's senior management level (five men and one woman) and on the administrative board (11 men and 7 women); asks the Union institutions to take into account the importance of ensuring gender balance when nominating their members to the Agency's administrative board;

9. Notes with concern that the Agency had been using interim workers to perform long-term tasks to make up for shortages for directly employed staff members;

10. Notes with concern that according to the Court's Special Report 22/2020 entitled 'Future of EU agencies – Potential for more flexibility and cooperation' the Agency faces the risk of limited resources which lead to deprioritisation of a long list of tasks;

11. Welcomes the fact that the Agency received additional resources in the context of the 'Clean Energy for All Europeans' package;

12. Notes that the Agency has adopted a decision on protecting the dignity of the person and preventing harassment, that several training courses have been organised for the purpose of awareness-raising and providing staff with information and that the training is compulsory for all newcomers; notes that one alleged harassment case was reported, but none was investigated or taken to court;

13. Is concerned about the large size of the Agency's administrative board, which complicates the decision-making process and generates considerable administrative costs;

14. Encourages the Agency to pursue the development of a long-term human resources policy framework which addresses work-life balance, lifelong guidance and career development, gender balance, teleworking, geographical balance and the recruitment and integration of persons with disabilities;

Sustainability

15. Regrets that the Agency has not set CO_2 reduction targets; welcomes however the efforts made by the Agency to create an environmentally friendly framework and all the measures taken by the Agency to reduce its carbon footprint, its energy consumption and to develop a paperless workflow;

Procurement

16. Notes that 67 procurement procedures were completed out of 47 planned procedures for 2019; notes that following the Court's observation about the use of e-procurement, the Agency has implemented e-tendering in 2019 and acknowledges that e-submissions are under implementation in 2020;

17. Notes that the Court has issued a qualified opinion regarding the legality and regularity of the payments underlying the accounts with the total amount paid irregularly corresponding to EUR 988 138,00, which represents 6,3 % of all payments made by the Agency in 2019; notes that the observed irregular payments related to two irregular procurement procedures that were not carried out as prescribed following competitive procedures;

18. Notes the Agency's reply to the Court's finding and the measures taken by the Agency to prevent a recurrence of irregular procurement procedures;

19. Regrets that the Court issued a qualified opinion based on two irregular procurement procedures, for which the Agency had failed to carry out appropriate competitive procurement procedures which means that all associated payments are irregular; is extremely worried that irregular payments which have been made under the contracts arising from those irregular procurement procedures represent 6,3 % of all payments made by the Agency in 2019;

Prevention and management of conflicts of interest and transparency

20. Acknowledges the Agency's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interest, and to ensure the protection of whistleblowers; notes that a case of conflict of interest was identified in 2019, resulting in an assessment by the board of regulators and the human resources unit that decided not to take additional action;

21. Notes with satisfaction that the CVs and the declarations of interest of the administrative board and senior management are published on the Agency's website;

22. Notes the continuation of steps taken in order to enhance the transparency of the Agency's activities by reporting the meetings that the Agency's staff has with external stakeholders, in particular the director's meetings with organisations and self-employed individuals, and their availability on the Agency's website;

23. Notes with concern the finding of the Court that the recruitment procedures were not duly applied to the selection process, resulting in the failure by the Agency to comply with the principle of equal treatment and apply effective internal controls;

24. Underlines the fact that the current ethical framework applying to Union institutions and agencies suffers from considerable drawbacks due to its fragmentation and lack of consistency between existing provisions; highlights that those issues should be addressed by setting up a common ethical framework, ensuring the application of high ethical standards for Union institutions and agencies;

25. Underlines that certain officials fill in declarations of absence of conflicts of interest and provide self-assessments with regard to respect for ethical standards; highlights, however, that such self-declarations and self-assessments are not sufficient and that additional scrutiny is therefore needed;

Internal controls

26. Notes that the Agency reported that its internal control framework is effective and that the annual assessment of its implementation did not highlight deficiencies, except for one minor deficiency concerning missing of recordings in its register of exceptions; notes with concern that the Court found that the register of exceptions was not properly filled in; recommends that the Agency registers all exceptions and non-compliant events in the register, and that they are duly taken into account in the annual assessment of the internal control framework;

27. Notes that the strategic audit plan for the Agency for the period from 2017 to 2019 was fully implemented and the internal audit service determined audit topics for the following planning period;

28. Notes that three out of five actions resulting from the internal audit service risk assessment were fully implemented in the areas of business continuity, document management and monitoring of the implementation of network codes; calls on the Agency to report to the discharge authority on the developments of the ongoing actions for IT governance and market surveillance under REMIT;

Other comments

29. Notes that the Agency looked for areas of improvement regarding information sharing and cybersecurity, by establishing a mechanism to review the standards and guidelines annually; acknowledges the creation of an audit function by a third party to evaluate the Agency's processes from a cybersecurity perspective;

30. Welcomes the Agency's efforts to provide a cost-effective and environmentally friendly workplace;

31. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([3]) on the performance, financial management and control of the agencies.

([3]) Texts adopted, P9_TA(2021)0215.

DECISION (EU, EURATOM) 2021/1646 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the Agency for Support for BEREC (BEREC Office) for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Agency for Support for BEREC (BEREC Office) for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0075/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU) 2018/1971 of the European Parliament and of the Council of 11 December 2018 establishing the Body of European Regulators for Electronic Communications (BEREC) and the Agency for Support for BEREC (BEREC Office), amending Regulation (EU) 2015/2120 and repealing Regulation (EC) No 1211/2009 ([4]), and in particular Article 28 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 321, 17.12.2018, p. 1.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

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

— having regard to the report of the Committee on Budgetary Control (A9-0082/2021),

1. Grants the Director of the Agency for Support for BEREC (BEREC Office) discharge in respect of the implementation of the Agency's budget for the financial year 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the Agency for Support for BEREC (BEREC Office), the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1647 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the Agency for Support for BEREC (BEREC Office) for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Agency for Support for BEREC (BEREC Office) for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0075/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU) 2018/1971 of the European Parliament and of the Council of 11 December 2018 establishing the Body of European Regulators for Electronic Communications (BEREC) and the Agency for Support for BEREC (BEREC Office), amending Regulation (EU) 2015/2120 and repealing Regulation (EC) No 1211/2009 ([4]), and in particular Article 28 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 321, 17.12.2018, p. 1.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

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

— having regard to the report of the Committee on Budgetary Control (A9-0082/2021),

1. Approves the closure of the accounts of the Agency for Support for BEREC (BEREC Office) for the financial year 2019;

2. Instructs its President to forward this decision to the Director of the Agency for Support for BEREC (BEREC Office), the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1648 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Agency for Support for BEREC (BEREC Office) for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the Agency for Support for BEREC for the financial year 2019,

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

— having regard to the report of the Committee on Budgetary Control (A9-0082/2021),

A. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the Agency for Support for BEREC (the 'BEREC Office') for the financial year 2019 was EUR 5 653 185, representing an increase of 30,53 % compared to 2018, which mainly represents an increase in staff; whereas the budget of the BEREC Office derives entirely from the Union budget;

B. whereas the Court of Auditors (the 'Court'), in its report on the BEREC Office's annual accounts for the financial year 2019 (the 'Court's report'), states that the Court has obtained reasonable assurance that the BEREC Office's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that budget monitoring efforts during the financial year 2019 resulted in a budget implementation rate of 99,93 %, representing an increase of 0,07 % compared to 2018; notes that the payment appropriations execution rate was 82,68 %, representing a decrease of 0,69 % compared to 2018;

2. Notes with concern that the BEREC Office continued to be affected by a high staff turnover, which poses a serious risk to the implementation of the BEREC Office's work programme; notes that, in addition, following the establishment of new posts to address the new BEREC Office mandate established in Regulation (EU) 2018/1971, the BEREC Office managed to ensure fast-track recruitment of 13 additional new members of staff (three temporary agents, seven contract agents and three seconded national experts);

Performance

3. Notes that the BEREC Office uses several types of metrics as key performance indicators to assess the added value provided by its activities and to improve its budget management, such as a fully staffed indicator (planned versus actual staff), quality of support to the BEREC Office and its working groups, and the availability rate of supporting tools;

4. Notes with concern that the BEREC Office does not share resources with other Union agencies, due to its limited own resources as stated by the BEREC Office; notes with concern that the BEREC Office has not been able to find a partner for the provision of the internal control coordinator and security officer functions; notes that the BEREC Office started a joint project, signed in 2019, for sharing IT infrastructure with several joint undertakings; welcomes that joint project and urges the BEREC Office to further explore possible ways of outsourcing its tasks and collaborating on overlapping tasks with other Union agencies, offices and bodies;

5. Calls on the BEREC Office to continue to develop its synergies and increase cooperation and the exchange of good practices with other Union agencies with a view to improving efficiency (human resources, building management, IT services and security);

6. Stresses the importance of increasing the digitalisation of the BEREC Office in terms of internal operations and management procedures; stresses the need for the BEREC Office to continue to be proactive in that regard in order to avoid a digital gap between the Union agencies at all costs; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;

([1]) OJ C 107, 31.3.2020, p. 140.

Staff policy

7. Notes that on 31 December 2019, the establishment plan was 87,50 % implemented, with 14 temporary agents appointed out of 16 temporary agents authorised under the Union budget (compared to 14 authorised posts in 2018); notes that, in addition, 18 contract agents and six seconded national experts worked for the BEREC Office in 2019;

8. Notes with concern that by 31 December 2019 gender balance at staff level had declined by 8 % compared to 2018 (44 % women and 56 % men in 2019 compared to 52 % women and 48 % men in 2018) and in middle management positions (33 % women and 67 % men in 2019 compared to 50 % women and 50 % men in 2018); asks the BEREC Office to ensure gender balance at the staff and middle management levels in the future; is concerned that gender balance was not achieved among the members of the management board, with only 7 women among 28 members; asks in that regard the Commission and the Member States to take into account the importance of ensuring gender balance when nominating their members to the BEREC Office's management board; notes that geographical balance was achieved, with the BEREC Office employing 32 staff members from 13 Member States;

9. Notes with concern that in 2019 the average employment period in the BEREC Office was only 2,68 years, compared to 2,7 years in 2018; understands that the BEREC Office struggles to attract professionals, inter alia because of the relatively low salary correction coefficient of the host country (78,6 % in 2019, compared to 74,9 % in 2018); acknowledges that the BEREC Office is continuously working towards improving the employment conditions for its staff and applies other mitigation measures and calls on the BEREC Office to report to the discharge authority on the progress made in that regard;

10. Notes from the Court's report, regarding follow-up actions to previous years' observations, that the BEREC Office is still dependent on external resources and on one company in particular for various types of services (such as clerical and secretarial support, organisation of events and the wellbeing and integration of staff), which creates a risk to business continuity;

11. Is concerned about the large size of the BEREC Office's management board, which complicates the decision-making process and generates considerable administrative costs;

12. Encourages the BEREC Office to pursue the development of a long-term human resources policy framework which addresses work-life balance, lifelong guidance and career development, gender balance, teleworking, geographical balance and the recruitment and integration of persons with disabilities;

Procurement

13. Notes with concern the findings from the Court's report regarding a framework service contract with an estimated value of EUR 200 000 signed in May 2019, related to the improvements needed in the procedure for receiving and recording the details of tenders, having sufficient documentation when evaluating tenders and complying with transparency in the procurement procedure to exclude conflicts of interest; notes from the BEREC Office's reply that all bidders were offered the opportunity to make observations or to appeal but no appeals were filed; notes that the authorising officer re-assessed the facts and concluded that there was no risk of conflicts of interest;

14. Notes with concern from the Court's report, that the BEREC Office signed, in December 2018 and January 2019, two framework contracts for the provision of language training with a maximum total combined value of EUR 200 000; notes, however, that the procedure was flawed because of the absence of a needs analysis and a market analysis and the absence of declarations of conflicts of interest of selection committee members; notes from the BEREC Office's reply that the procurement procedure in question took place when the BEREC Office used the decentralised procurement model, while from 1 July 2019 a centralised procurement procedure was established;

15. Notes from the Court's report, regarding follow-up of previous years' observations, that by the end of 2017 the BEREC Office had introduced e-tendering for certain procedures but it had not yet implemented e-invoicing and e-submission; notes from the BEREC Office's reply that e-submission was introduced in 2019 and the on-boarding of e-invoicing is in progress and depends on the availability of the Commission's services;

16. Notes with concern that the BEREC Office was not in a position to launch five procurement procedures planned for 2019 due to a lack of staff to run them or due to changes in planning and needs which resulted in only 44 % of contracts signed from the procurement plan, and which is well below the target rate of 90 %; notes that the BEREC Office organised internal training in 2019 on clear writing of procurement process technical specification;

Prevention and management of conflicts of interest and transparency

17. Notes the BEREC Office's existing measures and ongoing efforts to secure transparency and prevention and management of conflicts of interest; notes with satisfaction that the management board of BEREC Office has adopted rules on preventing and managing conflicts of interest concerning the members of the management board (Decision No MB/2019/16), based on those new rules the board members have to submit their CVs together with the declarations of interest, which are published on the BEREC Office's website; acknowledges that CVs of most of the board members are published on its website; however, points out with concern that the BEREC Office still does not publish the CVs and the declarations of interest of all board members on its website and that not all board members follow the new rules; calls on the BEREC Office to take appropriate measures to ensure that internal rules are followed at all levels in the BEREC Office; calls on the BEREC Office to publish the CVs and declarations of interest of all the members of the management board and to report to the European Parliament on the measures taken in that regard;

18. Underlines the fact that the current ethical framework applying to Union institutions and agencies suffers from considerable drawbacks due to its fragmentation and lack of consistency between existing provisions; highlights that those issues should be addressed by setting up a common ethical framework, ensuring the application of high ethical standards for Union institutions and agencies;

19. Underlines that certain officials fill in declarations of absence of conflicts of interest and provide self-assessments with regard to respect for ethical standards; highlights, however, that such self-declarations and self-assessments are not sufficient and that additional scrutiny is therefore needed;

Internal controls

20. Notes that in 2019, the BEREC Office undertook an internal exercise to assess its internal control systems, concluding that they have been effectively implemented; notes however with concern the internal control weaknesses identified by the Court regarding procurement procedures, that also need to be taken into account in the BEREC Office's assessment of its internal control system;

21. Notes that in 2019 the Commission's internal audit service issued an audit report on 'Procurement, missions, and reimbursement of experts', which was followed by a corrective action plan aimed to implement all recommendations in 2020 and 2021;

Other comments

22. Notes that the BEREC Office has carried out an analysis of the likely impact of the United Kingdom's decision to withdraw from the Union and identified the necessary mitigating steps; notes that the BEREC Office has no members of staff with only UK citizenship and that there is no risks related to human resources issued;

23. Points out that a complex approach is needed in order to make the websites of Union agencies, offices and bodies accessible to persons with disabilities as provided for in Directive (EU) 2016/2102, including the availability of national sign languages; suggests that organisations representing persons with disabilities are involved in this process;

24. Calls on the BEREC Office to focus on disseminating the results of its research to the public;

25. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 [2] on the performance, financial management and control of the agencies.

[2] Texts adopted, P9_TA(2021)0215.

DECISION (EU, EURATOM) 2021/1649 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the European Institute of Innovation and Technology for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Institute of Innovation and Technology for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Institute in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0076/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EC) No 294/2008 of the European Parliament and of the Council of 11 March 2008 establishing the European Institute of Innovation and Technology ([4]), and in particular Article 21 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

— having regard to the report of the Committee on Budgetary Control (A9-0076/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 97, 9.4.2008, p. 1.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

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 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the European Institute of Innovation and Technology, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1650 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the European Institute of Innovation and Technology for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Institute of Innovation and Technology for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Institute in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0076/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EC) No 294/2008 of the European Parliament and of the Council of 11 March 2008 establishing the European Institute of Innovation and Technology ([4]), and in particular Article 21 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

— having regard to the report of the Committee on Budgetary Control (A9-0076/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 97, 9.4.2008, p. 1.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Approves the closure of the accounts of the European Institute of Innovation and Technology for the financial year 2019;

2. Instructs its President to forward this decision to the Director of the European Institute of Innovation and Technology, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1651 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 2019

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 2019,

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

— having regard to the report of the Committee on Budgetary Control (A9-0076/2021),

A. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Institute of Innovation and Technology (the 'Institute') for the financial year 2019 was EUR 557 896 982,73, representing an increase of 21,80 % compared to 2018; whereas the overall contribution of the Union to the Institute's budget for 2019 amounted to EUR 378 562 704,82, representing an increase of 20,99 % compared to 2018;

B. whereas the Court of Auditors (the 'Court'), in its report on the Institute's annual accounts for the financial year 2019 (the 'Court's report'), states that the Court has obtained reasonable assurance that the Institute's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes that the budget monitoring efforts during the financial year 2019 resulted in a budget implementation rate of 97,04 %, representing an increase of 4,99 % compared to 2018; notes that the payment appropriations execution rate was 97,57 %, representing a decrease of 0,23 % compared to 2018;

2. Notes from the Court's report that the Institute control procedures generally worked as intended, with the exception of a payment of EUR 1 200 for the reimbursement of travel and subsistence expenses, which the service contract did not provide for; notes from the Institute's reply to the Court that the payment in question refers to the travel and subsistence expenses incurred by an interim member of staff, who carried out a mission in the interest of the service, nevertheless the Institute acknowledged its error and will make the necessary legal adjustments;

Performance

3. Acknowledges that the Institute uses key performance indicators at the level of the Institute and of the knowledge and innovation community (KIC); notes that regarding the KIC's key performance indicators the Institute measured its performance by traditional Horizon 2020 key performance indicators, such as time-to-grant and time-to-pay; notes that, as a follow-up to the Institute's mid-term evaluation by the Commission and the Institute Impact Study, the Institute is currently working on establishing an Impact Framework to measure the socio-economic impact of the KIC activities;

4. Notes that the Institute implemented 95 % of its work programme for 2019;

5. Notes that the Institute has outsourced accounting services to the Commission and introduced the Commission's IT tools, such as ARES for document management and SYSPER for human resources management;

6. Notes that the Institute identified and evaluated the possibility to cooperate and share resources with the Union Agency for Law Enforcement Training, and that it explores further possibilities; calls on the Institute to follow-up on the identified opportunities to share resources; calls on the Institute to continue to develop its synergies and increase cooperation and the exchange of good practices with other Union agencies with a view to improving efficiency (human resources, building management, IT services and security);

([1]) OJ C 143, 30.4.2020, p. 22.

7. Stresses the importance of increasing the digitalisation of the Institute in terms of internal operations and management procedures; stresses the need for the Institute to continue to be proactive in that regard in order to avoid a digital gap between the Union agencies at all costs; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;

Staff policy

8. Notes that, on 31 December 2019, the establishment plan was 97,73 % implemented, with 43 temporary agents appointed out of 44 temporary agents authorised under the Union budget (compared to 44 authorised posts in 2018); notes that, in addition, 22 contract agents and no seconded national experts worked for the Institute in 2019;

9. Notes with regard to gender balance on the governing board for 2019 that there are 4 men and 8 women; asks the Commission to take into account the importance of ensuring gender balance when nominating the members to the Institute's governing board; notes that in 2019 the Institute was fairly balanced as regards gender at staff level (46 % men and 54 % women);

10. Welcomes that the Institute put in place social policies, that include improved schooling and kindergarten packages and funding of social activities aimed at attracting and retaining a bigger number of expatriate staff;

11. Notes from the Court's report that the large increase in the Institute's budget and the growing number of KICs had not been accompanied by an increase in the number of posts; notes from the Court's report that the Institute's budget will increase by a further EUR 600 000 000, or 25 %, under the 2021-2027 Multiannual Financial Framework (MFF), compared to the current MFF, while the number of staff remains capped at 70; further notes from the Court's report that there is a risk that the Institute will not have sufficient capacity to deal with its increased workload in the future, and that this risk has increased further, instead of being mitigated;

12. Notes from the Court's report that the implementation of an observation stemming from 2017 regarding the publication of vacancy notices is still ongoing, since the Institute does not consistently publish its vacancies on the website of the European Personnel Selection Office;

13. Encourages the Agency to pursue the development of a long-term human resources policy framework which addresses work-life balance, lifelong guidance and career development, gender balance, teleworking, geographical balance and the recruitment and integration of persons with disabilities;

Sustainability

14. Regrets that the Institute has so far not set CO_2 reduction targets; welcomes however the efforts made by the Institute to create an environmentally friendly framework and all the measures taken by the Institute to reduce its carbon footprint, its energy consumption and to develop a paperless workflow;

Procurement

15. Notes that the Institute participated in a number of inter-institutional procurement procedures of the Commission and of other Union agencies; notes that the Institute has introduced e-tendering and e-submission in 2018 and has processed several calls for tender via e-procurement tools in 2019;

16. Notes that in 2019 the Institute launched a new monitoring activity on the procurement policies and procedures of the KIC legal entities and their co-location centres as follow up to the 2016-2017 expert assignment;

Prevention and management of conflicts of interest and transparency

17. Acknowledges the Institute's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interest, and to ensure the protection of whistleblowers; welcomes that the Institute published the declarations of conflicts of interest and CVs of its governing board and senior management on its website;

18. Notes that the Institute reported on one whistleblowing case in 2019 and that the internal rules were applied; calls on the Institute to report to the discharge authority on the development of that case;

19. Notes that the 2019 assessment on the KICs' implementation of good government principles could be further improved, as some KICs should improve their code of good conduct and policies on the prevention and management of conflicts of interest and monitoring mechanisms; notes that this aspect will be followed up by the Institute in 2020 through a horizontal monitoring activity; calls on the Institute to report on the results;

20. Underlines the fact that the current ethical framework applying to Union institutions and agencies suffers from considerable drawbacks due to its fragmentation and lack of consistency between existing provisions; highlights that those issues should be addressed by setting up a common ethical framework, ensuring the application of high ethical standards for Union institutions and agencies;

21. Underlines that certain officials fill in declarations of absence of conflicts of interest and provide self-assessments with regard to respect for ethical standards; highlights, however, that such self-declarations and self-assessments are not sufficient and that additional scrutiny is therefore needed;

Internal controls

22. Notes that the internal audit service finalised its audit on *ex ante* verification of payments to the KICs on 31 January 2019 and sent a note on follow-up actions of outstanding recommendations from the audit on monitoring of grant agreements; notes that one recommendation has been adequately implemented and two recommendations remain open;

23. Notes the number of outstanding issues and ongoing corrective measures in response to the Court's comments in 2014, 2017 and 2018 related in particular to funding conditions; notes the Institute's reply that out of the 19 comments only seven remained open; further, notes that three are beyond the Institute's control and another three require a longer timeframe to be fully completed;

Other comments

24. Commends the Institute's pro-active engagement with media to develop greater visibility in the media, internet, and social media in order to make its work known;

25. Welcomes the fact that the Institute has improved its presence on social media, increasing its overall engagement on various social media platforms; further, notes the Institute's efforts to achieve cost-effective and environmentally friendly working place; call on the Institute to continue to improve its social media presence and its strategy for sustainable development;

26. Welcomes the Institute's efforts to increase cybersecurity and data protection; notes the Institute's implementation process of the general information security policy, including information and communication technology aspects of cybersecurity; calls on the Institute to report on the outcome of that process;

27. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([2]) on the performance, financial management and control of the agencies.

([2]) Texts adopted, P9_TA(2021)0215.

DECISION (EU, EURATOM) 2021/1652 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the European Asylum Support Office for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Asylum Support Office for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Office in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0077/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU) No 439/2010 of the European Parliament and of the Council of 19 May 2010 establishing a European Asylum Support Office ([4]), in particular Article 36 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0068/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 132, 29.5.2010, p. 11.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

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 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Asylum Support Office, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1653 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the European Asylum Support Office for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Asylum Support Office for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Office in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0077/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU) No 439/2010 of the European Parliament and of the Council of 19 May 2010 establishing a European Asylum Support Office ([4]), in particular Article 36 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0068/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 132, 29.5.2010, p. 11.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Approves the closure of the accounts of the European Asylum Support Office for the financial year 2019;

2. Instructs its President to forward this decision to the Executive Director of the European Asylum Support Office, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1654 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 2019

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 2019,

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0068/2021),

A. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Asylum Support Office (the 'Office') for the financial year 2019 was EUR 102 936 916,68, representing an increase of 5,40 % compared to 2018; whereas the budget of the Office derives mainly 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 2019 (the 'Court's report'), states that it has obtained reasonable assurance that the Office's annual accounts are reliable and that it has obtained sufficient audit evidence on the legality and regularity of revenue underlying the accounts; whereas, however, the Court issued a qualified opinion in relation to the its findings reported for the financial years 2016, 2017 and 2018 on the legality and regularity of the payments; whereas, for the financial year 2019, the Court's audit found another error and associated payments; whereas, except for the effects of the financial years 2016, 2017, 2018 and the payments related to the finding of 2019, the Court is of the opinion that payments underlying the annual accounts for the year ended 31 December 2019 are legal and regular in all material aspects;

Follow-up to the 2018 discharge report

1. Welcomes the appointment of a new executive director on 16 June 2019; welcomes the detailed follow-up report by the Office on the observations of Parliament for the financial year 2019, in particular the steps made in the area of procurement with the successful conclusion of the framework contract for temporary agency workers in Italy that was awarded in 2019 and its full compliance with Union procurement rules; notes the corrective measures introduced in order to improve the governance structure and to restore transparency and the reputation of the Office;

2. Notes with satisfaction that in 2019 the Office continued the improvement towards a fully effective and efficient internal control system addressing control environments, risk management, control activities, information and communication and monitoring activities; welcomes the conclusion of the internal control self-assessment that concluded that, compared to 2018, the overall status of the internal control systems in 2019 had significantly improved;

The outcome of the investigation of the European Anti-Fraud Office (OLAF)

3. Notes that, following receipt of a report of the European Anti-Fraud Office at the end of 2018, which was extensively covered in the discharge report for 2018, the Office has initiated three disciplinary procedures, which are currently ongoing; calls on the Office to report to the discharge authority on the outcome of those disciplinary procedures once completed;

Budget and financial management

4. Notes that budget monitoring efforts during the financial year 2019 resulted in a budget implementation rate of 95,22 %, at approximately the same level as 2018 (95,02 %); notes that the payment appropriations execution rate was at 89,86 %, representing an increase of 1,78 % compared to the previous year (88,08 %);

([1]) OJ C 391, 18.11.2019, p. 41.

5. Recalls that, according to the reports of the Court for the financial years 2016 and 2017, the Office's procurement procedures for interim workers in Greece and for the Office's rented premises in Lesbos were irregular; recalls that, according to the report of the Court for the financial year 2018, the Court concluded that the Office's procurement procedures for interim workers in Italy were irregular, though no payments were made on those contracts yet; notes with concern that, according to the report of the Court for the financial year 2019, the Office's procedures for selecting and contracting external experts systematically lacked a solid audit trail, which in turn resulted in a lack of evidence that the Office had treated experts equally in its selection procedures; notes that, according to the Court's opinion, with the exception of the effects of the qualified opinion on the legality and regularity of payments for the financial years 2016, 2017 and 2018, amounting to EUR 13 868 576, and the error found in 2019, amounting to EUR 111 304, payments underlying the accounts for the year ended 31 December 2019 are legal and regular in all material aspects; deplores the fact that, as concluded by the Court, the Office's payments to interim workers in Italy and Greece were irregular; welcomes the fact that corrective actions were implemented by the Office in 2019 to address those irregularities;

6. Recalls the importance of the Office for the development of the Common European Asylum System and emphasises the positive contribution of the Office to enhancing the coherence of asylum case processing, strengthening the practical cooperation of Member States on asylum in Europe, assisting Member States in fulfilling their obligations as regards giving protection to people in need, and in acting as a centre of expertise on asylum; recalls that in 2019, about 17 700 applications for international protection were lodged by unaccompanied minors in EU+ countries; stresses the importance of providing a specific reception system for minors that protects their condition;

7. Welcomes the fact that, since 2018, the Office has followed up on all of the Court's observations and welcomes the acknowledgment of the Court that 30 out of 61 measures in the action plan were completed while 31 had an ongoing status; stresses that a fair and human treatment of asylum seeker applications is a Union priority; notes the finding of the Court in 2019 that contingency funds in the Office's budget to cover unforeseen and urgent operational needs were absent; welcomes in that regard the recently created budget item to allocate contingency funds necessary to cover expenditure stemming from unforeseen and urgent operational activities in support of Member States;

Performance

8. Notes with regret that the Office executed a total of 9 871 payments in 2019, 1 312 of which (13,29 %) were late; notes that interest amounting to EUR 25 652,34 was paid for 46 invoices; notes the improvements in the timely payments of invoices in November and December 2019; encourages the Office to maintain and improve its performance in that regard and to continue reporting about that matter in its annual activity report;

9. Notes with appreciation the progress achieved by the Office in 2019 in implementing its annual work programme; notes that the Office successfully achieved 82 % of the 347 pre-established annual targets, exceeded expectations on 43 % of the Key Performance Indicators (KPIs), achieved 31 % of the KPIs, nearly achieved 8 % of the KPIs and did not achieve 8 % of the KPIs;

10. Notes that additional indicators were adopted by the management board on 7 June 2019, subsequently amended on 18 February 2020, which call for quarterly reporting to the management board in the following areas: implementation of the Office's work programme, budget and finance, human resources, staff engagement, internal controls, and procurement;

Staff policy

11. Notes that, on 31 December 2019, the establishment plan was 75,35 % executed, with 214 temporary agents appointed out of 284 temporary agents authorised under the Union budget (compared to 214 authorised posts in 2018); notes that, in addition, 72 contract agents and 9 seconded national experts worked for the Office in 2019; notes with satisfaction that the Office's recruitment plan provides for a staff of 500 by 2020; points out the fact that the Office would not be in position to provide Member States with critical support to their asylum systems without resorting to the use of temporary agents and seconded national experts from the Member States; acknowledges the Office's proposal suggesting an asylum reserve pool of 500 Member State experts; calls on the Member States and the Commission to urgently assess and address that issue, allowing the Office to fully pursue its mandate; welcomes the fact that the recruitment situation has significantly improved; stresses that the Office must continue registering progress in recruitment; calls on the Office to report to the discharge authority about the status of implementation;

12. Regrets the Office's continued reliance on interim workers to compensate for the lack of deployed national experts; calls on Member States to comply with their obligations with regard to national experts since failure to do so compels the Office to rely on external contractors;

13. Encourages the Office to pursue the development of a long term human resources policy framework which addresses the work-life balance, the lifelong guidance and career development, the gender balance, the teleworking, the geographical balance and the recruitment and integration of people with disabilities;

14. Notes with concern that in 2019 senior management comprised eight men and three women; notes with satisfaction that a good gender balance was achieved with regard to the management board (16 men and 16 women); asks the Office to ensure gender balance at the senior management and staff level in the future;

15. Notes that the Office adopted a policy on protecting the dignity of the person and preventing harassment in 2019;

16. Notes the Office's reply that 81 % of posts were filled in 2019 (representing an increase of 7 % as compared with 2018) and that turnover decreased from 10 % in 2018 to 7 % in 2019;

17. Notes the pending case before the Court of Justice (C-948/19, Manpower Lit.) as regards the use of interim workers, addressing several questions concerning the application of Directive 2008/104/EC [2] to Union agencies;

Procurement

18. Welcomes the adoption of the Office's Standard Operating Procedures on Procurement Rules and Contract Management on 15 February 2019 and the steps taken as regards training and communication with the field offices on procurement matters;

Prevention and management of conflicts of interest, ethics and transparency

19. Notes the Court's finding that the Office's adherence to the 5 % staff reduction target has led to shortages in the area of IT services both in Greece and Italy to predict the timing and duration of relevant contracts and welcomes the fact that the Office has reformulated its templates for contracts to include a list of deliverables that are to be performed under the contract; calls on the Office to be vigilant in ensuring that there is no ambiguity or misconception as regards the temporary worker relationship or employment relationship between the Office and ICT consultants;

20. Notes the Office's reply to the discharge authority on the declaration of interests, which stated that all staff sign a declaration of interests upon entry into service; notes that the declaration of interests and CVs of all members of the management board and the executive director have been published on the Office's website; calls on the Office to urgently publish, without delay, the declarations of interests and CVs of the other senior management members on its website and to report to the discharge authority on the measures taken in that regard; stresses that such declarations should be established independently and should not solely rely on self-declarations;

21. Welcomes the revision of the Office's policies for the prevention and management of conflicts of interest, based on the latest guidelines of the Commission; recommends integrating those policies in all activities of the Office, such as training, procurement and recruitment of staff;

22. Underlines the fact that the current ethical framework applying to Union institutions and agencies suffers from considerable drawbacks due to its fragmentation and lack of coordination between existing provisions; highlights that those issues should be addressed by setting up a common ethical framework, ensuring the application of high ethical standards for all Union institutions and agencies;

23. Underlines that certain officials fill in declarations of absence of conflicts of interest and provide self-assessments with regard to respect for ethical standards; highlights, however, that such self-declarations and self-assessments are not sufficient and that additional scrutiny is therefore needed;

24. Notes with appreciation that ethics and integrity processes were reinforced, including awareness-raising measures; welcomes the adoption by the management board of a policy on protecting the dignity of the person and preventing psychological and sexual harassment, as well as the implementation of a procedure for the nomination of confidential counsellors, together with the nomination of an ethics correspondent as part of the human resources team; calls on the Office to report back to the discharge authority about the implementation and effectiveness of those measures;

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

25. Welcomes the adoption of guidelines on whistleblowing by the management board's decision of 20 September 2019 and notes that the Office's human resources team informed staff by email about these developments; calls on the Office to report to the discharge authority on the implementation and effectiveness of that measure;

Internal controls

26. Welcomes, as noted by the Court, the re-establishment of the internal legal service, the recruitment of a senior legal office, with plans to further strengthen this function, the recruitment of an ex-post controller and the establishment of a new internal and ex-post control service; notes that the establishment of an internal audit capability is still under consideration, awaiting the implementation of a cost-effectiveness analysis;

27. Welcomes the decision of the executive director of 30 September 2019 on the identification and management of sensitive functions within the Office; calls on the Office to document mitigating controls where exceptions to the list are necessary;

28. Notes, with regard to the challenges faced due to the multi-location character of the Office, the efforts taken by the Office to comply with the applicable rules when signing contracts for the lease of offices; notes that the Office is expected to have a policy for managing premises and related services by the first quarter of 2021; calls on the Office to continue to balance operational needs with the need to comply with applicable rules;

Other Comments

29. Notes the adoption of a new organigram by the Office's management board on 26 November 2019; acknowledges the reinforcement of the Office's governance structures, including the responsibilities of the executive office; stresses the importance of further strengthening the procurement function in light of the Court's ongoing findings regarding irregular procedures and associated payments; notes the Office's reply to the Court's finding and the measures taken by the Office to prevent a recurrence of those failures;

30. Highlights media reports that the Office illegally collected personal data about migrants, without informing the people subject to that data collection ([3]); notes the letter sent by the European Data Protection Supervisor (EDPS) to the Office concerning the monitoring of social media, in which he concluded that the Office's activities in that regard were in breach of the General Data Protection Regulation (GDPR) ([4]); welcomes the Office's decision, following the letter sent by the EDPS, to halt its social media monitoring activities indefinitely;

31. Stresses the importance of increasing the digitalisation of the Office in terms of internal operations and management procedures; stresses the need for the Office to continue to be proactive in that regard in order to avoid a digital gap between the Union agencies at all costs; stresses, however, the need to take all the necessary security measures to avoid any risk to the online security of the information processed;

32. Encourages the Office to continue promoting their work and activities to increase its public visibility;

33. Calls on the Office to continue to increase cooperation and exchanges of good practices with other Union agencies with a view to improving efficiency (human resources, building management, IT services and security);

34. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([5]) on the performance, financial management and control of the agencies.

([3]) https://euobserver.com/investigations/146856
([4]) https://edps.europa.eu/sites/default/files/publication/19-11-12_reply_easo_ssm_final_reply_en.pdf
([5]) Texts adopted, P9_TA(2021)0215.

DECISION (EU, EURATOM) 2021/1655 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0078/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU) 2018/1726 of the European Parliament and of the Council of 14 November 2018 on the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA), and amending Regulation (EC) No 1987/2006 and Council Decision 2007/533/JHA and repealing Regulation (EU) No 1077/2011 ([4]), and in particular Article 47 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0098/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 295, 21.11.2018, p. 99.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Grants the Executive Director of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) discharge in respect of the implementation of the Agency's budget for the financial year 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA), the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1656 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) for the financial year 2019,

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2019 (05793/2021 – C9-0078/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Regulation (EU) 2018/1726 of the European Parliament and of the Council of 14 November 2018 on the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA), and amending Regulation (EC) No 1987/2006 and Council Decision 2007/533/JHA and repealing Regulation (EU) No 1077/2011 ([4]), and in particular Article 47 thereof,

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

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([6]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0098/2021),

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 295, 21.11.2018, p. 99.
([5]) OJ L 122, 10.5.2019, p. 1.
([6]) OJ L 328, 7.12.2013, p. 42.

1. Approves the closure of the accounts of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) for the financial year 2019;

2. Instructs its President to forward this decision to the Executive Director of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA), the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1657 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) for the financial year 2019,

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0098/2021),

A. whereas, according to its statement of revenue and expenditure [1], the final budget of the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) (the 'Agency') for the financial year 2019 was EUR 288 403 000, representing a significant increase of 40,23 % compared to 2018; whereas the increase was related to the amount carried forward from 2018 and an increase in workload and staff; whereas the Agency's budget derives almost exclusively 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 2019 (the 'Court's report'), states that it has obtained reasonable assurance that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Regrets that budget-monitoring efforts during the financial year 2019 resulted in a budget implementation rate of 44,51 %, representing a decrease of 30,67 % compared to 2018; observes that the low implementation rate was caused by a lack of alignment between the budgetary planning for new tasks as presented in the respective legislative financial statements prepared by the Commission and the actual date of the entry into force of the relevant legal acts or the completion of subsequent acts, as well as the late adoption and entry into force of certain legal acts; notes that because of the low budget implementation rate, the Agency returned EUR 66 million to the Commission in payment appropriations, including EUR 23 million not requested when the budget was established, and carried forward EUR 159 million in commitment appropriations which was authorised by the management board; notes that this calls into question the planning assumptions in the legislative financial statements prepared by the Commission; notes that the incorporation of a significant amount of resources in the budget for the implementation of legislation not yet adopted presents a serious risk to the efficient use of appropriations, in particular to those appropriations not requested by the Agency itself; notes that the budget implementation problem was also reported by the Court for the financial year 2018; notes that according to the Agency's reply, risks associated with the incorporation of resources in the Agency's budget for legislation not yet adopted are systematically reported to the management board; calls on the Agency, together with the Commission, to improve the alignment of budgetary planning with the timing of legal acts; calls on the Commission to involve the Agency in the preparation of the respective legislative financial statements at the earliest possible stage; notes, furthermore, that the payment appropriations execution rate was 92,28 %, representing a decrease of 1,80 % compared to 2018;

2. Notes with regard to the follow-up of the discharge authority's comment made in the previous year concerning the agreement to construct the Agency's new premises in Strasbourg, that the Agency registered statements of defence with the Court of First Instance of Strasbourg on 15 May 2018 and on 15 February 2019 and that the talks that aimed to reach an out-of-court settlement were restarted in April 2019; notes that, between December 2019 and April 2020, a second exchange of pleadings took place in both cases at the Administrative Court of Strasbourg (a financial claim and a judicial take-over claim), and that on 20 May 2020, the Administrative Court confirmed that the pre-trial phase was over for both cases; notes that hearings for both cases took place on 23 July 2020 and that

[1] OJ C 107, 31.3.2020, p. 172.

the Administrative Court fully dismissed both claims; notes that. on 22 September 2020, two appeals were filed by the applicant before the Administrative Court of Appeal of Nancy; notes that the deadline for the Agency to submit the statements of defence before the Administrative Court of Appeal of Nancy was 10 February 2021; calls on the Agency to inform the discharge authority as soon as the judgements of the Administrative Court of Appeal of Nancy are issued;

Performance

3. Welcomes the fact that the Agency uses certain tools such as key performance indicators to assess the added value provided by its activities and to improve its budget management, such as the number of identified critical shortcomings during security tests, the percentage of identified security risks treated by assured security controls and the ratio of activities identified in the annual work programme carried out or on schedule;

4. Reminds the Agency of the need to regularly review and update its performance measurement system and key performance indicators to ensure the Agency's efficient contribution to Union policies and its expertise at Union level; encourages the Agency to carefully analyse the outcomes of its performance measurement and use this analysis to improve its strategy and activity planning;

5. Stresses that the Agency offers an important contribution to a safer Europe by ensuring the highest levels of information security and data protection to the information entrusted to it, providing high-quality services and helping to align Member States' technological capabilities with their needs; draws attention to the need to take all necessary measures to avoid any risk to the information processed; recalls that the Agency's capacity to both improve existing and develop new information systems was enhanced by its new mandate which entered into force in December 2018; recalls that 2019 was the first full year after the entry into force of Regulation (EU) 2018/1726 ([2]) and welcomes the efforts made by the Agency to adapt to these new rules;

6. Notes with appreciation that the Agency is aiming to ensure cost efficiency and economy of scale through pooling resources with and via other agencies through participation in interinstitutional calls for tenders and contractual arrangements with other service providers to reduce administrative costs and to avoid duplication of horizontal services; encourages the Agency to expand its participation in interinstitutional collaboration also to the fields of cybersecurity or ecological transition; notes that the Agency is working closely with the agencies in the justice and home affairs domain and that working arrangements and cooperation plans are in place with the European Asylum Support Office, the European Union Agency for Criminal Justice Cooperation, the European Union Agency for Law Enforcement and Cooperation, the European Union Agency for Law Enforcement Training, the European Union Agency for Fundamental Rights, the European Union Agency for Cybersecurity and the European Border and Coast Guard Agency; encourages and calls on the Agency to continue to actively seek further and broader cooperation and exchange of good practices with other Union agencies with a view to improve efficiency, particularly with respect to human resources, building management, IT services and security;

7. Notes in light of the observations and comments made by the discharge authority as part of the 2018 discharge, that the Agency manages three separate, non-integrated, large-scale IT systems, and that the different development timelines and constraints stemming from the separate legal frameworks governing these systems have caused the IT systems to be built separately in a non-integrated way; notes that the Agency has launched the transversal engineering framework tender that is meant to significantly increase efficiency and economies of scale and more closely reflect the new organisational structure of the operations department and calls on the Agency to report to the discharge authority on the progress made;

8. Notes that in 2019, the Agency launched a corporate transformation programme named eu-LISA 2.0 with the aim of aligning the Agency's organisation with its new mandate and responsibilities while ensuring that the reorganisation project is open, transparent and involves the Agency's staff; notes that the Agency concluded a change of its organisational structure on 1 September 2019 and that completely new organisational matrix structures for the operations department and the corporate governance department have been designed and implemented;

9. Welcomes the new organisational structure put in place by the Agency that reinforces the capabilities needed for operational planning and the underlying procurement, including the provision of legal and technical input; calls, however, for further efforts to ensure compliance with procurement rules and for more accurate internal controls and reporting;

([2]) Regulation (EU) 2018/1726 of the European Parliament and of the Council of 14 November 2018 on the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA), and amending Regulation (EC) No 1987/2006 and Council Decision 2007/533/JHA and repealing Regulation (EU) No 1077/2011 (OJ L 295, 21.11.2018, p. 99).

10. Welcomes the progress made regarding the Court's recommendations from previous years and that, since the beginning of 2019, the Agency publishes vacancy notices on the European Personnel Selection Office website;

Staff policy

11. Notes with concern that, on 31 December 2019, the establishment plan was only 89,53 % implemented, with 154 temporary agents appointed out of 172 temporary agents authorised under the Union budget (compared to 136 authorised posts in 2018); notes that, in addition, 61 contract agents and 8 seconded national experts worked for the Agency in 2019;

12. Notes with concern the lack of gender balance reported for 2019 for senior managers, the management board (50 men and 8 women) and staff; invites the Agency to increase its effort to achieve gender balance at all levels; asks the Commission and the Member States to take into account the importance of ensuring gender balance when nominating their members to the Agency's management board;

13. Encourages the Agency to pursue the development of a long-term human resources policy framework which addresses work-life balance, lifelong guidance and career development, gender balance, teleworking, geographical balance, and the recruitment and integration of people with disabilities;

14. Notes that, according to the Court's report, the audit of the recruitment procedures showed that the assessment of applications against the eligibility criteria was not always rigorous enough, in one case leading to the unequal treatment of candidates; notes from the Agency's reply that it acknowledges that observation and commits to ensuring that all applicants are treated equally;

15. Notes that the workload of the Agency has increased significantly over the years and that the limited number of staff remains one of the main challenges for the Agency from both a short and a long-term perspective; notes that the Agency expected the number of staff to increase to over 300 by the end of 2020; acknowledges that staff increase is subject to approval by Parliament and the Council, and that the Agency is trying to mitigate the impact of this limited number of staff through the reprioritisation of tasks and quick recruitment; points out that the current practice of recruiting the staff necessary for the implementation of a legal act only once that legal act is in force relies on existing staff to conduct the preparatory measures for the implementation of that legal act, thus stretching the Agency's core team capacity, and, therefore, carries the risk of affecting the Agency's performance of its daily tasks; calls on the Commission to allow for the frontloading of some of the staff foreseen in a proposal for a legal act in order to allow the Agency to efficiently prepare for the implementation of such legal act;

16. Notes the difficulties faced by the Agency in the recruitment of qualified staff and the retention of such staff over a longer period of time; highlights the important role played in this issue by the annual decision concerning the correction coefficient applicable to the remuneration and pensions of officials and other servants of the Union; underlines that the correction coefficients vary significantly from one Member State to another which has a serious impact on the ability of agencies located in Member States with lower correction coefficients to recruit and retain staff and expertise; calls on the Commission to consider the possibility of setting up different correction coefficients based on a regional rather than a national assessment; highlights that the headquarters of agencies located in Member States with lower correction coefficients are usually in capital cities where living and subsistence costs are significantly higher than in other parts of those Member States;

17. Notes that in light of the scale and complexity of its operations, the Agency cannot avoid using private contractors and that the Agency retains the services of 96 external service providers, not including the members of staff of the companies contracted to support the Agency in the operational management of the existing systems or for the development of the new ones; notes that in 2019, the Agency sought approval for additional members of staff (17 contract agents) but that the Commission did not give such approval; notes that the dependency on private contractors can only be reduced by a further substantial staff increase within the Agency beyond the figures of its present establishment plan;

18. Notes that the Agency has adopted a policy on protecting the dignity of persons and preventing harassment; notes that following a request by a member of staff in October 2018, the Agency opened an administrative inquiry in 2019 that was completed in September 2019 with a disciplinary measure; acknowledges that a complaint was issued against that disciplinary measure and that the Agency replied on 3 August 2020; notes that a court case was lodged before the General Court by the member of staff concerned; calls on the Agency to report to the discharge authority by June 2021 with regard to the progress made and, if applicable, correction measures taken following a final decision of the General Court; notes that based on the data from the confidential counsellors, there were nine harassment cases reported during 2019 but none of these cases resulted in members of staff requesting support through either formal or informal procedures;

Procurement

19. Notes that according to the Court's report, a payment of EUR 284 000 regarding the provision of 'corrective maintenance in working order of the Schengen Information System' under a framework contract (the 'MWS contract') referred to a time period not covered by the duration of the MWS contract and, as a result, was not in compliance with the contractual provisions; notes that according to the Agency's reply that finding concerns the extension of the Schengen Information System corrective maintenance for unavoidable operational reasons which was already included in a report on the Agency's accounts for the year 2018, and that no corrective action could be taken;

20. Notes with regard to the follow-up of the Court's findings for the previous year that the evaluation formula stipulated in the tender specifications for the MWS contract was different from the one communicated in the question and answer document for bidders and that the Agency should strengthen procurement-related internal controls; notes that according to the Agency's follow-up, *ex post* assessment is not deployed as a function within the procurement process due to the lack of allocated human resources but that the Agency took steps aimed at mitigating the risk highlighted in the observation by strengthening contract and vendor management capabilities and re-assigning the staff responsible for the preparation and evaluation of the tender to other operational roles;

21. Notes with regard to the follow-up of the Court's findings for previous year that the Agency increased the prices of a framework contract without amending it and extended one specific contract after the expiry of the framework contract; notes that the Agency took steps aimed at strengthening contract and vendor management;

Prevention and management of conflicts of interest, ethics and transparency

22. Acknowledges the Agency's existing measures and ongoing efforts to secure transparency, prevention and management of conflicts of interest, and whistleblowing; notes that the Agency has in place rules on the prevention and management of conflicts of interest for members of staff; notes that in 2019 the Agency organised one training session on ethics and integrity with a focus on whistleblowing and fraud delivered by a representative of the European Anti-Fraud Office (OLAF), two training sessions on ethics and the code of conduct covering the prevention of harassment and whistleblowing with the involvement of the Agency's confidential counsellors, and three training sessions on the management of conflicts of interest; notes that in 2019, 106 declarations of interest were submitted by members of staff appointed as agents or verifiers in the operational and financial circuits and by newcomers, of which 21 declared an interest, and that for one member of staff it was advised to not participate in several actions to comply with the rules preventing conflicts of interest; notes that in June 2020, the management board was expected to adopt new rules on conflicts of interest that would apply to all members of staff of the Agency, including its senior management; calls on the Agency to report to the discharge authority by June 2021 with regard to the progress made;

23. Underlines the fact that the current ethical framework applying to Union institutions and agencies suffers from considerable drawbacks due to its fragmentation and lack of coordination between existing provisions; highlights that these issues should be addressed by setting up a common ethical framework, ensuring the application of high ethical standards by all Union institutions and agencies;

24. Underlines that certain officials fill in declarations of absence of conflicts of interest and provide self-assessments with regard to respect for ethical standards; highlights, however, that such self-declarations and self-assessments are not sufficient and that additional scrutiny is therefore needed;

25. Notes that according to the Agency's reply there is no legal obligation to publish the CVs of the members of its management board; highlights in that respect that the Union agencies should set an example in terms of transparency and calls on the members of the management board to publish their CVs on the Agency's website; notes that the Agency will continue to encourage the representatives of the management board to provide their CVs in order to increase transparency; calls on the Agency to report to the discharge authority by June 2021 with regard to the progress made;

Internal Controls

26. Notes that the internal audit service, as a result of the audit on the 'Agency's Staff Recruitment, Management and Engagement of Structural Service Providers (SSPs) and Organisational Ethics' carried out in 2019, concluded two 'very important' issues; notes that the Agency will put in place an action plan addressing the recommendations; calls on the Agency to report to the discharge authority on the implementation of the audit recommendations;

27. Notes in light of the comments and observations from the discharge authority related to open audit recommendations that at the end of 2019 the implementation rate of audit recommendations was 62 % (21 implemented out of 34 recommendations); notes that in total 32 recommendations were open at the end of 2019 out of which none were 'critical'; notes that in 2020 the Agency took firm and urgent actions aimed at addressing the delayed recommendations, including providing revised target implementation dates; calls on the Agency to report to the discharge authority by June 2021 on the implementation of the audit recommendations;

28. Notes that the Agency adopted and deployed the revised internal control framework early in 2019;

29. Stresses the importance of increasing the digitalisation of the Agency in terms of internal operations and management procedures; stresses the need for the Agency to continue to be proactive in this regard in order to avoid at all costs a digital gap between the Union agencies; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed by the Agency;

30. Notes the efforts made to increase the Agency's cybersecurity and data protection;

Other comments

31. Notes that in anticipation of the UK's withdrawal from the Union, the Agency made all the necessary preparations to execute the disconnection of the UK and the possible deletion of the UK data from the Schengen Information System and the European Asylum Dactyloscopy Database as and when required by the legal framework; notes that the Agency made the necessary preparations for the application of the provisions of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community ([3]) and the respective Commission guidelines regarding the UK's participation in the Agency's governance bodies, human resources management, statistical reports and other relevant matters;

32. Welcomes the Agency's active online presence in 2019; encourages the Agency to continue promoting its work, research and activities to increase its public visibility;

33. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 29 April 2021 ([4]) on the performance, financial management and control of the agencies.

([3]) OJ L 29, 31.1.2020, p. 7.
([4]) Texts adopted, P9_TA(2021)0215.

DECISION (EU, EURATOM) 2021/1658 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

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 2019

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 2019,

— having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2019, together with the Joint Undertakings' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2019 (05795/2021 - C9-0029/2021),

— 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) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([3]), and in particular Article 70 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 Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([5]),

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([6]),

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

— having regard to the report of the Committee on Budgetary Control (A9-0110/2021),

([1]) OJ C 380, 11.11.2020, p. 6.
([2]) OJ C 380, 11.11.2020, p. 6.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 90, 30.3.2007, p. 58.
([5]) OJ L 328, 7.12.2013, p. 42.
([6]) OJ L 122, 10.5.2019, p. 1.

1. Grants the Director of the European Joint Undertaking for ITER and the Development of Fusion Energy discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Director of the European Joint Undertaking for ITER and the Development of Fusion Energy, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1659 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2019

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 2019,

— having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2019, together with the Joint Undertakings' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2019 (05795/2021 - C9-0029/2021),

— 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) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([3]), and in particular Article 70 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 Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([5]),

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([6]),

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

— having regard to the report of the Committee on Budgetary Control (A9-0110/2021),

([1]) OJ C 380, 11.11.2020, p. 6.
([2]) OJ C 380, 11.11.2020, p. 6.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 90, 30.3.2007, p. 58.
([5]) OJ L 328, 7.12.2013, p. 42.
([6]) OJ L 122, 10.5.2019, p. 1.

1. Approves the closure of the accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2019;

2. Instructs its President to forward this decision to the Director of the European Joint Undertaking for ITER and the Development of Fusion Energy, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1660 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget for the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2019

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 2019,

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

— having regard to the report of the Committee on Budgetary Control (A9-0110/2021),

A. whereas the European Joint Undertaking for ITER and the Development of Fusion Energy (the 'Joint Undertaking') was established in March 2007 for a period of 35 years by Decision 2007/198/Euratom ([1]);

B. whereas the members of the Joint Undertaking are Euratom, represented by the Commission, the member states of Euratom, and third countries which have concluded a cooperation agreement with Euratom in the field of controlled nuclear fusion;

C. whereas the objectives of the Joint Undertaking are to provide the Union's contribution to the ITER international fusion energy project, to implement the broader approach agreement between Euratom and Japan, and to prepare for the construction of a demonstration fusion reactor;

D. whereas the Joint Undertaking started to work autonomously in March 2008;

General

1. Notes that the report of the Court of Auditors (the 'Court') on the Joint Undertaking's annual accounts for the financial year 2019 (the 'Court's report') finds the annual accounts to present fairly, in all material respects, its financial position at 31 December 2019 and the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with its financial regulation and with the accounting rules adopted by the Commission's accounting officer; notes, moreover, that the underlying transactions to the accounts for the financial year 2019 are, in all material respects, legal and regular;

2. Notes from the Court's report the emphasis of matter drawing attention to the new ITER project baseline approved by the ITER Council in November 2016; notes that the estimate for the achievement of 'First Plasma' and the start of the operational phase is in 2025 with the completion of the construction phase in 2035, whereas the 2010 baseline estimated the achievement of the construction phase in 2020 and the new baseline considers it to be at the earliest possible technically achievable date; notes from the Joint Undertaking's progress report to the Council and Parliament that the ITER progress towards First Plasma phase is 67,3 % and that for the ITER construction phase is 53,3 %;

3. Notes with concern that the Joint Undertaking recalculated its contribution to the project construction phase at EUR 12 000 000 000, up from EUR 6 600 000 000 as approved by the Council in 2010 (in 2008 values); notes that this figure does not include contingencies, even though the Commission suggested that a contingency of up to 24 months in terms of schedule and 10 to 20 % in terms of budget would be appropriate; calls on the Joint Undertaking to report to the discharge authority any development in that regard;

4. Notes that in April 2018, the Commission, mandated by Council, approved the new ITER baseline on behalf of Euratom and reaffirmed the commitment to make resources available within the limits of the next multiannual financial framework; notes that the current baseline lasting to 2035 is still in place and will be subject to update in November 2021;

5. Takes note of the fact that some ITER Organization's members' financial contributions are yet to be received; notes that contributions to be received by ITER Organization in 2018 were EUR 119 363 000 and in 2019 they amounted to EUR 166 240 000; calls on the Joint Undertaking to report to the discharge authority developments and a concrete plan of action in that regard;

([1]) OJ L 90, 30.3.2007, p. 58.

6. Notes that on 29 December 2020 the UK and Euratom signed a nuclear cooperation agreement according to which the UK is to participate as a member of the Joint Undertaking of ITER and the development of Fusion Energy (F4E) as per the F4E Council Decision, and its statutes; notes that the UK will access Euratom again as an associate member and will keep contributing to F4E and ITER;

7. Is aware of the fact that in addition to the construction phase, the Joint Undertaking will have to contribute to the ITER operational phase after 2035 and to the subsequent ITER deactivation and decommissioning phases as part of the ITER agreement ([2]); notes that the contribution to the deactivation and decommissioning phases were estimated, respectively, at EUR 95 540 000 and EUR 180 200 000 (at 2001 values);

8. Notes with concern that there remains a risk of further cost increases and delays in the implementation of the ITER project; notes that until March/April 2020, the Joint Undertaking was able to maintain the various component delivery dates in line with the schedule to First Plasma at end 2025 despite some delays, but that the COVID-19 pandemic has caused additional risks which are currently under analysis and for which it is unclear if the schedule to First Plasma can be maintained; calls on the Joint Undertaking to report to the discharge authority the result of updating the baseline which is due in November 2021; suggests that, order to avoid successive upward revisions of the projected cost of the project, to avoid delays in the expected dates of operational milestones and to ensure the highest possible degree of schedule reliability while taking into account the consequence of the world health situation, the ITER Organization include a reasonable contingency on any revised schedule; proposes a contingency of up to 24 months and 10 to 20 % of the budget proposed by the Commission in this regard;

Budget and financial management

9. Notes that the final 2019 available budget included commitment appropriations of EUR 729 708 445 and payment appropriations of EUR 761 187 699; notes that the utilisation rates for commitment and payment appropriations were 99,8 % and 97,1 % respectively (compared to 98,4 % and 96,1 % in 2018);

10. Notes from the Court's report that in 2019, the budget for Chapter 3.4 – Other Operational Expenditure increased by 85 % to EUR 7 372 404 compared to 2018 and that that budget heading is used for diverse categories of expenditure; notes from the Court's report that to ensure adherence to the budget principles of transparency and specification, a separate budget chapter for each expenditure category should be created: calls on the Joint Undertaking to review its budgetary lines and budget reporting methods and report to the discharge authority developments in that regard;

11. Notes that out of EUR 729 708 445 available for commitment appropriations, 100 % was implemented through direct individual commitments (compared to 98,4 % in 2018) showing an increase of 1,6 %;

12. Notes that, in 2019, the balance of the budget outturn amounted to EUR 824 174 (compared to EUR 1 316 734 in 2018);

13. Notes with great concern from the Court's report that in one high-value procurement procedure in 2019 the Joint Undertaking's initial published schedules and deadlines were unrealistic as they did not fully take into account the complexity of the process itself (namely, on-site-visits) or of the contract; notes from the Joint Undertaking's reply that the planned procurement schedule was indeed challenging but compliant with the regulatory requirements, and that it undertook every possible step to safeguard fair and transparent competition; notes, furthermore, that the Court's report finds that, with respect to the evaluation process, in one case the administrative burden to prove equivalence to the specific certification, required as part of the selection criteria, may have deterred potential contractors holding equivalent certifications from submitting a tender; notes the Joint Undertaking's reply that the certification requirement was driven by the nuclear regulatory framework for the ITER installation under French law, that it mitigated the effect on competition by allowing equivalent certifications to be used, and that it could not pre-evaluate potentially equivalent certifications; calls on the Joint Undertaking to anticipate and launch its procurement procedure in diligent and realistic manner, to avoid potential overdrafts or delays, as well as loss of funds; calls on the Joint Undertaking to improve its procurement planning process in publishing realistic timeframes from the beginning and its evaluation and negotiation process in defining clearly the scope of negotiation in the tender documents;

([2]) OJ L 358, 16.12.2006, p. 62.

14. Notes that the Joint Undertaking has implemented the remedial action to enhance the financial and controlling system aiming to improve transparency, and that the new system was assessed by the Court in its audit process in 2019 which confirmed that the new IT tool is now providing the assurance to manage the mission and assigned the cost of missions to the different budgetary chapter; notes, moreover, from the Joint Undertaking's reply that it will establish a specific budget line hosting the cost of insourced external resources but not for other operational expenditure of an administrative nature under Chapter 3.4 - Other Operational Expenditure, considering it represents a very low amount compared to the scale of operational expenditure;

Performance

15. Notes from the annual assessment that the panel of assessors concluded that the level of nuclear safety culture within the Joint Undertaking is not satisfactory; notes and welcomes the fact that during 2019, the Joint Undertaking issued a new action plan in response to the new internal audit capability's audit report on nuclear safety management and that the audit on neutral beam contracts is now considered to be fully implemented;

16. Notes from the Court's report that in 2019, the Joint Undertaking's governing board appointed an ad hoc group to review its reporting system, and that the ad hoc group proposed that a new earned value management (EVM) system should be introduced, as endorsed by the governing board in April 2019; notes with concern, however, that the proposed EVM system does not take into account all the independent experts' recommendations or provide clear information on what technical progress was achieved against costs incurred to date regarding the total delivery obligations of the Joint Undertaking's for the ITER project; notes from the Court's report that considering the importance of the new EVM system to track performance, it is crucial, that its effectiveness during the implementation phase is monitored by the Joint Undertaking and that the governing board is informed where significant issues emerge; stresses that the EVM system is in line with the requirements of the Joint Undertaking's governing board, which is composed of Member States and which assigned a dedicated working group to design the EVM system according to the special characteristics of the Joint Undertaking; notes from the Joint Undertaking's reply that the EVM is now stable and is the result of extensive interaction with multi-annual planning expert ad-hoc group (the 'Group'); notes the Group's recommendation that textbook EVM measures are not recommended because of the special features of the Joint Undertaking and the amount of effort that would require to implement them, and that the EVM measures should be used to monitor the Joint Undertaking's performance instead; notes, furthermore, that the Joint Undertaking considers that no further action is necessary in that regard, having fully complied with the Group's decisions; welcomes the Joint Undertaking's adoption of a more consistent reporting on project performance through the adoption of a project booklet; calls on the Joint Undertaking to broaden the EVM system with the criteria used to analyse the independent experts' recommendations and guarantee public access to the project booklet;

17. Notes that the Joint Undertaking uses key performance indicators (KPIs) in different projects and programmatic areas as well as technical and non-technical indicators, and that the Joint Undertaking ensures that the baseline is maintained through change control processes together with the ITER Organization; notes that measurable efficiency gains were achieved through improvement projects targeting the time to recruit, the time to procure as well as the signing and paying of contracts; notes that the Joint Undertaking completed four improvement projects on the estimate at completion processes, the tool for contract deviations, document management and reducing schedule delays; invites the Joint Undertaking to take further steps to calibrate its KPIs to best measure both overall delivery and the project-specific objectives' achievement;

18. Requests that the Joint Undertaking reviews its communication strategy to ensure that relevant stakeholders are aware of its mission, activities and achievements;

19. Notes that governance bodies have closely monitored the progress and performance of the buildings and the vacuum vessel projects, maintaining the buildings project within the set budget and adopting a performance acceleration plan in regard to the vacuum vessel project; notes furthermore the new contract strategy for the poloidal field coils to enhance the project performance and mitigate risks;

Prevention and management of conflicts of interest and transparency

20. Notes that the Joint Undertaking's updated anti-fraud strategy was adopted by the governing board in late 2019 together with an action plan; notes, moreover that a new business process management policy frame was introduced with a full process mapping and the compilation of a complete portfolio of working procedures; encourages the Joint Undertaking to further strengthen its ethics framework by revising and improving the measures to prevent harassment, fraud and conflicts of interest and to protect whistleblowers;

21. Notes that the European Anti-Fraud Office and the ethics officer coordinated and drafted the Joint Undertaking's anti-fraud strategy, including its action plan for 2020 to 2023 seeking enforcement of the management of conflicts of interest in particular with regard to the selection of staff and the phase of contract implementation, and payments and that that was adopted by the governing board at the end of 2019; notes that concerning declarations of interest, new actions for 2020 to 2023 have been elaborated on the basis of a comprehensive risk assessment done by the risk officer together with the ethics officer;

22. Notes that in line with the anti-fraud policies adopted, the Joint Undertaking has published the CVs and declarations of interest of the members of its governing board; welcomes the publication of the declarations of interest of the members of the Joint Undertaking's governing board; some of declarations have the possibility to be edited online, including the name; calls for the updating the declarations to correct this issue;

Staff and recruitment

23. Notes from the Court's report that the focus areas of the 2019 assessment by the external expert panel included human resource management and that it identified several problems and risks at senior management and corporate culture level; notes from the Court's report that this situation, if unresolved, could negatively affect the performance of the Joint Undertaking's staff; notes from the Joint Undertaking's reply that its management is taking action by introducing a comprehensive leadership development programme, including coaching and 360° feedback, among other measures recommended by the assessors; urges the Joint Undertaking to diligently adopt and comply with the recommendation and to avoid compromising the Joint Undertaking's performance and the wellbeing of its employees;

24. Notes from the Court's report that due to the restriction of the establishment plan in terms of statutory staff, the Joint Undertaking increasingly uses contracted or insourced resources, including for positions that are considered to be the Joint Undertaking's core competencies and responsibilities (such as the nuclear safety unit), already reaching in 2019 the level of approximately 62 % of its statutory staff; notes from the Court's report that the Joint Undertaking's human resource management does not have up-to-date information on the size of those resources, as its management is decentralised at unit or directorate level, and that this situation presents significant risks concerning the retention of key competencies, unclear accountability, possible judicial disputes, and lower staff efficiency; notes, moreover, that the costs for the insourced staff are charged to Chapter 3.4 – Other Operational Expenditure, together with various other operational costs, which is contrary to the budget principle of specification and transparency; notes the Joint Undertaking's reply that a breakdown of the Chapter 3.4 with the creation of a specific budget line hosting the cost of insourced external resources will be established from the 2021 budget onwards; calls on the Joint Undertaking to review and adequately adapt its human resources policies, recruitment procedures and staff and budget estimates; calls on the Joint Undertaking to immediately report any identified potential difficulties to the Commission and the European Personnel Selection Office in order to remedy the situation and avoid understaffing and backlogs; stresses that the Joint Undertaking must consider potential security and reputational risks that excessive outsourcing and use of external providers may bring;

25. Notes that, at the end of 2019, F4E had 159 women and 279 men on its establishment plan, with men occupying the majority of posts in two out of the three staff categories, while over 50 % of Union contract agents were women; notes also that 22 Member States were represented among the Joint Understanding's staff, that most members of the staff came from three Member States, and that one member of staff came from each of a further four Member States; urges the Joint Undertaking to seek a balanced gender and geographical representation, while acknowledging that this depends on applicants for vacancies or those responding to requests for expression of interest.

26. Notes from the Joint Undertaking's reply that the budgetary caps on statutory staff provided for in the establishment plan fall well below the needs of the ITER project, and that the various actions provided for under this risk management programme launched in April 2020 tackle the issues mentioned by the Court and provide safeguards; notes, moreover, that the cost-benefit analysis and benchmarking requested by the administration and management committee for November 2020 will also allow discussion on the Joint Undertaking's reliance on external resources and statutory requirements; notes, furthermore, that the Joint Undertaking has taken measures to improve staff selection procedures by enhancing compliance and quality of recruitments and reducing administrative burden and lead-time, and that those measures have been consolidated in the revised internal and external selections standard operating procedures adopted in January 2020;

27. Notes that the Joint Undertaking established and adopted its own health and safety management system in 2019 to safeguard occupational health derived from the Council Directive 89/391/EEC ([3]);

Internal Control

28. Welcomes the fact that the Joint Undertaking's governing board adopted in 2019 an update of its internal control strategy, which aims to provide reasonable assurance to the F4E director and external stakeholders on the state of Joint Undertaking's internal control, and that it is structured along the three main lines of defence of the institute of internal auditors and combines the ITER-wide quality system and the Commission internal control framework (ICF); notes that the Joint Undertaking has a system to manage risks at corporate and project level based on its integrated management system and the management and internal control standards; notes that the overall assessment of the integrated management system concluded that the system is effective overall with some improvements needed; notes that the improvement of the ICF depends on the clarity of the KPIs used to monitor the effectiveness of the established control activities; notes the fact that most of the Joint Undertakings adopted the Commission's new ICF;

29. Notes that, during 2019, the Joint Undertaking closed two *ex post* audits on grants and that two others remain on-going; notes that the grants account for a minimum portion of the operational budget and that in 2019, the Joint Undertaking's commitments on grants represented only 0,13 % of the total operational commitment appropriations; calls on the Joint Undertaking to organise *ex-post* audits on the use of more significant budgetary means;

30. Notes the Joint Undertaking's reply that it agrees on the importance of effective communications and that it has a clearly defined external communication policy, setting out key priorities, objectives, and expected outcomes;

Operational procurement and grants

31. Notes that during 2019, 43 operational procurement procedures were launched, 74 operational procurement contracts were awarded and 75 were signed.

([3]) Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work (*OJ L 183, 29.6.1989, p. 1*).

DECISION (EU, EURATOM) 2021/1661 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the SESAR Joint Undertaking for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the SESAR Joint Undertaking for the financial year 2019,

— having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2019, together with the Joint Undertakings' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2019 (05795/2021-C9-0030/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Council Regulation (EC) No 219/2007 of 27 February 2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR) ([4]), and in particular Article 4b thereof,

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([5]),

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([6]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0106/2021),

([1]) OJ C 380, 11.11.2020, p. 6.
([2]) OJ C 380, 11.11.2020, p. 6.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 64, 2.3.2007, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.
([6]) OJ L 122, 10.5.2019, p. 1.

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 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Executive Director of the SESAR Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1662 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the SESAR Joint Undertaking for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the SESAR Joint Undertaking for the financial year 2019,

— having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2019, together with the Joint Undertakings' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2019 (05795/2021-C9-0030/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

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

— having regard to Council Regulation (EC) No 219/2007 of 27 February 2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR) ([4]), and in particular Article 4b thereof,

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([5]),

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([6]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0106/2021),

([1]) OJ C 380, 11.11.2020, p. 6.
([2]) OJ C 380, 11.11.2020, p. 6.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 64, 2.3.2007, p. 1.
([5]) OJ L 328, 7.12.2013, p. 42.
([6]) OJ L 122, 10.5.2019, p. 1.

1. Approves the closure of the accounts of the SESAR Joint Undertaking for the financial year 2019;

2. Instructs its President to forward this decision to the Executive Director of the SESAR Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1663 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

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 2019

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 2019,

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0106/2021),

A. whereas the SESAR Joint Undertaking (the 'Joint Undertaking') was set up in February 2007 by Council Regulation (EC) No 219/2007 ([1]) to run the Single European Sky Air Traffic Management Research (SESAR) programme, which aims to integrate and coordinate research and development activities to modernise Air Traffic Management (ATM) in the Union; whereas the maximum Union contribution for SESAR 1 is EUR 700 000 000;

B. whereas, following the adoption of Council Regulation (EU) No 721/2014 ([2]), the SESAR 2020 extended the lifetime of the Joint Undertaking until 31 December 2024;

C. whereas the Joint Undertaking was designed as a public-private partnership, with the Union and Eurocontrol as founding members;

D. whereas the Union contribution (including EFTA's) for the SESAR 2020 (from 2014 to 2024) funded from Horizon 2020 is EUR 585 000 000;

General

1. Notes that the report of the Court of Auditors (the 'Court') on the Joint Undertaking's annual accounts (the 'Court's report') finds the 2019 annual accounts to present fairly, in all material respects, the financial position of the Joint Undertaking at 31 December 2019, the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with the Joint Undertaking's Financial Regulation and with accounting rules adopted by the Commission's accounting officer; notes that the transactions underlying the accounts are legal and regular in all material respects;

2. Notes that the Commission provided funds to the Joint Undertaking from the Seventh Framework Programme and the Horizon 2020, as well as from the Trans-European Transport Network (TEN-T) under the Multiannual Financial Framework 2007-2013 and from the Connecting Europe Facility (CEF) under the Multiannual Financial Framework 2014-2020;

3. Notes that, following a call for expressions of interest in 2015, 19 public and private entities from the aviation sector became members of the Joint Undertaking;

4. Notes that the Joint Undertaking launched two calls for proposals under Horizon 2020, resulting in 15 selected proposals and 13 projects launched for the Wave 2 call, and 29 selected proposals for the fourth Exploratory research call; notes that the completion of the SESAR 2020 Wave 1 in 2019 resulted in the delivery of 21 SESAR Solutions ready for industrialisation; notes that in 2019 the Joint Undertaking had 70 projects running under SESAR 2020, comprising 17 projects for exploratory research, 32 for industrial research and validation, and 21 for very large-scale demonstrations (of which seven were completed during the year); notes that the Joint Undertaking adopted the updated 2020 European ATM Master Plan, and provided support to the Commission on the technological aspects of the Single European Sky;

([1]) 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) (OJ L 64, 2.3.2007, p. 1).

([2]) 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).

5. Notes the increasing importance of the Joint Undertaking's work in light of emerging technologies enabling autonomous and unmanned aircraft;

6. Calls for a comprehensive programme that includes all steps towards the finalisation of the development phase of the next generation of air traffic management system;

7. Points out that one of the main achievements of the Joint Undertaking is the free routing to reduce flight and fuel emissions; believes its successor, should further contribute to the sustainability of the aviation sector in line with the objectives of the Green Deal; believes moreover that that successor should contribute making the aviation market more flexible and resilient to traffic fluctuations, establishing the Single European Sky as the most efficient and environmentally friendly airspace in the world;

Budget and financial management

8. Notes that, in 2019, the total available budget, including re-entered unused appropriations of previous years, assigned revenues and reallocations to the next year, consisted of commitment appropriations amounting to EUR 161 041 597 (of which EUR 112 618 000 came from the Union budget) and payment appropriations amounting to EUR 183 279 715 (of which EUR 113 733 525 came from the Union budget);

9. Notes that SESAR 1, implemented under Seventh Framework Programme, was formally closed in 2016 and the last corrective payments and recoveries of over-payments to beneficiaries were completed in 2019: notes that following the closure of SESAR 1, the Joint Undertaking found excess financial contributions received from its Members amounting to EUR 30 767 098: notes in this regard that according to Article 13 of the constituent act, the Joint Undertaking's members can only expect the reimbursement of their respective excess contributions at the dissolution of the Joint Undertaking by 31 December 2024; notes from the Court's report that, based on the Joint Undertaking's accounting information, the Joint Undertaking needs to reimburse the respective members as follows: approximately, EUR 23 800 000 to the Commission, EUR 4 800 000 to Eurocontrol, and EUR 2 100 000 to industry members; notes, moreover, from the Court's report that the Joint Undertaking informed the Commission of the situation in May 2018 and April 2019 and that in the absence of a pragmatic solution for an early reimbursement, these funds remain with the Joint Undertaking without being used for research projects, which is contrary to the principle of sound financial management; notes the Joint Undertaking's reply to the effect that a draft decision was sent to the Administrative Board to provide the Joint Undertaking with the legal basis to proceed with the reimbursement, and that this decision is currently subject to a Written Procedure that is underway, and that as soon as the decision is taken, the Joint Undertaking will execute the reimbursements in line with the recommendations of Directorate-General for Budget, enabling a swift closure of the SESAR 1 accounts; calls on the Joint Undertaking to report to the discharge authority of any development in that regard;

10. Notes that at the end of 2019, for SESAR 1 the total Union contribution amounted to EUR 634 136 000, the total Eurocontrol contribution was EUR 560 732 000 comprising EUR 422 943 000 validated in kind contributions, and the total contributions from industry members was EUR 539 780 000 comprising EUR 514 302 000 validated in kind contributions; notes that the actual overall SESAR 1 execution rate is 90 %;

11. Notes that out of the EUR 585 000 000 Union subsidy as provided in Council Regulation (EU) No 721/2014, by the end of 2019 the total Union (Directorate-General for Mobility and Transport) cash contributions from Horizon 2020 to the operational activities of the Joint Undertaking amounted to EUR 330 987 000; notes, moreover, that for Horizon 2020 at the end of 2019, Eurocontrol contributed a total of EUR 13 719 000 in cash and a total of EUR 59 603 000 validated in-kind contributions, and that the other members contributed a total of EUR 5 276 000 in cash and EUR 107 924 000 in validated in-kind contributions;

12. Notes that out of EUR 124,8 million in implemented revenue received by SESAR 2020 in 2019, the contribution from the Union was EUR 114,1 million and from Eurocontrol EUR 1,8 million;

13. Notes that there are different procedures across the Joint Undertakings receiving a financial contribution from the Joint Undertaking's private members. Calls for the harmonisation of the in-kind contribution calculation across the Joint Undertakings, resulting in a common procedure. That common procedure should provide for transparent and effective methods of evaluation having as result the real value for the contribution. Calls on the Court to enable the scrutiny of the audits performed by the independent external auditors. Calls also for an appropriate legal framework to ensure that the required financial contribution amount is achieved by the end of the programme. The legal framework could include requirements for the private contribution to be paid latest to coincide with the corresponding Union contribution;

14. Notes that in 2019, SESAR 2020 final commitment appropriations amounted to EUR 159 845 788 and final payment appropriations amounted to EUR 181 529 090; notes from the Court's report that regarding the Joint Undertaking's 2019 budget available for Horizon 2020 projects, the implementation rates for commitment and payment appropriations were 95 % and 83,6 % respectively; notes that the Horizon 2020 projects are at their maximum growth level and SESAR 2020 is in a ramping-up phase;

15. Notes that in 2019 the Joint Undertaking published its new Financial Rules, following the publication by the Commission of the new Framework Financial Regulation ([3]);

Performance

16. Notes the Joint Undertaking's key performance indicators in 2019, in particular, the common Horizon 2020 key performance indicators for monitoring performance and cross-cutting issues, the specific Joint Undertaking's key performance indicators and those related to the performance ambitions of the Single European Sky as defined in the European ATM Master Plan;

17. Requests that the Joint Undertaking reviews its communication strategy to ensure that relevant stakeholders are aware of its mission, activities and achievements.

18. Notes that the Joint Undertaking achieved all its objectives as outlined in the Single Programming Document 2019–2021, which in 2019 was structured around six areas of operations; notes that in March 2019 the Joint Undertaking published the Airspace Architecture Study which was followed in September by the Transition Plan, setting out three key operational and technical measures that need to be put in place in the short term (2020 to 2025) for setting in motion the changes outlined in the Study; notes furthermore that the Joint Undertaking is on track to meet the research and innovation objectives and timeline as outlined in the 2015 European ATM Master Plan;

19. Notes the reported leverage effect of 0,79 in 2019, and the forecasted leverage effect at the end of the programme of 1,40, measured following the Commission's method used in the interim evaluation, and that the actual leverage effect of the Joint Undertaking is regularly progressing towards the targets;

20. Notes that in the Joint Undertaking's 2019 annual activity report, the key performance indicators on gender balance increased in comparison to previous years but nevertheless remained low, with only 19 % of women participants in Horizon 2020 projects and 20 % of women project coordinators; regrets that the figure for percentage of women in Commission's advisory and expert groups, evaluation panels and other bodies is not available for 2019;

21. Welcomes the Court's Special report on SESAR activity and calls for regular special reports. Calls on Commission and the Court for a in-depth performance tracking method in view of evaluating the added value of the Joint Undertaking and including the social, employment impact as well as impact on the market. The results of the evaluation should be used for future or redistribution of Union financing;

22. The issue of Intellectual Property Rights needs to be addressed in all contracts which may produce an intended outcome or result of the performance. It aims to safeguard the rights of individual creators but also to provide details of how the right will be used in the future. Since the activity is financed inter alia with public money, the results should be transparent, accessible to the public and subject to special requirements, as for example interoperability if necessary; calls on the Commission for the development of a legal framework in respect of the intellectual property rights and their implementation on the market, that covers, inter alia, special requirements and profit distribution;

Procurement and recruitment procedures

23. Notes that at 31 December 2019, the Joint Undertaking employed 40 staff (38 temporary agents (TAs) and two seconded national experts (SNEs)), compared to 42 in the establishment plan (comprising 39 TAs and 3 SNEs positions); notes that in 2019 the Joint Undertaking implemented the Human Resources information system 'Sysper for Agencies', developed by the Commission; notes, furthermore, that the Joint Undertaking appointed a Chief Financial Officer (recruited externally) in the new organisation chart, strengthening its finance function; applauds that 54 % of staff employed are women, however regrets the lack of data on gender parity per type of contract and seniority of staff;

24. Notes the results of the 2019 Human Resources benchmarking exercise: 59,29 % operational posts, 30 % administrative and 10,71 % of finances and control posts;

([3]) Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council (OJ L 122, 10.5.2019, p. 1).

25. Notes that in 2019, the Joint Undertaking signed 30 procurement contracts including 24 specific contracts implementing the Joint Undertaking's framework contracts and inter-institutional agreements, and that it carried out eight procurement procedures;

Internal Control

26. Notes from the Court's report that the Joint Undertaking has set up reliable *ex-ante* control procedures based on financial and operational desk reviews and that it is obliged to implement the Commission's new internal control framework, based on 17 internal control principles, and furthermore that at the end of 2019, the Joint Undertaking had already completed a gap analysis based on the existing internal control system and defined indicators (i.e. 'means') for the majority of the new internal control principles and related characteristics; moreover, notes from the Court's report that most of these indicators related to the existence of a control activity rather than to its effectiveness and that the Joint Undertaking still needs to develop further relevant key control indicators to assess the effectiveness of its control activities and to detect control weaknesses; notes the Joint Undertaking reply that it started an internal project to develop further relevant key control indicators to assess the effectiveness of its control activities and detect control weaknesses, that these actions would build on the work already done since 2017, and that it intended to implement them by the end of 2020;

27. Notes from the Court's report that for Horizon 2020 payments, the Commission's Common Audit Service is responsible for the *ex-post* audits and that based on the *ex-post* audit results available at the end of 2019, the Joint Undertaking reported a representative error rate of 2,61 % and a residual error rate of 1,61 % for Horizon 2020 projects (clearings and final payments); notes from the Commission proposal for a Horizon 2020 regulation that a risk of error, on an annual basis, within a range between 2 to 5 % is a realistic objective, taking into account the costs of controls, the simplification measures proposed to reduce the complexity of rules and the related inherent risk associated to the reimbursement of costs of the research project, and that the ultimate aim for the residual level of error at the closure of the programmes after the financial impact of all audits, correction and recovery measures will have been taken into account, is to achieve a level as close as possible to 2 %;

28. Notes from the Court's report that as part of the operational payment controls, it audited randomly sampled Horizon 2020 payments made in 2019 at the level of the final beneficiaries to corroborate the *ex-post* audit error rates and that these detailed audits showed no significant errors or control weaknesses at the sampled Joint Undertaking beneficiaries;

29. Notes that the Joint Undertaking held only one risk management workshop in October 2019, rather than the usual two foreseen by its Risk Management policy; calls on the Joint Undertaking to perform risk management workshops as in the policy;

30. Notes that the CVs and declarations of interest of the administrative board are not published; calls on the Joint Undertaking to publish the CVs and the declaration of interest of the administrative board in the light of the transparency framework and to guarantee user-friendly access to them;

Internal audits

31. Notes that the Joint Undertaking published its Strategic Internal Audit Plan 2019-2021 in May 2019 and that following that the Internal Audit Service intends to perform audit engagements on grant implementation and programme management, on in-kind contribution validation process, and on Human Resource management, and possibly for two additional areas of risk; notes that in 2019 the Internal Audit Capability conducted a fraud risk assessment, updated the Joint Undertaking anti-fraud strategy, carried out a consulting engagement on risks and controls, and monitored the implementation of several action plans related to past audits and followed-up; notes that in 2019 the Joint Undertaking had no new or open recommendations, and in particular, notes that the Joint Undertaking implemented the three previous open recommendations to the audit on Coordination with the Common Implementation Centre (CIC) and implementation of CIC tools and services.

DECISION (EU, EURATOM) 2021/1664 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the Clean Sky 2 Joint Undertaking for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Clean Sky 2 Joint Undertaking for the financial year 2019,

— having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2019, together with the Joint Undertakings' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2019 (05795/2021-C9-0031/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([3]), and in particular Article 71 thereof,

— having regard to Council Regulation (EU) No 558/2014 of 6 May 2014 establishing the Clean Sky 2 Joint Undertaking ([4]), and in particular Article 12 thereof,

— having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([5]),

— having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([6]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0109/2021),

([1]) OJ C 380, 11.11.2020, p. 6.
([2]) OJ C 380, 11.11.2020, p. 6.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 169, 7.6.2014, p. 77.
([5]) OJ L 38, 7.2.2014, p. 2.
([6]) OJ L 142, 29.5.2019, p. 16.

1. Grants the Executive Director of the Clean Sky 2 Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Executive Director of the Clean Sky 2 Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1665 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the Clean Sky 2 Joint Undertaking for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Clean Sky 2 Joint Undertaking for the financial year 2019,

— having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2019, together with the Joint Undertakings' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2019 (05795/2021-C9-0031/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([3]), and in particular Article 71 thereof,

— having regard to Council Regulation (EU) No 558/2014 of 6 May 2014 establishing the Clean Sky 2 Joint Undertaking ([4]), and in particular Article 12 thereof,

— having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([5]),

— having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([6]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0109/2021),

([1]) OJ C 380, 11.11.2020, p. 6.
([2]) OJ C 380, 11.11.2020, p. 6.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 169, 7.6.2014, p. 77.
([5]) OJ L 38, 7.2.2014, p. 2.
([6]) OJ L 142, 29.5.2019, p. 16.

1. Approves the closure of the accounts of the Clean Sky 2 Joint Undertaking for the financial year 2019;

2. Instructs its President to forward this decision to the Executive Director of the Clean Sky 2 Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1666 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget for the Clean Sky 2 Joint Undertaking for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the Clean Sky 2 Joint Undertaking for the financial year 2019,

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0109/2021)

A. whereas the Clean Sky Joint Undertaking was set up in December 2007 by Council Regulation (EC) No 71/2008 (entered into force on 7 February 2008) for a period up to 31 December 2017, and whereas the Joint Undertaking started working autonomously in November 2009;

B. whereas the Clean Sky 2 Joint Undertaking (the 'Joint Undertaking') established by Regulation (EU) No 558/2014 replaced, with effect from 27 June 2014, the Clean Sky Joint Undertaking under Horizon 2020, extending its lifetime for the period up to 31 December 2024;

C. whereas the main objectives of the Joint Undertaking are to contribute to improving significantly the environmental impact of aeronautical technologies and to developing a strong and globally competitive aeronautical industry and supply chain in Europe;

D. whereas the founding members of the Joint Undertaking are the Union, represented by the Commission, and the private members, namely the Leaders and the Associates as listed in Annex II of Council Regulation (EU) No 558/2014 and the Core Partners selected through an open, non-discriminatory and competitive call subject to an independent evaluation, in accordance with Article 4(2);

E. whereas the maximum contribution from the Union to the Joint Undertaking second phase of activities is EUR 1 755 000 000 (including EFTA appropriations) to be paid from the budget of Horizon 2020, and the minimum of in-kind contribution to Additional Activities from private members is EUR 965 250 000 for the period defined in the Regulation;

Budgetary and financial management

1. Notes that the report of the Court of Auditors (the 'Court') on the annual accounts of the Joint Undertaking for the financial year 2019 (the 'Court's report') finds the annual accounts to be presented fairly, in all material respects, with regards to the financial position of the Joint Undertaking at 31 December 2019 and the results of its operations, its cash flows, and the changes in its net assets for the year then ended, in accordance with its Financial Regulation and with the accounting rules adopted by the Commission's accounting officer; notes that the underlying transactions to the accounts are legal and regular in all material aspects;

2. Notes that the Joint Undertaking's final available budget for 2019 (including re-entered unused appropriations of previous years, assigned revenues, and reallocations to the next year) consisted of commitment appropriations of EUR 305 802 617 and payment appropriations of EUR 341 424 430; notes that the utilisation rate was 97,68 % for commitment appropriations and 94,69 % for payment appropriations; notes, furthermore, from the Court's report that regarding the Joint Undertaking's 2019 budget available for Horizon 2020 projects, the implementation rates for commitment and payment appropriations were 99,8 % and 97,3 % respectively;

3. Notes that the maximum Union contribution to Clean Sky was EUR 800 000 000, from the Seventh Framework Programme (FP7)'s theme 7 (Transport), and that the Union contributed a total of EUR 799 957 841; notes that the industry members (the Leaders of Integrated Technology Demonstrators and their Associate members) contributed, in total, EUR 608 983 634 for the FP7 projects, comprising EUR 594 100 843 validated in-kind contributions and EUR 14 882 791 in cash contributions to the running costs;

4. Notes from the Court's report that the FP7 programme was formally closed in 2017 with an implementation level of almost 100 %; notes that in 2019 the Joint Undertaking still made recoveries of EUR 1 135 068 stemming from outstanding pre-financings and ex-post audit results;

5. Notes that by the end of 2019, out of the maximum amount of EUR 1 755 000 000 of Union contribution from Horizon 2020 as per Regulation (EU) No 558/2014, the Union contributed a total of EUR 1 139 704 889 to the Horizon 2020 operational activities, moreover the private members contributed EUR 18 815 677 in cash to the running costs and validated EUR 273 851 600 in kind to operational costs, and in addition EUR 899 843 302 in kind to Additional Activities;

6. Notes that there are different procedures across the Joint Undertakings for receiving financial contribution from Joint Undertaking's private members; calls for a harmonisation of the in-kind contribution calculation across the Joint Undertakings; the common procedure should provide for transparent and effective methods of evaluation having as result the real value for the contribution; calls on the Court to provide the scrutiny of the audits performed by the independent external auditors; calls also for an appropriate legal framework that ensures that the required financial contribution amount will be achieved by the end of the programme; notes that the legal framework could include requirements for the private contribution to be paid before or at the same time as the corresponding Union contribution;

Calls for proposals

7. Notes that in 2019 the Joint Undertaking launched one call for proposals comprising 62 topics (Call for proposal 10), received 448 eligible proposals for Calls for Proposal 09 and 10 (out of 450), and retained 114 proposals; notes the global portfolio of the Joint Undertaking comprising 574 projects awarded through competitive calls;

8. Notes the total number of core partners of 256, of which 70 are affiliates or linked third parties and over 58 are small and medium-sized enterprises;

9. Notes that, in 2019, two calls for proposal were successfully implemented: the eighth call for proposals in March with 58 successful topics out of 68, and the ninth call for proposals in October with 53 successful topics out of 55; furthermore notes that the tenth call for proposals was launched in May 2019, and evaluated in November 2019; notes that the cumulated ten calls for proposals engaged more than 730 partners from 28 different countries with a strong small and medium-sized enterprises involvement in terms of participation and grants awarded, and approximately nearly EUR 505 000 000 in funding;

Performance

10. Notes that the Joint Undertaking uses key performance indicators for monitoring performance and cross-cutting issues under Horizon 2020, and specific key performance indicators to the Joint Undertaking such as call topics success rate, work plan execution and ex-post audit coverage;

11. Requests that the Joint Undertaking reviews its communication strategy to ensure that relevant stakeholders are aware of its mission, activities and achievements;

12. Notes that the Joint Undertaking implemented various tools to monitor the execution of its programme, namely quarterly reports of the Integrative Technology Demonstrators/Innovative Aircraft Demonstrator Platforms (ITD/IADPs), steering Committees at ITD/IADP level, annual reviews of the ITD/IADPs' performance, and reported regularly to the governing board; furthermore notes that, out of the 11 objectives reported in the work plan for 2018-2019, 3 were achieved and 8 are ongoing, and that all administrative objectives were achieved;

13. Notes the milestones achieved in 2019 by the Large Passenger Aircraft demonstrators and their underlying technologies determining the change from non-specific to specific design and the associated build-up of hardware, the results obtained in Regional Aircraft IADP activities relating to green conceptual aircraft, the advancement of the two demonstrators of the Fast Rotor craft IADP, and the several progresses an developments of the activities for Airframe ITD, Engines ITD, and Systems ITD, as well as for the Eco-design and Small Air Transport Transverse Activities, and that the Joint Undertaking prepared itself for the first global assessment of its developed technologies; welcomes these achievements which have contributed to ensuring a sustainable infrastructure; welcomes the shift from coal based power generation to renewable energy sources which will not only reduce greenhouse, gas emissions, but will also reduce air pollution and thus ultimately contributing to improving health;

14. Notes that, according to the Court's report, at the end of 2019, the Horizon 2020 programme implementation rate stood at 89 % with regard to the call procedures for the activities assigned to the Joint Undertaking;

15. Recalls the essential role played by the Joint Undertaking in ensuring net accelerations in green technologies that aim to reduce CO_2 gas emissions and noise levels produced by aircrafts; believes that its successor, Clean Aviation, will play important role ensuring aviation sector's involvement in the European Green Deal;

16. Calls on the Commission to make sure that the future Joint Undertaking's activity programme will respect the requirements and the targets provided by the Union law as far as concern the mitigation of the climate change and the digitalisation and will follow the strategies in the domain elaborated by both Commission and industry;

17. Calls on Commission and the Court for an in-depth performance tracking method with a view to evaluating the added value of the Joint Undertaking and including the social, employment impact as well as impact on the market. The results of the evaluation should be used for future or redistribution of Union financing;

18. The issue of Intellectual Property Rights (IPR) needs to be addressed in all contracts which may produce an intended outcome or result of the performance; recalls that IPRs aim to safeguard the rights of individual creators but also provide details how the right will be used in the future; notes that since the activity is financed also by public funding, the results should be transparent, accessible to the public and subject to special requirements, as for example interoperability if necessary; calls on the Commission to propose a legal framework regarding IPRs and their implementation on the market, including special requirements and profit distribution;

19. Notes that, in the 2019 annual activity report of the Clean Sky joint undertaking, the key performance indicators regarding gender balance in 2018 and 2019 show that the level of participation by women, while somewhat increasing, is nevertheless quite low: women account for 30 % of those involved in the programme, 16 % of programme coordinators and 9 %-25 % of advisers and experts carrying out evaluations and analyses and working on the Scientific Committee; recommends that constant efforts be made to increase the participation level of women in the programme;

Staff and procurement

20. Notes that, at 31 December 2019, 34 temporary agents positions were filled out of 36 authorised and that in addition 6 contract agents and 2 seconded national experts worked for the Joint Undertaking in 2019 as per establishment plan;

21. Notes that the Joint Undertaking in 2019 launched the recruitment process of 6 positions; furthermore notes that in addition to the statutory posts, the Joint Undertaking relies on external service providers, five interim workers and one trainee, to provide extra support to the operations;

22. Notes that in 2019, the governing board adopted a new organisational structure with Legal and Communication directly reporting to the executive director; furthermore acknowledges that the new executive director started his service on 1 February 2019; Notes, moreover, that the Joint Undertaking started using Sysper2, the Commission's human resource management system, at the beginning of 2019;

23. Notes that in 2019, the Joint Undertaking carried on fully implementing a large Communications framework contract for four different communications lots that runs from 2018-2021, and signed contracts for important ICT projects, as well as framework contracts for various ICT services;

Internal Control

24. Notes from the Court's report that the Joint Undertaking set up reliable ex-ante control procedures based on financial and operational desk reviews and that it is obliged to implement the Commission's new internal control framework (ICF) based on 17 internal control principles; notes that by the end of 2019, the Joint Undertaking had already developed key control indicators for all control principles in order to assess the effectiveness of its control activities and detect control weaknesses;

25. Notes that in November 2019, the Joint Undertaking launched a written procedure for the approval of its revised Financial Rules, in line with recommendations from the Commission, and that it adopted them in January 2020;

26. Notes from the Court's report that for Horizon 2020 payments, the Commission's Common Audit Service is responsible for the ex-post audits, and that based on the ex-post audit results available at the end of 2019, the Joint Undertaking reported a representative error rate of 1,30 % and a residual error rate of 0,92 % for Horizon 2020 projects (clearings and final payments); notes, moreover, the Commission's proposal for a Horizon 2020 regulation, where, for research spending under Horizon 2020, the ultimate aim for the residual level of error at the closure of the programmes after the financial impact of all audits, correction and recovery measures will have been taken into account, is to achieve a level as close as possible to 2 %;

27. Notes that in 2019 the Court audited randomly sampled Horizon 2020 payments made at the level of the final beneficiaries, as part of the operational payment control, to corroborate the ex-post audit error rates and that the detailed audits revealed systemic errors related to the declared personnel costs, with the main sources of errors being in the use of individual productive hours and the use of unit rates, including estimated elements that deviated significantly from the actual unit rates; notes, furthermore, that these results indicate an increased risk of error for the Joint Undertaking, due to the large number of private members and participating affiliates implementing the Joint Undertaking's Horizon 2020 projects; calls on the Joint Undertaking to report to the discharge authority in that regard;

28. Notes that the Joint Undertaking is covered by the Common Horizon 2020 Antifraud Strategy coordinated by the Commission; furthermore notes that in 2019, the Joint Undertaking followed up on two alleged fraud cases, notified to the European Anti-Fraud Office in 2018, and for which the European Anti-Fraud Office opened investigations that were still ongoing; notes, moreover, that a case of potential fraudulent behaviour of a beneficiary with an impact on the Joint Undertaking's grants dating back to the Seventh Framework Programme was closed, with no financial impact or losses reported; acknowledges that in 2019, no new case was reported to the European Anti-Fraud Office, and that the Joint Undertaking has started setting up an Antifraud Strategy in respect of the internal processes and specific budget not covered by the Common Antifraud Strategy; calls on the Joint Undertaking to report to the discharge authority in that regard;

Internal Audit

29. Notes that the Joint Undertaking received, in May 2019, a new Strategic Audit Plan of the Internal Audit Service for the years 2019 to 2021, which selected 3 potential audit subjects of significant risk, consisting of operational processes (grant management), the implementation of the new Internal Control Principles, and the new rules for data protection: notes, moreover, that the first audit of the new planning, on the implementation of grant agreements, started in November 2019; notes, furthermore, that the Joint Undertaking had several recommendations, of which two considered very important, from previous audit still open; calls on the Joint Undertaking to report to the discharge authority of any development in that regard;

30. Notes that the Internal Audit Officer confirmed to the governing board her organisational independence according to the IIA standards although she highlighted a potential lack of objectivity for assurance audits.

DECISION (EU, EURATOM) 2021/1667 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the Bio-based Industries Joint Undertaking for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Bio-based Industries Joint Undertaking for the financial year 2019,

— having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2019, together with the Joint Undertakings' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2019 (05795/2021 – C9-0032/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([3]), and in particular Article 71 thereof,

— having regard to Council Regulation (EU) No 560/2014 of 6 May 2014 establishing the Bio-based Industries Joint Undertaking ([4]), and in particular Article 12 thereof,

— having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([5]),

— having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([6]),

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

— having regard to the report of the Committee on Budgetary Control (A9-0105/2021),

([1]) OJ C 380, 11.11.2020, p. 6.
([2]) OJ C 380, 11.11.2020, p. 6.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 169, 7.6.2014, p. 130.
([5]) OJ L 38, 7.2.2014, p. 2.
([6]) OJ L 142, 29.5.2019, p. 16.

1. Grants the Executive Director of the Bio-Based Industries Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Executive Director of the Bio-Based Industries Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1668 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the Bio-based Industries Joint Undertaking for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Bio-Based Industries Joint Undertaking for the financial year 2019,

— having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2019, together with the Joint Undertakings' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2019 (05795/2021 – C9-0032/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([3]), and in particular Article 71 thereof,

— having regard to Council Regulation (EU) No 560/2014 of 6 May 2014 establishing the Bio-based Industries Joint Undertaking ([4]), and in particular Article 12 thereof,

— having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([5]),

— having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([6]),

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

— having regard to the report of the Committee on Budgetary Control (A9-0105/2021),

([1]) OJ C 380, 11.11.2020, p. 6.
([2]) OJ C 380, 11.11.2020, p. 6.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 169, 7.6.2014, p. 130.
([5]) OJ L 38, 7.2.2014, p. 2.
([6]) OJ L 142, 29.5.2019, p. 16.

1. Approves the closure of the accounts of the Bio-Based Industries Joint Undertaking for the financial year 2019;

2. Instructs its President to forward this decision to the Executive Director of the Bio-Based Industries Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1669 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget for the Bio-based Industries Joint Undertaking for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the Bio-based Industries Joint Undertaking for the financial year 2019,

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

— having regard to the report of the Committee on Budgetary Control (A9-0105/2021),

A. whereas the Bio-based Industries Joint Undertaking (the 'Joint Undertaking') was established as a public-private partnership by the Regulation (EU) No 560/2014 [1] for a period of 10 years with the aim of bringing together all relevant stakeholders and contributing to establishing the Union as a key player in research, demonstration and deployment of advanced bio-based products and biofuels;

B. whereas pursuant to Articles 38 and 43 of the Joint Undertaking's financial rules, adopted by the decision of its governing board on 14 October 2014, the accounting officer prepared the annual accounts of the Joint Undertaking for the year 2019;

C. whereas the founding members of the Joint Undertaking are the Union, represented by the Commission, and industrial partners, represented by the Bio-based Industries Consortium (the 'BIC');

General

1. Notes that the maximum Union contribution including EFTA appropriations to the activities of the Joint Undertaking is EUR 975 000 000, to be paid from Horizon 2020; notes that the industry members of the Joint Undertaking are to contribute resources of at least EUR 2 730 000 000 over the period of the Joint Undertaking's lifespan, consisting of at least EUR 182 500 000 of in-kind and cash contributions to the Joint Undertaking's operational activities and at least EUR 1 755 000 000 of in-kind contributions to implement additional activities outside the work plan of the Joint Undertaking and contributing to its objectives;

2. Notes that 23 out of 178 eligible proposals from the 2019 call for proposals were retained and at the grant agreement preparation stage by the end of 2019; notes, moreover, that the Joint Undertaking has a portfolio of 124 ongoing projects with a total of 1 466 participants from 37 countries and a total grant value of EUR 717 000 000;

3. Notes that the Joint Undertaking has provided a structuring effect across strategic priorities of the bio-based sector and across different geographical areas while also ensuring a balanced participation of industry, academia, and small and medium-sized enterprises; notes, moreover, that the mission of the Joint Undertaking is to implement, under Horizon 2020, the strategic innovation and research agenda (SIRA) driven by BIC and endorsed by the Commission; observes that with regard to the operational budget distribution, the allocation for research and innovation actions and flagships is in line with the targets while adjustments are required for demonstration and coordination and support actions;

4. Observes with great concern the existence of problems as regards the governance and transparency of the Joint Undertaking where the participating private companies exercise exclusive control on the priorities of the partnership (where the industry alone draws up the strategic agendas and annual work plans of the bio-based industries) and privatise the results and data of projects funded by public money; is concerned, in that regard, that the industry refuses the disclosure of crucial documents, such as project proposals, grants or project agreements; recalls, in that regard, that those documents concern projects funded by public money; is concerned to notice that the problems referred to are partly a logical consequence of the structure and mechanisms of that public-private partnership;

[1] OJ L 169, 7.6.2014, p. 130.

5. Calls on the Commission to ensure that the Joint Undertaking activity programmes will in future respect the requirements and the targets provided by Union law as far as it concerns the mitigation of climate change and will follow the strategies in the domain elaborated by the Commission and industry;

Budget and financial management

6. Notes that the report of the Court of Auditors (the 'Court') on the Joint Undertaking's annual accounts for the financial year 2019 (the 'Court's report') finds the 2019 annual accounts of the Joint Undertaking to be presented fairly, in all material respects, its financial position on 31 December 2019 and the results of its operations and cash flows, and the changes in net assets for the year then ended, in accordance with its financial regulation and with accounting rules adopted by the Commission's accounting officer; notes, moreover, from the Court's report that the underlying transactions are legal and regular in all material respects;

7. Notes from the Joint Undertaking's annual accounts that the final 2019 available budget included commitment appropriations of EUR 141 629 433 (of which EUR 133 608 895 from the Union budget) and payment appropriations of EUR 182 118 821 (of which EUR 145 833 500 from the Union budget); notes, moreover, that the administrative budget included a relatively large surplus of unused budget from previous years and that the partly reactivated appropriations were consumed in priority, and that further reactivation of appropriations is provided for in the 2020 budget by a governing board decision taken at the end of 2019 and is to be envisaged via a budgetary amendment; notes that at the end of 2019, the administrative budget achieved an implementation rate of 92 % and execution of 78 %; calls on the Joint Undertaking to report to the discharge authority in that regard;

8. Notes from the Court's report that the total amount of in-kind contributions to additional activities of EUR 916 064 000 at the end of 2019 includes approximately EUR 216 000 000 of reported contributions but for which the certification process was not been completed due to the COVID-19 pandemic; stresses that participating companies so far provided only 3,7 % of their in-kind contributions and that those companies have refused to disclose the data enabling a proper evaluation of those in-kind contributions;

9. Notes that there are different procedures across the joint undertakings receiving financial contribution from joint undertakings' private members; calls for a harmonisation of the in-kind contribution calculation across the joint undertakings; the common procedure should provide for transparent and effective methods of evaluation having as result the real value for the contribution; calls on the Court to provide the scrutiny of the audits performed by the independent external auditors; calls also for an appropriate legal framework that ensures that the required financial contribution amount will be achieved by the end of the programmme; notes that that legal framework could include requirements for the private contribution to be paid before or at the same time as the corresponding Union contribution.

10. Notes from the Court's report that despite the cancellation of EUR 18 000 000 by means of the first amending budget to offset the reactivation of previous years' payment appropriations of EUR 25 486 657, the level of unused payment appropriations increased to EUR 43 950 700 at the end of 2019; calls on the Joint Undertaking to report to the discharge authority on any development in that regard;

11. Notes that the overall utilisation rates for commitment and payment appropriations were 87,40 % and 75,87 % respectively; notes from the Court's report that the low implementation of the available commitment appropriations was due to the 2019 call evaluation resulting in a lower than expected number of proposals eligible for funding under a specific topic; notes, furthermore, that the operational budget of commitment appropriations achieved an implementation rate of 87 %; calls on the Joint Undertaking to review its procedures and requirements for calls for proposals and to identify potential weaknesses, including with regard to the relatively low implementation rate;

12. Notes from the Court's report that the Joint Undertaking had implemented 76 % of the available payment appropriations for Horizon 2020 projects at the end of 2019, and that the pre-financing payments for projects selected under the 2018 call for proposals comprised 62 % of the value of the operational payments made during the year; notes that in 2019 the execution of payment appropriations progressed compared to 2018 despite delays with some periodic reports and the amounts of certain cost claims being below the anticipated level; observes that the need of multi-annual forecasting of the operational payment appropriations, each year, with the final annual call in 2020, brings more challenges and a higher volume of transactions as more projects are running in parallel; calls on the Joint Undertaking to closely monitor the situation in order to avoid backlogs, delayed payments and understaffing that could seriously affect the workload; calls on the Joint Undertaking to provide a strategy to increase the implementation rate of the payment appropriations;

13. Notes that out of the maximum of EUR 975 000 000 of Union cash contribution to be allocated to the Joint Undertaking over its life span, the Union had contributed a total amount of EUR 414 638 000 by the end of 2019, and that the contribution for the year 2019 was EUR 150 032 737;

14. Notes from the Court's report that of the minimum EUR 182 500 000 of cash contributions to be made by the industry members to the Joint Undertaking's operational costs, only EUR 3 250 000 had been paid at the end of 2019; notes, furthermore, that Regulation (EU) No 560/2014 ([2]) was amended to enable industry members to provide their cash contributions at project level and that, despite that amendment, there is still a high risk that the industry members will not achieve the minimum amount of operational cash contributions at the end of the Joint Undertaking's programme; recalls in that regard that all public-private bio-based industry projects (BBI projects) were intended to be funded by both public money and in-kind and financial support from the industry; deplores the fact that the latest figures available show that participating companies had only paid a very small amount of their expected contributions; notes that, as a result, the Commission's Directorate-General for Research and Innovation decided at the end of 2018 to reduce the Joint Undertaking's 2020 budget of EUR 205 000 000 by EUR 140 000 000; calls on the Joint Undertaking to report to the discharge authority on any development in that regard;

Performance

15. Notes that the Joint Undertaking used key performance indicators (KPIs) pursuant to Horizon 2020 as well as eight specific Joint Undertaking KPIs established in SIRA 2017; notes that the Joint Undertaking's average performance against the three main Horizon 2020 KPIs (time to inform, time to grant, and time to pay) exceeds the targets set in 2019; notes that new bio-based value chains created by the Joint Undertaking's projects significantly exceeded the SIRA targets;

16. Requests that the Joint Undertaking reviews its communication strategy to ensure that relevant stakeholders are aware of its mission, activities and achievements.

17. Notes the value of expected leverage effect of 2,11 at the end of 2019, which is below the overall target value of 2,86 at the end of the programme; notes that the leverage effect value is expected as it is calculated including in-kind to additional activities for which the certification process was not possible due to the COVID-19 pandemic; notes that the reported operational leverage is growing; calls the Joint Undertaking to undertake improved actions to meet the target leverage effect;

18. Notes that the Joint Undertaking's calls are fully open to the participation of any stakeholder and that all proposals elicited submissions; notes that the retained proposals corresponded to 81 % of the overall topic coverage, with four topics not covered; notes with satisfaction that the 2019 call attracted applicants from all Member States; notes the Joint Undertaking's great efforts in communicating its objectives and results, and its calls to the stakeholders; notes that the Joint Undertaking took actions in 2019 with a focus on encouraging a renewed engagement with respect to countries that are underrepresented in the calls; encourages the Joint Undertaking to strengthen its efforts to include Member States that are continuously underrepresented in its calls and financed projects; invites the Joint Undertaking to take actions aiming to increase the topics covered;

19. Acknowledges that in 2019 the Joint Undertaking operations included the conclusion of the grant agreement preparation for the 2018 call, which resulted in the signature of 19 grant agreements;

20. Notes that, according to the Court's report, at the end of 2019, the Horizon 2020 programme implementation rate stood at 63 % with regard to the call procedures for the activities assigned to the Joint Undertaking;

21. Welcomes the Joint Undertakings' annual activity report which includes the socio-economic and environmental impact of the BBI projects; calls on the Joint Undertaking to provide more figures regarding the results of the expected environmental impact of those projects, including a life-cycle assessment;

22. Calls on the Commission and the Court for a in-depth performance-tracking method with a view to evaluating the added value of the Joint Undertaking and including the social and employment impact as well as impact on the market; opines that the results of the evaluation should be used for the future or for a redistribution of Union financing.

([2]) Council Regulation (EU) No 560/2014 of 6 May 2014 establishing the Bio-based Industries Joint Undertaking (OJ L 169, 7.6.2014, p. 130).

23. Notes that intellectual property rights (IPRs) need to be addressed in all contracts which may produce an intended outcome or result of performance; recalls that IPRs aim to safeguard the rights of individual creators but also provides details on how the rights will be used in the future; notes that since the activity is financed also by public funding, the results should be transparent, accessible to the public and subject to special requirements; calls on the Commission to propose a legal framework regarding the IPRs and their implementation on the market, including special requirements and profit distribution;

Procurement and recruitment procedures

24. Notes that by the end of 2019, the Joint Undertaking's staff comprised 22 members compared to 23 budgeted; observes that two recruitment procedures were launched in 2019, one for a contract agent and one for a temporary agent, and that in addition, three candidates for two temporary posts and a contract agent were appointed at the end of 2019 and were to take up their duties in the first quarter of 2020;

25. Notes with satisfaction that in 2019 the Joint Undertaking achieved a fair gender balance in its various bodies (scientific committee: 60 % women and 40 % men; States Representatives Group: 48 % women and 52 % men; programme office: 70 % women and 30 % men; evaluation experts (2019 call for proposals): 46 % women and 54 % men; project coordinators: 44 % women and 56 % men), with the exception of the governing board (20 % women and 80 % men); takes note of the Joint Undertaking's observation that it has no influence over the composition of the governing board; notes with satisfaction the gender balance among the staff involved in Joint Undertaking projects (46 % women and 54 % men);

26. Notes that in 2019, the Joint Undertaking continued to use existing Commission framework contracts and service level agreements as well as launched specific tender procedures, and furthermore that for interim staff and common IT services it also signed specific contracts under the framework contracts jointly managed with other joint undertakings in the white atrium; furthermore, notes that at the beginning of 2018, the programme office implemented a streamlined version of the internal procedure for tendering and signing procurement contracts and that it implemented further improvements and simplifications in 2019; notes that an *ex ante* control system is in place to ensure the correctness of all payments and prevent double funding, in line with the Horizon 2020 *ex-ante* control and anti-fraud strategies; calls on the Joint Undertaking to take into consideration potential risks arising from outsourcing its IT services to external providers; calls on the Joint Undertaking to provide the discharge authority with further details regarding the recruitment of interim staff and in particular whether that recruitment was a temporary solution needed to deal with an increased workload;

Internal audit

27. Notes that in 2019, the internal auditing service (IAS) audited the Horizon 2020 grant processes implemented by the Joint Undertaking, and that it concluded that, in general, the Joint Undertaking has set up an effective and efficient internal control system while also providing recommendations; notes that the Joint Undertaking accepted the recommendations and agreed on an action plan; calls on the Joint Undertaking to present the discharge authority with the implementation level of those recommendations without undue delay; notes that the IAS launched its second risk assessment in November 2019 in order to identify and prioritise the audit topics that will constitute the strategic internal audit plan 2021 to 2023;

28. Observes that the programme office has planned actions in order to reduce the likelihood of occurrence of identified risks and the impact of materialised risks, following the annual risk assessment started in September 2019, and that the risk responses planned for 2019 were implemented; notes that between June and September 2019 the programme office performed a self-assessment of its internal control standards (ICSs) to assess the current level of implementation of the ICSs and to explore the conditions necessary to move the internal control framework (ICF) of the organisation to a higher degree of maturity; notes that from that assessment a few new instances were identified and the most important ones relate to findings of the IAS where corrective actions were added to the action plan; notes that no critical risks emerged in the context of the compliance, effectiveness and efficiency; notes, furthermore, that in 2019 the programme office prepared the condition for an effective transition to a new ICF in line with the most recent practice of the Union bodies

29. Notes from the Court's report that the Joint Undertaking has set up reliable *ex-ante* control procedures based on financial and operational desk reviews; notes that the Joint Undertaking must implement the Commission's new principle-based ICF, and that by the end of 2019, the Joint Undertaking had completed a gap analysis compared to the existing internal control system and developed performance indicators for all new internal control principles and related characteristics, and that its governing board adopted the new internal control framework in February 2020;

30. Notes from the Court's report that the Joint Undertaking reported a representative error rate of 0,6 % and a residual error rate of 0,47 % for Horizon 2020 projects (clearings and final payments) based on the *ex-post* audit results of the Commission's common audit service at the end of 2019, compared to the target value of the residual level of error at the closure of the programmes to be as close as possible to 2 %;

31. Notes with concern the Court's finding that detailed audits of a randomly sampled Horizon 2020 payments made in 2019 at the level of the final beneficiaries to corroborate the *ex-post* audit error rates revealed minor quantifiable errors related to the declared personnel costs and that the main sources of such errors were the use of annual hourly rates and overstated monthly hourly rates; calls on the Joint Undertaking to diligently monitor the conditions and declarations on which the payments are made, in order to prevent ineligible payment claims in the future;

32. Notes that following the Commission's interim evaluation report on the Joint Undertaking's in 2017, an action plan was adopted in March 2018; notes that the Joint Undertaking is monitoring the implementation of the action plan, and that in 2019 the majority of actions were followed up in accordance with the agreed deadlines while others remained ongoing; urges the Joint Undertaking to make efforts to finalise the implementation of the action plan and inform the discharge authority of the state of play by June 2021;

Prevention and management of conflicts of interest and transparency

33. Notes that the Joint Undertaking adopted rules on conflicts of interest for all its staff and bodies at the end of 2017, and that the programme office has developed a comprehensive set of rules and procedures that are effectively implemented across its entire governance structure; notes, furthermore, that in 2019, part of that framework was audited by the IAS; urges the Joint Undertaking to re-evaluate and update the rules adopted in 2017; regrets that the Joint Undertaking has failed to publish or make available upon request the CVs and declarations of interest of its executive director and the members of its governing board;

34. Calls on the Joint Undertaking to report to the discharge authority on its policy of funding of industry lobbying and public relations work targeting EU regulators;

35. Calls on the Joint Undertaking to inform the discharge authority in detail about the measures it has adopted for counter harassment and fraud, to prevent conflicts of interest and to protect whistleblowers;

Other Comments

36. Notes that negotiations and preparatory work are underway for the establishment of CircularBio-based Europe (CBE) as a possible successor of the Joint Undertaking; notes that the key objectives of the CBE should be to adopt a fully balanced and transparent decision making processes, continuously monitor the environmental and socio-economic impact of its programme and that a new system be put in place to help prevent private partners from being unable to fulfil their financial obligations; regrets that such improvement efforts were not already undertaken in 2019 to improve the performance and transparency of the Joint Undertaking.

DECISION (EU, EURATOM) 2021/1670 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2019,

— having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2019, together with the Joint Undertakings' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2019 (05795/2021 - C9-0033/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([3]), and in particular Article 71 thereof,

— having regard to Council Regulation (EU) No 557/2014 of 6 May 2014 establishing the Innovative Medicines Initiative 2 Joint Undertaking ([4]), and in particular Article 12 thereof,

— having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([5]),

— having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([6]),

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

— having regard to the report of the Committee on Budgetary Control (A9-0113/2021),

([1]) OJ C 380, 11.11.2020, p. 6.
([2]) OJ C 380, 11.11.2020, p. 6.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 169, 7.6.2014, p. 54.
([5]) OJ L 38, 7.2.2014, p. 2.
([6]) OJ L 142, 29.5.2019, p. 16.

1. Grants the Executive Director of the Innovative Medicines Initiative 2 Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Executive Director of the Innovative Medicines Initiative 2 Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1671 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2019,

— having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2019, together with the Joint Undertakings' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2019 (05795/2021 - C9-0033/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([3]), and in particular Article 71 thereof,

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

— having regard to the report of the Committee on Budgetary Control (A9-0113/2021),

([1]) OJ C 380, 11.11.2020, p. 6.
([2]) OJ C 380, 11.11.2020, p. 6.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 169, 7.6.2014, p. 54.
([5]) OJ L 38, 7.2.2014, p. 2.
([6]) OJ L 142, 29.5.2019, p. 16.

1. Approves the closure of the accounts of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2019;

2. Instructs its President to forward this decision to the Executive Director of the Innovative Medicines Initiative 2 Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1672 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget for the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2019,

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

— having regard to the report of the Committee on Budgetary Control (A9-0113/2021),

A. whereas the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines ('IMI Joint Undertaking') was set up in December 2007 for a period of 10 years to improve significantly the efficiency and effectiveness of the drug development process, with the long-term aim of the pharmaceutical sector producing more effective and safer innovative medicines;

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

C. whereas the Union, which is represented by the Commission, and the European Federation of Pharmaceutical Industries and Associations (the 'Industry') are the founding members of the IMI Joint Undertaking and IMI2 Joint Undertaking;

D. whereas the maximum contribution from the Union to the IMI Joint Undertaking is EUR 1 000 000 000 for the period of 10 years, to be paid from the budget of the Seventh Framework Programme, and the founding members are to contribute equally to the running costs, each with an amount not exceeding 4 % of the total Union contribution;

E. whereas the maximum contribution for the period of 10 years from the Union, including the European Free Trade Association appropriations, to the IMI2 Joint Undertaking is EUR 1 638 000 000, to be paid from the budget of Horizon 2020, and the members, other than the Commission, have to contribute 50 % of the running costs and to contribute to operational costs through cash or in-kind contributions, or both, equal to the financial contribution of the Union;

Budgetary and financial management

1. Notes that, according to the report of the Court of Auditors (the 'Court's report'), the accounts of the IMI2 Joint Undertaking for the year ended on 31 December 2019 present fairly, in all material respects, the financial position of the IMI2 Joint Undertaking at 31 December 2019, the results of its operations, its cash flows and the changes in its net assets for the year then ended, in accordance with its financial regulation and with accounting rules adopted by the Commission's accounting officer; notes that, according to the Court's report, the transactions underlying the accounts are legal and regular in all material respects;

2. Notes that the final 2019 available budget, including re-entered unused appropriations of previous years, assigned revenues, and reallocations to the next year was EUR 261 371 750 in commitment appropriations (of which EUR 255 561 977 from the Union budget) and EUR 231 316 906 in payment appropriations (of which EUR 221 519 271 from the Union budget); notes that the execution of the commitment appropriations and the payment appropriations reached 99,17 % and 96,33 % respectively;

3. Notes that, out of the EUR 1 000 000 000 of contributions to be made by private members to operational activities of the IMI Joint Undertaking, by the end of 2019, the IMI Joint Undertaking had reported and validated in-kind and cash contributions of EUR 710 478 000 from private members, more precisely contributions of EUR 688 580 000 in-kind and EUR 21 898 000 in cash; notes that, in 2019, the amount of cost claims validated as well as the in-kind contributions was significantly lower compared to 2018, due to the fact that the number of IMI Joint Undertaking projects decreases as projects are finishing; notes that, by the end of the year, 11 projects were still ongoing out of the total of 59 projects under the Seventh Framework Programme;

4. Notes that the IMI Joint Undertaking utilisation rate for payment appropriations for the Seventh Framework Programme projects was 97 %;

5. Notes that, out of the EUR 1 425 000 000 of in-kind and cash contributions to be made by the Industry to the operational activities of the IMI2 Joint Undertaking, in-kind contributions of EUR 202 598 000 and cash contributions of EUR 15 554 000 were reported and validated, and that additionally, EUR 5 662 000 in cash and EUR 8 203 000 of in-kind contributions by associated partners were reported and validated;

6. Notes that, at the end of 2019, the total contributions of the Industry and associated partners to the Horizon 2020 activities of the IMI2 Joint Undertaking amounted to EUR 232 017 000, compared to the Union's total cash contribution of EUR 423 743 000; recalls that the Commission's interim evaluation of the IMI2 Joint Undertaking emphasised the lack of transparency as regards how the in-kind contributions of the Industry were calculated; reiterates, therefore, its previous demands for detailed information on the in-kind contributions of the Industry, especially on the type of the in-kind contributions and their respective value;

7. Notes that there are different procedures across the Joint Undertakings receiving financial contributions from Joint Undertakings' private members; calls for a harmonisation of the in-kind contribution calculation across the Joint Undertakings; considers that the common procedure should provide for transparent and effective methods of evaluation, having as a result the real value of the contribution; calls on the Court to scrutinise the audits performed by the independent external auditors; calls also for an appropriate legal framework that ensures that the required financial contribution will be achieved by the end of the Joint Undertakings notes also that the legal framework could include requirements for the private contribution to be paid before or at the same time as the corresponding Union contribution;

8. Notes that, regarding the 2019 budget available for Horizon 2020 projects, the implementation rates for commitment and payment appropriations were 100 % and 98 % respectively; notes that, at the end of 2019, 79 out of the total 83 ongoing projects of the IMI2 Joint Undertaking were funded under the Horizon 2020 programme;

9. Notes that, according to the Court's report, following the implementation of several corrective measures, the IMI2 Joint Undertaking significantly improved in 2019 the planning and monitoring of its need for new payment appropriations; notes however, that it needed to return EUR 139 100 891 of 2019 commitment appropriations to the Union budget due to there being fewer topics for calls for proposals in the 2019 annual work plan; furthermore, notes that, according to the Court's report, due to the resulting decreased need for evaluation experts, the IMI2 Joint Undertaking only used EUR 2 821 000 (or 49 %) of the EUR 5 799 000 of the 2019 budget available for infrastructure expenditure (budget title 2); calls on the IMI2 Joint Undertaking to further improve the planning and monitoring of its payment and commitment appropriations;

10. Is concerned that the Industry exercises exclusive control on the priorities of the IMI2 Joint Undertaking, that the Industry alone draws up the strategic agendas and annual work plans and privatises the results and data of projects financed by public money;

11. Is outraged by the fact that the Industry, which takes decisions jointly with the Commission within the IMI2 Joint Undertaking, blocked the 2018 Commission proposal to integrate into the scope of the work of the IMI2 Joint Undertaking epidemiological preparation (i.e. anticipating and preparing for epidemics such as that caused by COVID-19); is concerned that the Industry refuses to disclose crucial documents, such as project proposals, grants or project agreements; recalls, in that regard, that those documents concern projects funded by public money; notes with regret that the above-mentioned problems are partly a logical consequence of the structure and mechanisms of this public-private partnership;

Performance

12. Notes that the IMI2 Joint Undertaking has 10 key performance indicators (KPIs) that were tracked and reported on for the first time in its 2018 annual activity report, which also involved collecting data from the IMI Joint Undertaking, where relevant; notes that an analysis of the KPIs reveals that IMI2 Joint Undertaking projects are now, namely in the middle of the IMI2 Joint Undertaking's programme cycle, getting on track compared to the established targets and able to generate innovations and detectable impacts, given the complex and long-term nature of the projects; notes that, with regard to the longer-term outputs and impacts of its programmes, the IMI2 Joint Undertaking in 2019 carried out a significant assessment of the socio-economic impact of the 44 IMI Joint Undertaking projects that had been completed; calls on the IMI2 Joint Undertaking to also assess the environmental impact of its projects; furthermore, notes that the IMI2 Joint Undertaking collects data to report, based on the relevant standard KPI's of Horizon 2020;

13. Takes note of the Commission's final evaluation of the IMI Joint Undertaking which concluded that 'no socio-economic benefits from IMI Joint Undertaking activities could be identified', nor did it find any examples of it 'bringing new, safer and more effective therapies or products to patients' or shortening development time; furthermore, it also concluded that research topics 'closer to the public interest than those identified by the industry' may be better identified under the wider research programme, and 'at a lower cost for the public budget';

14. Is concerned that the interim evaluation of the IMI2 Joint Undertaking carried out by the Commission in 2017, concluded that, to date, 'it cannot be said that IMI brings new, safer and more effective therapies or products to patients' and that in that regard, 'the added value of IMI for patients and for society in general is difficult to demonstrate';

15. Notes that the IMI2 Joint Undertaking should place a strong focus on areas where there is a major public health need and on the priorities of its strategic research agenda; notes that, in 2019, the IMI2 Joint Undertaking launched three calls for proposals with a total of 10 topics, and signed 29 grant agreements for new projects, expanding into new areas within the pharmaceutical industry, while also increasing its ties with other sectors involved in health research and innovation;

16. Is alarmed that the IMI2 Joint Undertaking has funded several projects that have enabled the pharmaceutical industry to lobby regulators in the Union to weaken safety assessment standards for new pharmaceuticals and to speed up the granting of marketing authorisations; calls on the IMI2 Joint Undertaking to inform the discharge authority about the details of the costs incurred for the projects in question;

17. Calls on the Commission to make sure that the future IMI2 Joint Undertaking activity programme will respect also the EU4Health Programme as established in Regulation (EU) 2021/522 [1] and all other Union strategies in the domain;

18. Notes that, according to the Court's report, at the end of 2019, the Horizon 2020 programme implementation rate stood at 75 % with regard to the call procedures for the activities assigned to the IMI2 Joint Undertaking;

19. Requests that the IMI2 Joint Undertaking reviews its communication strategy to ensure that relevant stakeholders are aware of its mission, activities and achievements;

20. Notes that, in 2019, the IMI2 Joint Undertaking's leverage effect value was 1,03; points out with concern that this rate is below expectations; calls on the IMI2 Joint Undertaking to take steps to meet the target;

21. Welcomes the fact that, according to the 2019 annual activity report of the IMI2 Joint Undertaking, the KPIs regarding gender balance in 2019 show that 51 % of the total staff working in IMI2 Joint Undertaking projects were women, 27 out of 89 project coordinators for IMI2 Joint Undertaking projects in 2019 were women and that women account for 45 % to 60 % of advisers and experts carrying out evaluations and analyses, and working on the scientific committee;

[1] Regulation (EU) 2021/522 of the European Parliament and of the Council of 24 March 2021 establishing a Programme for the Union's action in the field of health ('EU4Health Programme') for the period 2021-2027, and repealing Regulation (EU) No 282/2014 (OJ L 107, 26.3.2021, p. 1).

22. Calls on the Commission and the Court to provide an in-depth performance tracking method with a view to evaluating the added value of the IMI2 Joint Undertaking, and assessing its social and employment impact as well as its impact on the market; the results of the evaluation should be used for the future or for redistribution of Union financing;

23. Notes that the issue of intellectual property rights (IPRs) needs to be addressed in all contracts which may produce an intended outcome or result of the performance; recalls that IPRs aim to safeguard the rights of individual creators, but also provide details on how the rights will be used in the future; notes that since the activity is financed in part with public money, the results should be transparent and accessible to the public; calls on the Commission to propose a legal framework regarding IPRs and their implementation on the market, including special requirements and profit distribution;

Staff and Recruitment

24. Notes that, in December 2019, the total number of staff posts filled in the IMI2 Joint Undertaking was 53 (48 in 2018) out of 56 in the establishment plan;

25. Notes that, according to the Court's report, in 2019 the Joint Undertaking significantly stabilised its staff situation, in particular, the staff turnover rate decreased from 21 % to 5,6 %, the number of members of staff on long-term sick leave decreased from four to one, and the use of interim staff decreased from 5,1 to 3,8 full time equivalents;

26. Notes that, at the end of 2019, the nationalities of 13 Member States were represented in the IMI2 Joint Undertaking, four of them with one member of staff; notes that 72 % of the 53 members of staff were women and only 28 % men;

27. Calls on IMI2 Joint Undertaking to introduce a compulsory training scheme for newcomers and already operational members of staff;

Internal audit

28. Notes that, in June 2019 the Internal Audit Service (IAS) issued the 2019-2021 strategic internal audit plan for the IMI2 Joint Undertaking, based on the results of the IAS risk assessment conducted in December 2018; furthermore, notes that the IMI2 Joint Undertaking continued implementing the action plan stemming from the 2018 audit report on the 'Coordination with the Common Support Centre and implementation of CSC tools and services in the IMI2 JU', and that, in January 2020, the recommendation on the common Horizon 2020 IT system was closed;

Internal control

29. Notes the Court's finding that the IMI2 Joint Undertaking has set up reliable ex-ante control procedures, based on financial and operational desk reviews, and that at the end of 2019, it had implemented the new internal control framework and developed indicators for assessing the effectiveness of the control activities for all internal control principles and related characteristics; furthermore, notes that 2019 was the second year of the IMI2 Joint Undertaking's self-assessment of its internal control activities under the new framework; calls on the IMI2 Joint Undertaking to present to the discharge authority reports on the self-assessment exercise;

30. Notes that, according to the Court's report, for the Seventh Framework Programme interim and final payments, the IMI2 Joint Undertaking performs ex-post audits at the beneficiaries' premises, whereas, for Horizon 2020 project cost claims, the Commission's Common Audit Service is responsible for the ex-post audits, and that, based on the ex-post audit results available at the end of 2019, it reported a representative error rate of 2,05 % and a residual error rate of 0,66 % for its Seventh Framework Programme projects, and a representative error rate of 0,85 % and a residual error rate of 0,52 % for Horizon 2020 projects (clearings and final payments); notes, moreover, that, according to the Commission's proposal for Regulation (EU) No 1291/2013 ([2]), the ultimate aim for the residual level of error at the closure of the programmes, after the financial impact of all audits and correction and recovery measures will have been taken into account, is to achieve a level as close as possible to 2 %;

31. Notes with satisfaction that, according to the Court's report, as part of the operational payment controls, the Court audited randomly sampled Horizon 2020 payments made in 2019 at the level of the final beneficiaries to corroborate the ex-post audit error rates, and that those detailed audits showed no significant errors or control weaknesses at the sampled IMI2 Joint Undertaking's beneficiaries;

([2]) Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) and repealing Decision No 1982/2006/EC (OJ L 347, 20.12.2013, p. 104).

32. Notes that, in 2018 and 2019, the Court reviewed, on a sample basis, the ex-post audits carried out by the Commission's Common Audit Service and its contracted external auditors; mentions that the residual error rate reported by the seven Horizon 2020 Joint Undertakings (Single European Sky Air Traffic Management Research, Clean Sky, IMI2, Fuel Cells and Hydrogen, Electronic Components and Systems for European Leadership, Bio-based Industries and Shift2Rail) in their respective annual activity report is not directly comparable with the error rate published in the 2019 annual report of the Court for the Commission's research expenditure;

33. Notes with satisfaction that, as regards suspected fraud cases, in 2019 the IMI2 Joint Undertaking did not identify any new cases of irregularities or suspected fraud while managing its project portfolio and did not receive any European Anti-Fraud Office enquiries or requests for information;

Prevention and management of conflicts of interest, and transparency

34. Notes that the IMI2 Joint Undertaking adopted rules on conflicts of interest and has published CVs and declarations of interest of its members of the governing board;

35. Notes that in 2019 the IMI2 Joint Undertaking put in place a robust ethics framework following the governing board's adoption of the 'Innovative Medicines Initiative 2 Joint Undertaking policy on protecting the dignity of the person and preventing psychological harassment and sexual harassment'; notes also the work done to prepare for the governing board's adoption of the IMI2 Joint Undertaking guidelines on whistleblowing early in 2020;

36. Notes that negotiations and preparatory work are underway for establishment of an Innovate Health Initiative (IHI) as a possible successor of the IMI2 Joint Undertaking; notes that the key objectives for the IHI should be to adopt fully balanced and transparent decision making processes, continuously monitor environmental and socio-economic impacts, and put a new system in place to help prevent private partners from being unable to fulfil their financial obligations; regrets that such improvement efforts were not undertaken already in 2019 to improve the IMI2 Joint Undertaking's performance and transparency.

DECISION (EU, EURATOM) 2021/1673 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2019,

— having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2019, together with the Joint Undertakings' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2019 (05795/2021 - C9-0034/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([3]), and in particular Article 71 thereof,

— having regard to Council Regulation (EU) No 559/2014 of 6 May 2014 establishing the Fuel Cells and Hydrogen 2 Joint Undertaking ([4]), and in particular Article 12 thereof,

— having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([5]),

— having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([6]),

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

— having regard to the report of the Committee on Budgetary Control (A9-0107/2021),

([1]) OJ C 380, 11.11.2020, p. 6.
([2]) OJ C 380, 11.11.2020, p. 6.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 169, 7.6.2014, p. 108.
([5]) OJ L 38, 7.2.2014, p. 2.
([6]) OJ L 142, 29.5.2019, p. 16.

1. Grants the Executive Director of the Fuel Cells and Hydrogen 2 Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Executive Director of the Fuel Cells and Hydrogen 2 Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1674 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2019,

— having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2019, together with the Joint Undertakings' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2019 (05795/2021 - C9-0034/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([3]), and in particular Article 71 thereof,

— having regard to Council Regulation (EU) No 559/2014 of 6 May 2014 establishing the Fuel Cells and Hydrogen 2 Joint Undertaking ([4]), and in particular Article 12 thereof,

— having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([5]),

— having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([6]),

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

— having regard to the report of the Committee on Budgetary Control (A9-0107/2021),

([1]) OJ C 380, 11.11.2020, p. 6.
([2]) OJ C 380, 11.11.2020, p. 6.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 169, 7.6.2014, p. 108.
([5]) OJ L 38, 7.2.2014, p. 2.
([6]) OJ L 142, 29.5.2019, p. 16.

1. Approves the closure of the accounts of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2019;

2. Instructs its President to forward this decision to the Executive Director of the Fuel Cells and Hydrogen 2 Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2021/1675 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget for the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the Fuel Cells and Hydrogen 2 Joint Undertaking (the 'Joint Undertaking') for the financial year 2019,

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

— having regard to the report of the Committee on Budgetary Control (A9-0107/2021),

A. whereas the Fuel Cells and Hydrogen Joint Undertaking (FCH) was set up in May 2008 as a public-private partnership by Council Regulation (EC) No 521/2008 ([1]) for a period until 31 December 2017 to increase research efforts and accelerate the deployment of fuel cells and hydrogen technologies; whereas Regulation (EC) No 521/2008 was repealed by Council Regulation (EU) No 559/2014 ([2]);

B. whereas Regulation (EU) No 559/2014 established the Joint Undertaking in May 2014 to replace and succeed FCH for a period until 31 December 2024;

C. whereas the members of FCH were the Union, represented by the Commission, the Fuel Cell and Hydrogen Joint Technology Initiative Industry Grouping, and the Research Grouping N.ERGHY;

D. whereas the members of the Joint Undertaking are the Union, represented by the Commission, the New Energy World Industry Grouping AISBL (Industry Grouping), renamed Hydrogen Europe in 2016, and the New European Research Grouping on Fuel Cells and Hydrogen AISBL (Research Grouping), renamed Hydrogen Europe Research in 2018;

E. whereas the maximum Union contribution towards the Joint Undertaking's first phase of activities is EUR 470 000 000 from the Seventh Framework Programme; whereas the contributions from the other members must be at least equal to the Union contribution;

F. whereas in the Joint Undertaking, the maximum Union contribution is EUR 665 000 000 (including EFTA appropriations) from the Horizon 2020 and the members of the Industry and Research Groupings are expected to contribute total resources of at least EUR 380 000 000 over the period defined by Regulation (EU) No 559/2014, comprising in-kind contributions in the Horizon 2020 projects funded by the Joint Undertaking, in-kind contributions to additional activities of at least EUR 285 000 000, and in cash-contributions to administrative costs;

Budget and financial management

1. Notes that the report of the Court of Auditors (the 'Court') on the annual accounts of the Joint Undertaking (the 'Court's report') finds the 2019 annual accounts to present fairly, in all material respects, the financial position of the Joint Undertaking at 31 December 2019, the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with its financial regulation and with accounting rules adopted by the Commission's accounting officer; notes, furthermore, from the Court's report that the underlying transactions to the accounts are legal and regular in all material respects;

2. Notes that the Joint Undertaking's available final budget (which includes re-entered unused appropriations of previous years, assigned revenues and reallocations to the next year) for the financial year 2019 included commitment appropriations of EUR 91 730 585 and payment appropriations of EUR 113 855 981; notes that the overall 2019 budget execution of commitment and payment appropriations reached 85,9 % and 98,4 % respectively;

([1]) Council Regulation (EC) No 521/2008 of 30 May 2008 setting up the Fuel Cells and Hydrogen Joint Undertaking (OJ L 153, 12.6.2008, p. 1).

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

3. Notes that at the end of 2019, out of the maximum contribution of EUR 470 000 000 as per Regulation (EC) No 521/2008, the Union contributed a total of EUR 421 606 000 from the Seventh Framework Programme including EUR 19 107 000 in-kind contributions and the members from the Industry and Research Groupings are contributing a total of validated resources of EUR 447 506 000, comprising EUR 429 600 000 in-kind validated contributions in the Seventh Framework Programme projects; notes that the Joint Undertaking made payments of EUR 5 805 092 for the Seventh Framework Programme in 2019, totalling EUR 415 313 265 for the entire period 2009-2019, and that the implementation rate for payment appropriations was 95,1 % for the budget available for Seventh Framework Programme projects in 2019;

4. Notes that at the end of 2019, the Union contributed a total of EUR 420 067 000 from Horizon 2020 and the members from the Industry and Research Groupings are contributing a total of validated resources of EUR 11 707 000 comprising EUR 5 376 000 in-kind validated contributions in the Joint Undertaking's Horizon 2020 projects, and further a total of EUR 667 001 000 in-kind contributions to additional activities;

5. Notes from the Court's report that the low level of industry members' in-kind contributions for operational activities is due to the fact that the Joint Undertaking certifies them at the time of the final cost claims, and therefore, the certification of most of the committed in-kind contributions will take place later in the Horizon 2020 programme, when the final payment for the projects is made and the certificates of financial statement are due;

6. Notes that there are different procedures across the joint undertakings receiving financial contribution from joint undertakings' private members; calls for harmonisation of the in-kind contribution calculation across the joint undertakings; considers that the common procedure should provide for transparent and effective methods of evaluation having as result the real value for the contribution; calls on the Court to provide the scrutiny of the audits performed by the independent external auditors; also calls for an appropriate legal framework that ensures that the required financial contribution amount will be achieved by the end of the programme; notes that that legal framework could include requirements for the private contribution to be paid before or at the same time as the corresponding Union contribution;

7. Notes that the implementation rate of the budget available for Horizon 2020 projects was 86,3 % for commitments and 100 % for payments appropriations; notes, furthermore, that the commitment appropriations were not fully used, as two topics of the 2019 call were not awarded;

Performance

8. Notes that the Joint Undertaking uses the specific key performance indicators (KPIs) pursuant to Horizon 2020 as well as two specific Joint Undertaking KPIs measuring the share of funds allocated to research activities, and having demonstrator projects hosted in Member States and regions benefiting from the Union structural and investment funds; notes, furthermore, that KPIs (established in 2014) were revised and included in an addendum to the multiannual work plan, endorsed by the governing board in June 2018, as the technology progressed substantially in recent years and new applications have begun to emerge;

9. Requests that the Joint Undertaking reviews its communication strategy to ensure that relevant stakeholders are aware of its mission, activities and achievements;

10. Notes that the value of leverage effect at 31 December 2019 was 2,24 taking into consideration all private partners contributions, and 1,51 taking into account only members of Hydrogen Europe Industry and Hydrogen Europe Research;

11. Notes that in 2019 the Joint Undertaking completed CertifHy 2 project which serves as a catalyst for implementing an Union-wide GO scheme for green and low-carbon hydrogen and is a milestone towards a possible hydrogen certification mechanism in the context of Directive (EU) 2018/2001 ([3]); notes that in 2019 the review and assessment of the events contained in the European Hydrogen Safety Reference Database (HIAD.2.0) which contains recommendations for future research in this field; notes the developments following the conclusions of the report 'Fuel Cells and Hydrogen for Green Energy in European Cities and Regions', such as the launch of the European hydrogen valleys partnership (EH-S3P) under the smart Specialisation platform, the signature of a contract for managing a pilot project development assistance facility, and the inclusion in the 2019 work plan of an H2 Valley topic for a large demonstration (flagship) project;

([3]) Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018, p. 82).

12. Notes that in 2019 grant agreements for two major demonstration projects (H2Haul and Djewels) from 2018 call were signed; notes, moreover, that for the 2019 call, the Joint Undertaking received a total of 43 eligible proposals for its 17 topics and that beneficiaries were from 23 Member States or associated countries and that entities from four third countries are participating in seven projects; notes, furthermore, that all 17 grant agreements were signed in 2019;

13. Notes that at the end of 2019, the Joint Undertaking's global project portfolio comprised of 155 projects under Seventh Framework Programme (of which 150 were closed and 5 remain open) and 109 signed projects under Horizon 2020 (of which 11 were closed and 98 remain open); notes, moreover, that in 2019 the Joint Undertaking performed calls for tenders for two studies, with one contract signed in July 2019, and additionally two calls for tenders for support to mission innovation and for project development assistance for regions, both signed in the year;

14. Notes that, according to the Court's report, at the end of 2019, the implementation rate of Horizon 2020 stood at 83 % with regard to the call procedures for the activities assigned to the Joint Undertaking;

15. Notes that at the end of 2019 the Joint Undertaking had 27 members of staff from 10 Member States and is pleased to note that there is almost gender balance among staff (51 % men and 49 % women); notes also that in 2019 the share of women participating in Horizon 2020 projects stood at 27 %, that 23,8 % of project coordinators were women, and that 33 % of the members of the scientific committee were women;

16. Calls on the Commission and the Court for a in-depth performance-tracking method with a view to evaluate the added value of the Joint Undertaking and including the social and employment impact as well as impact on the market; opines that the results of the evaluation should be used for the future or for a redistribution of Union financing;

17. Calls on the Commission to ensure that the Joint Undertaking activity programme will in the future respect the requirements and the targets provided by the Union law as far as it concerns the mitigation of the climate change and that it will follow the strategies in the domain elaborated by both the Commission and industry;

18. The issue of intellectual property rights (IPR) needs to be addressed in all contracts which may produce an intended outcome or result of the performance; recalls that IPRs aim to safeguard the rights of individual creators but also provides details on how the right will be used in the future; notes that since the activity is financed also by public funding, the results should be transparent, accessible to the public and subject to special requirements; calls on the Commission to propose a legal framework regarding the IPRs and their implementation on the market, including special requirements and profit distribution;

Internal Audit

19. Notes that in 2019, the Joint Undertaking provided answers to the draft and final report on a new strategic internal audit plan for 2019-2021 prepared by the internal audit service (IAS) team, and that in agreement with the IAS, a new IAS audit as per strategic internal audit plan for 2019 to 2021 would launch in 2020; notes, moreover, that during the year 2019, the Joint Undertaking was consulted and provided input to the IAS in the context of a consulting engagement in the existing process of research and innovation policy feedback carried out by the IAS at the request of the common implementation centre;

20. Notes that at 31 December 2019, all recommendations and action plans coming from the previous IAS audits were successfully implemented and closed;

Internal controls

21. Notes from the Court's report that the Joint Undertaking has set up *ex ante* control procedures based on financial and operational desk reviews, and that it is obliged to implement the Commission's new internal control framework based on 17 internal control principles; notes, furthermore, from the Court's report that at the end of 2019, the Joint Undertaking had already completed a gap analysis based on the existing internal control system and developed indicators for the assessment of the effectiveness of the new internal control principles and related characteristics; notes that following the 2018 self-assessment of the internal control framework resulted in an action plan, an internal assessment was carried out in 2019 to ensure that the action plan was followed;

22. Notes from the Court's report that for Seventh Framework Programme interim and final payments, the Joint Undertaking is responsible for *ex post* audits at the beneficiaries, whilst for Horizon 2020 project cost claims, is the Commission's common audit service for the *ex post* audits, and that based on the *ex post* audit results available at the end of 2019, the Joint Undertaking reported a representative error rate of 2,08 % and a residual error rate of 1,08 % for its Seventh Framework Programme projects, and a representative error rate of 0,94 % and a residual error rate of 0,7 % for Horizon 2020 projects (clearings and final payments); notes that the Commission's proposal for the Horizon 2020 regulation proposed that for research spending under Horizon 2020 an annual risk of error of a range between 2 to 5 % is a realistic objective, taking into account the costs of controls, the simplification measures proposed to reduce the complexity of rules and the related inherent risk associated to the reimbursement of costs of the research project, and that the ultimate aim for the residual level of error at the closure of the programmes after the financial impact of all audits, correction and recovery measures will have been taken into account, is to achieve a level as close as possible to 2 %;

23. Notes that the Court audited randomly sampled Horizon 2020 payments made in 2019 at the level of the final beneficiaries to corroborate the *ex post* audit error rates, as part of the operational payment controls, and that these detailed audits showed no significant errors or control weaknesses at the sampled the Joint Undertaking's beneficiaries;

24. Notes that the Joint Undertaking's code of good administrative behaviour was adopted by its executive director in September 2019; notes that the Joint Undertaking adopted new financial rules following the model financial regulation for public-private partnerships, by a decision of the governing board of December 2019; notes, moreover, that the Joint Undertaking launched a procedure for the adoption of a document management policy at the end of 2019 and that final adoption was scheduled to take place in early 2020;

25. Notes that the Joint Undertaking had a complete risk matrix for 2020 (including lower-priority risks) regularly assessed and discussed by management, as part of an ongoing risk assessment process, to reflect on any changes in the organisation's internal and external environment, and also considered the status of the significant risks and action plans that were identified in 2018; notes that the Joint Undertaking implements the common research anti-fraud strategy.

DECISION (EU, EURATOM) 2021/1676 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the Shift2Rail Joint Undertaking for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Shift2Rail Joint Undertaking for the financial year 2019,

— having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2019, together with the Joint Undertakings' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2019 (05795/2021-C9-0035/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([3]), and in particular Article 71 thereof,

— having regard to Council Regulation (EU) No 642/2014 of 16 June 2014 establishing the Shift2Rail Joint Undertaking ([4]), and in particular Article 12 thereof,

— having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([5]),

— having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([6]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0111/2021),

([1]) OJ C 380, 11.11.2020, p. 6.
([2]) OJ C 380, 11.11.2020, p. 6.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 177, 17.6.2014, p. 9.
([5]) OJ L 38, 7.2.2014, p. 2.
([6]) OJ L 142, 29.5.2019, p. 16.

1. Grants the Executive Director of the Shift2Rail Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Executive Director of the Shift2Rail Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

DECISION (EU, EURATOM) 2021/1677 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the Shift2Rail Joint Undertaking for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the Shift2Rail Joint Undertaking for the financial year 2019,

— having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2019, together with the Joint Undertakings' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2019 (05795/2021-C9-0035/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([3]), and in particular Article 71 thereof,

— having regard to Council Regulation (EU) No 642/2014 of 16 June 2014 establishing the Shift2Rail Joint Undertaking ([4]), and in particular Article 12 thereof,

— having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([5]),

— having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([6]),

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0111/2021),

1. Approves the closure of the accounts of the Shift2Rail Joint Undertaking for the financial year 2019;

2. Instructs its President to forward this decision to the Executive Director of the Shift2Rail Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([1]) OJ C 380, 11.11.2020, p. 6.
([2]) OJ C 380, 11.11.2020, p. 6.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 177, 17.6.2014, p. 9.
([5]) OJ L 38, 7.2.2014, p. 2.
([6]) OJ L 142, 29.5.2019, p. 16.

RESOLUTION (EU) 2021/1678 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget for the Shift2Rail Joint Undertaking for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the Shift2Rail Joint Undertaking for the financial year 2019,

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0111/2021),

A. whereas the Shift2Rail Joint Undertaking (the 'Joint Undertaking') was established in June 2014 for a period of 10 years by Regulation (EU) No 642/2014;

B. whereas the founding members are the European Union, represented by the Commission, and rail industry partners (key stakeholders, including rail equipment manufacturers, railway companies, infrastructure managers and research centres) with the possibility of other entities participating in the Joint Undertaking as associated members; whereas contributions of members other than the Union should not be limited to only covering the administrative costs and the co-financing required to carry out research and innovation actions, they should also relate to additional activities;

C. whereas the main objectives of the Joint Undertaking are to contribute to the achievement of the Single European Railway Area, and to enhance the attractiveness, competitiveness, sustainability, and integration of the European railway system, facilitating, inter alia, a modal shift from road and air to rail transport;

D. whereas the Joint Undertaking started to work autonomously in May 2016;

General

1. Notes that the report of the Court of Auditors (the 'Court') on the Joint Undertaking's annual accounts for the financial year 2019 (the 'Court's report') finds the annual accounts to be presented fairly, in all material respects, with regards to the Joint Undertaking's financial position on 31 December 2019 and the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with its Financial Regulation and with the accounting rules adopted by the Commission's accounting officer; notes that, according to the Court's report, the transactions underlying the accounts are, in all material respects, legal and regular;

2. Notes that, for the period set in the Regulation, the maximum Union contribution to the activities of the Joint Undertaking is EUR 450 000 000 (including EFTA contributions), to be paid from Horizon 2020; notes that all members of the Joint Undertaking other than the Union (industry grouping) are to contribute resources of at least EUR 470 000 000, consisting of at least EUR 350 000 000 in 'in-kind' and cash contributions to the operational and administrative costs of the Joint Undertaking, and at least EUR 120 000 000 in 'in-kind' contributions to the Joint Undertaking's additional activities;

3. Notes that there are different procedures across the Joint Undertakings for receiving financial contribution from Joint Undertaking's private members; calls for a harmonisation of the in-kind contribution calculation across the Joint Undertakings; the common procedure should provide for transparent and effective methods of evaluation having as result the real value for the contribution; calls on the Court to provide the scrutiny of the audits performed by the independent external auditors; calls also for an appropriate legal framework that ensures that the required financial contribution amount will be achieved by the end of the programme; notes that legal framework could include requirements for the private contribution to be paid before or at the same time as the corresponding Union contribution;

4. Notes that, in total, more than 400 public and private entities, representing the railway sector, participate to the Shift2Rail research and innovation activities;

5. Highlights the Joint Undertaking's contribution to achieving the objectives of the European Green Deal; welcomes in this respect, the research and innovation efforts of the Shift2Rail towards achieving a more sustainable, digital, competitive, reliable and attractive railway system in Europe;

6. Supports the proposed establishment of the Rail European Partnership on research and innovation that will build on the success of the Joint Undertaking; highlights the need to explore opportunities for funding of programmes and projects under Union programmes such as the Connecting Europe Facility, the Digital Europe Plan, the European Regional Development Fund and the Cohesion Fund, as well as to develop synergies between the new Partnership and the existing funding mechanisms;

7. Believes that the successor of the Shift2Rail should include in the research programme joint work with other modes of transport in order to pave the way towards seamless and integrated transport; points out that the automation and digitalisation of the rail sector should be one of the priorities of the successor to Shift2Rail;

8. Calls on the Commission to assure that the future Joint Undertaking's activity program will respect the requirements and the targets provided by the Union law as far as concern the mitigation of the climate change and the digitalization and will follow the strategies in the domain elaborated by both Commission and industry;

Budget and financial management

9. Notes that the final budget available in 2019, including re-entered unused appropriations from previous years, assigned revenues and reallocations to the next year, comprised commitment appropriations of EUR 83 071 000 and payment appropriations of EUR 81 563 000; notes that in 2019, the utilisation rates for the available commitment and payment appropriations were 97 % and 86 % respectively;

10. Notes that the Joint Undertaking's active Horizon 2020 budget available in 2019 was EUR 80 197 000 in commitment appropriations and EUR 78 569 000 in payment appropriations; notes furthermore from the Court's report that at the end of 2019, the Joint Undertaking implemented 100 % of commitment appropriations and 88 % of the payment appropriations available for Horizon 2020 projects, and that the pre-financing payments for Horizon 2020 projects selected under the 2019 call for proposals amounted to 65 % of the value of the operational payments made during the year;

11. Notes that for Horizon 2020 at the end of 2019, the industry members made a total of EUR 76 827 000 validated contributions, comprising a total of EUR 68 645 000 validated in-kind contributions, and additionally a total in-kind contribution to additional activities of EUR 182 506 000, compared to the Union total cash contribution of EUR 221 743 000;

12. Notes that, in 2019, the Joint Undertaking retained and signed 17 grant agreements (out of 48 proposal received) resulting from the 2019 call for proposals, and that one topic was not covered; moreover, notes that, in total, the awarded and signed grants will fund research and innovation activities up to EUR 74 760 000 against a total value of EUR 148 551 000, and that in this respect, the other members (founding members other than the Union and the associated members) agreed to limit their requests for funding to 44,44 % of the total project cost (i.e. a net of 41,44 % for an other member after taking into account its obligations); notes that under the 2019 call, 90 small and medium-sized enterprises (SMEs) participated (20 %) and that 40 SMEs were retained for funding (44,4 %), and moreover that SMEs represent 30 % of the entities selected in the open calls projects; notes that two grants related to the call 2018 were signed in the first quarter of 2019;

13. Notes that at the end of 2019, 72 projects were ongoing (32 calls for members and 40 open calls): 56 projects were distributed on the 6 innovation programmes, 10 projects on the cross cutting activities, and 6 projects in Innovation Programme X;

Performance

14. Notes that the Joint Undertaking uses the specific key performance indicators for Horizon 2020 for monitoring performance and cross-cutting issues, as well as key performance indicators specific to the Joint Undertaking, such as those for the efficiency of the railway transport system; notes that, during 2019, the Joint Undertaking continued the work on the next Release of the key performance indicators model (presented in 2018 as Release 1), and that the web-based tool Release 2.0 of the key performance indicators model was presented during the meeting of the governing board in November 2019;

15. Requests that the Joint Undertaking reviews its communication strategy to ensure that relevant stakeholders are aware of its mission, activities and achievements.

16. Calls on the Commission and the Court to develop an in-depth performance tracking method with a view to evaluating the added value of the Joint Undertaking and including the social, employment impact as well as impact on the market; the results of the evaluation should be used for future or redistribution of Union financing;

17. Notes that, by the end of 2019, more than 50 % of the Joint Undertaking's Programme concerning research and innovation activities has been delivered with a view to attaining Technology Readiness Level 6/7 in respect of the operational demonstrations (planned to conclude in 2022), and that, in general, all projects have delivered the planned activities, with only 8 technology demonstrators/ work areas having performed less than 80 % of their planned activities in the year (of which one technology demonstrator below 50 %), and furthermore that the Joint Undertaking has initiated the research and innovation activities of the 2019 call;

18. Notes that the Joint Undertaking's current activities are progressing towards their demonstrations in 2022, that they are the building blocks of a more systemic railway transformation which is strategically driven by the Commission's Digitalisation Agenda and Green Deal, and that in September 2019, the first workshop brainstorming on the next partnership and the ambition of the rail sector was organised with Commission participating as observer; furthermore, notes that the Joint Undertaking contributed to the Shift2Rail impact assessment coordinated by Directorate-General Research and Innovation and to the 'Supporting analysis for defining the future rail research and innovation partnership under the next multi-annual financial framework' coordinated by Directorate-General for Mobility and Transport, and supported the development of a high-level paper on the Shift2Rail successor; notes that in October 2019, the Joint Undertaking presented the Catalogue of Solutions, highlighting the benefits of Shift2Rail solutions for final users, operators, infrastructure managers and/or suppliers, as well as specifying delivery dates;

19. Notes that, during 2019, the Joint Undertaking has progressed towards achieving its targets, delivering the Shift2Rail Programme implementation and ensuring an effective and efficient sound financial management; notes that it is estimated that the total project cost of the activities performed in 2019 is EUR 117,5 million (of which EUR 98,9 million was provided by other members);

20. Notes that, according to the Court's report, at the end of 2019, the Horizon 2020 programme implementation rate stood at 78 % with regard to the call procedures for the activities assigned to the Joint Undertaking;

21. The issue of Intellectual Property Rights needs to be addressed in all contracts which may produce an intended outcome or result of the performance; it aims at safeguarding the rights of individual creators but also provide details how the right will be used in the future; since the activity is financed also with public money, the results should be transparent, accessible to the public and subject to special requirements, as for example interoperability if necessary; calls on the Commission for a legal framework regarding the intellectual property rights and their implementation on the market, including special requirements and profit distribution;

Staff and procurement

22. Notes that at 31 December 2019, 24 staff positions were filled, consisting of 3 seconded national experts, 5 temporary agents, and 16 contract agents, as per establishment plan, and, in addition, in order to ensure the continuity of operations, the Joint Undertaking carried out an exceptional recruitment process for a contract agent for one year to replace a temporary agent on long-term absence, as provided in the Staff Regulation; notes the high staff turnover of the Joint Undertaking and that this is due to the fact that, contrary to almost all other Union Institutions, Agencies and Joint Undertakings, the Joint Undertaking has a Staff Establishment Plan that provides for 25 % of positions to be temporary agents positions and 75 % to be contract agents positions;

23. Notes that, in the 2019 annual activity report of the Joint Undertaking, the key performance indicators regarding gender balance for that year show a very low percentage of women - only 16 % - on the board, while they made up 33 % of the Joint Undertaking representatives and 33 % of the Scientific Committee;

24. Notes that in 2019 the Joint Undertaking performed calls for tenders on railway operators and on support services for the Joint Undertaking, in compliance with the principles of the Financial Regulation and the guidance provided by Commission, and that at the end of 2019, two tenders were still to be finalised;

Internal Audit

25. Notes that in 2019 the internal audit service performed an audit on the grant process from the identification of the call topics to the signature of the grant agreement, and that, following the Final Audit Report in October 2019, the internal audit service recognised the ongoing efforts made by the Joint Undertaking to strictly monitor the duration of the grant preparation phase to ensure that the Horizon 2020 'time to grant' target is respected; notes that the Joint Undertaking started implementing remedial activities as defined in the Action Plan for the four important recommendations to management;

26. Notes that by the end of 2019, the Joint Undertaking reported all recommendations, resulting from the limited review of the implementation of internal control standards of 2018, as implemented;

Internal Control

27. Notes that, according to the Court's report, the Joint Undertaking has set up reliable ex-ante control procedures based on financial and operational desk reviews and that it is obliged to implement the Commission's new internal control framework based on 17 internal control principles; notes, furthermore, that, according to the Court's report, at the end of 2019, the Joint Undertaking already completed a gap analysis based on the existing internal control system and developed indicators for the assessment of the effectiveness of the new internal control principles and related characteristics;

28. Notes that in April 2019, the Joint Undertaking assessed its research and innovation activities through a third control gate exercise that took into account the deliverables and reports submitted in the context of the Annual Review of the 2015-2016 and 2017 Projects coordinated by the other members, while also ensuring that the recommendations made during the previous control-gate assessment had been properly applied; notes, moreover, that the quality of some deliverables submitted was substandard, that the Joint Undertaking requested several re-submissions of deliverables and suspended technical and financial reports, and that his process is still particularly demanding as no advance planning can be made; notes that in 2019, the Joint Undertaking piloted, in some projects, a new continuous review process for deliverables combined with a control gate at the moment of the annual review, which was considered to be successful; calls on the Joint Undertaking to report on any development in that regard;

29. Notes that the Joint Undertaking continued to implement the Shift2Rail Anti-Fraud Strategy 2017-2020 complementing the Horizon 2020 strategy; notes, furthermore, that five indicators are used to report on the results of fraud prevention and detection activities, and that the Action plan for implementation, covering the different stages of the anti-fraud cycle (prevention, detection, investigation and corrective measures) was reviewed in 2019;

30. Notes that, according to the Court's report, the Common Audit Service of the Commission (CAS) is responsible for the ex-post audit of Horizon 2020 payments made by the Joint Undertaking and that, based on the ex-post audit results available at the end of 2019, the Joint Undertaking reported a representative error rate of 1,54 % and a residual error rate of 0,91 % for Horizon 2020 projects (clearings and final payments); notes from the Commission's proposal for a Horizon 2020 regulation that a risk of error, on an annual basis, within a range of between 2 to 5 % is a realistic objective, taking into account the cost of controls, the simplification measures proposed to reduce the complexity of rules and the related inherent risk associated with the reimbursement of the costs of the research project, and that the ultimate aim for the residual level of error at the closure of the programmes after the financial impact of all audits, correction and recovery measures is taken into account, is the achievement of a level as close as possible to 2 %;

31. Notes that the Court, as part of the operational payment controls, audited randomly-sampled Horizon 2020 payments, made in 2019, at the level of the final beneficiaries to corroborate the ex-post audit error rates, and that the detailed audits revealed minor quantifiable errors related to the declared personnel costs, with the main sources of errors being work hours claimed on holidays, and the use of unit rates, including estimated elements that deviated significantly from the actual unit rates;

32. Notes that the CVs and declarations of interest of the governing board are not published; calls on the Joint Undertaking to publish the CVs and the declaration of interest of the governing board in the light of the transparency framework and to guarantee user-friendly access to them.

DECISION (EU, EURATOM) 2021/1679 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the ECSEL Joint Undertaking for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the ECSEL Joint Undertaking for the financial year 2019,

— having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2019, together with the Joint Undertakings' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2019 (05795/2021 - C9-0036/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([3]), and in particular Article 71 thereof,

— having regard to Council Regulation (EU) No 561/2014 of 6 May 2014 establishing the ECSEL Joint Undertaking ([4]), and in particular Article 12 thereof,

— having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([5]),

— having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([6]),

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

— having regard to the report of the Committee on Budgetary Control (A9-0108/2021),

1. Grants the Executive Director of the ECSEL Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year2019;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Executive Director of the ECSEL Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([1]) OJ C 380, 11.11.2020, p. 6.
([2]) OJ C 380, 11.11.2020, p. 6.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 169, 7.6.2014, p. 152.
([5]) OJ L 38, 7.2.2014, p. 2.
([6]) OJ L 142, 29.5.2019, p. 16.

DECISION (EU, EURATOM) 2021/1680 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the ECSEL Joint Undertaking for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the ECSEL Joint Undertaking for the financial year 2019,

— having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2019, together with the Joint Undertakings' replies ([1]),

— having regard to the statement of assurance ([2]) as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2019 (05795/2021 - C9-0036/2021),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([3]), and in particular Article 71 thereof,

— having regard to Council Regulation (EU) No 561/2014 of 6 May 2014 establishing the ECSEL Joint Undertaking ([4]), and in particular Article 12 thereof,

— having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([5]),

— having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([6]),

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

— having regard to the report of the Committee on Budgetary Control (A9-0108/2021),

1. Approves the closure of the accounts of the ECSEL Joint Undertaking for the financial year 2019;

2. Instructs its President to forward this decision to the Executive Director of the ECSEL Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([1]) OJ C 380, 11.11.2020, p. 6.
([2]) OJ C 380, 11.11.2020, p. 6.
([3]) OJ L 193, 30.7.2018, p. 1.
([4]) OJ L 169, 7.6.2014, p. 152.
([5]) OJ L 38, 7.2.2014, p. 2.
([6]) OJ L 142, 29.5.2019, p. 16.

RESOLUTION (EU) 2021/1681 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget for the ECSEL Joint Undertaking for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the ECSEL Joint Undertaking for the financial year 2019,

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

— having regard to the report of the Committee on Budgetary Control (A9-0108/2021),

A. whereas the ECSEL Joint Undertaking on Electronic Components and Systems for European Leadership (the 'Joint Undertaking') was established on 6 May 2014 within the meaning of Article 187 of the Treaty on the Functioning of the European Union for the implementation of the Joint Technology Initiative on 'Electronic Components and Systems for European Leadership' (ECSEL), for a period until 31 December 2024;

B. whereas the Joint Undertaking was established by Regulation (EU) No 561/2014 ([1]) in May 2014, which entered into force on 27 June 2014, to replace and succeed the ARTEMIS and the ENIAC Joint Undertakings;

C. whereas the members of the Joint Undertaking are the Union, the Member States and, on a voluntary basis, the Associated Countries (Participating States), and private member associations (Private Members) that represent their constituent companies and other organisations active in the field of electronic components and systems in the Union;

D. whereas the contributions to the Joint Undertaking for the entire period of Horizon 2020 amount to up to EUR 1 184 874 000 from Union funds (including EFTA appropriations) towards administrative and operational costs, at least EUR 1 170 000 000 from the Participating States to the operational costs and commensurate with the Union's financial contribution, and at least EUR 1 657 500 000 from the Private Members;

Budgetary and financial management

1. Notes that the report of the Court of Auditors (the 'Court') on the Joint Undertaking's annual accounts for the financial year 2019 (the 'Court's report') finds the Joint Undertaking's annual accounts to present fairly, in all material respects, its financial position on 31 December 2019 and the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with its financial regulation and the accounting rules adopted by the Commission's accounting officer; notes that the underlying transactions to the accounts are legal and regular in all material respects;

2. Notes that the Joint Undertaking's total available budget (which includes re-entered unused appropriations of previous years, assigned revenues and reallocations to the next year) for the financial year 2019 included commitment appropriations of EUR 203 966 000 and payment appropriation of EUR 232 545 000; notes that the utilisation rates for commitment and payment appropriations were 100 and 80 % respectively;

3. Notes from the Court's report that at the end of 2019 the Union contributed EUR 637 600 000 from the Seventh Framework programme fund for the co-financing of Seventh Framework programme activities, and a further EUR 17 931 000 for the co-financing of related administrative costs, and that the cumulated commitment for those activities taken over by the Joint Undertaking in June 2014 amounted to EUR 447 342 072 (ARTEMIS EUR 101 425 148 and ENIAC EUR 345 916 924); notes from the Court's report that at the end of 2019 the Joint Undertaking had de-committed approximately EUR 21 800 000 (approximately, ARTEMIS EUR 10 700 000 and ENIAC EUR 11 100 000) and paid EUR 372 480 443 (ARTEMIS EUR 78 362 170 and ENIAC EUR 294 118 273);

4. Notes from the Court's report that the implementation rate for the Joint Undertaking's 2019 available payment appropriations of EUR 44 805 000 for the co-financing of Seventh Framework programme projects was 45,3 % and that this low rate was mainly due to the delay of national funding authorities (the 'NFAs') in providing end of project certificates for ongoing Seventh Framework programme activities; notes, moreover, that as the programme

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

was closed at the end of 2017, those delays increase the risk that the Seventh Framework programme funds already allocated to the Joint Undertaking may not be fully used; calls on the Joint Undertaking to report to the discharge authority in that regard;

5. Notes that the 30 Participating States are required to contribute at least EUR 1 170 000 000 to Horizon 2020 operational activities of the Joint Undertaking over the period envisaged in Regulation (EU) No 561/2014, and that at the end of 2019, the Participating States taking part in the 2014 to 2018 calls for proposals, made commitments amounting to approximately EUR 763 530 000 and payments of approximately EUR 341 600 000 (29,2 % of the total required contributions); notes from the Court's report that the low level of Participating States' contributions arises from some Participating States not recognising and reporting their costs to the Joint Undertaking until after the completion of the Horizon 2020 projects that they support;

6. Notes that out of the EUR 1 657 500 000 of contributions to be made at least by private (industry) members to the activities of the Joint Undertaking over the period envisaged for the programme in the regulation, at the end of 2019, the Joint Undertaking estimated (reported but not validated) that the members had made in-kind contributions of EUR 705 410 000, compared to the Union's cash contribution at the end of 2019 of EUR 681 483 000 (up to EUR 1 184 874 000 as per Regulation (EU) No 561/2014) and industry's in-kind validated contribution of EUR 102 559 000; notes furthermore that industry members' cash contributions amounted to EUR 14 922 000; notes from the Court's report that the Joint Undertaking can calculate the actual amount of the industry members' in-kind contributions only after it has validated the contributions of the Participating States at the end of the programme and that that explains the high amount of reported but not yet validated industry in-kind contributions; calls on the Participating States to honour their obligations under Article 4 of Regulation (EU) No 561/2014 with regard to their contributions and reporting of it;

7. Notes that there are different procedures across the joint undertakings receiving financial contributions from private members; calls for harmonisation of the in-kind contributions calculation across the joint undertakings; suggests that the common procedure should provide for transparent and effective methods of evaluation having as result the real value for the contribution; calls on the Court to provide the scrutiny of the audits performed by the independent external auditors; calls also for an appropriate legal framework that ensures that the required financial contribution amount will be achieved by the end of the programme; notes that that legal framework could include requirements for the private contribution to be paid before or at the same time as the corresponding Union contribution;

8. Notes from the Court's report that the implementation rates of the 2019 available budget for Horizon 2020 projects were 100 % for commitment and 89 % for payment appropriations, and that the pre-financing payments for Horizon 2020 projects selected under the 2018 and 2019 calls for proposals comprised 67 % of the value of the operational payments made during the year; notes, furthermore, from the Court's report that the Joint Undertaking reallocated EUR 19 000 000 of unused previous years' payment appropriations to the 2019 operational budget, increasing the initial budget for Horizon 2020 grant payments from EUR 163 080 000 to EUR 182 147 000 and that the Joint Undertaking justified the reallocation by the expected increase of cost claims in 2019, related to 2014 and 2015 Horizon 2020 calls, and that at the end of 2019, 59 % of the reallocated budget was implemented;

Performance

9. Notes that the Joint Undertaking uses key performance indicators (KPIs) to measure operational and programme performance, and specific common KPIs under Horizon 2020, while also monitoring cross-cutting issues through indicators;

10. Requests that the Joint Undertaking reviews its communication strategy to ensure that relevant stakeholders are aware of its mission, activities and achievements;

11. Calls on the Commission and the Court for an in-depth performance tracking method in view of evaluating the added value of the Joint Undertaking and including the social and employment impact as well as impact on the market; considers that the results of that evaluation should be used for the future or for redistribution of Union financing;

12. Notes the total achieved leverage in 2019 for the Joint Undertaking programme (namely, the Horizon 2020 cost minus Union funding divided by the Union funding) equals 3; moreover, notes that EUR 1 of Horizon 2020 funding also leverages EUR 0,93 of national or the Union structural and investment funds;

13. Notes that the Joint Undertaking launched three calls for proposals in 2019 (research and innovation action, innovation action, and coordination and support action), resulting in the selection of 15 collaborative projects out of 40: eight research and innovation actions and six innovation actions, as well as one coordination and support action; moreover, notes that grant agreements for the 13 proposals selected from the 2018 calls were signed and all projects have started their activities in 2019; notes, in addition, the three lighthouse initiatives - Mobility.E, Industry4.E and Health.E - which enable the Joint Undertaking's community to continue to reach out to other communities (for example, in providing help in the advancement of the joint activity with the IMI JU regarding the Trials@Home project, with a special call in the 2020 work plan for this being approved); notes the achievement of all 2019 Joint Undertaking's operational objectives;

14. Notes that, according to the Court's report, at the end of 2019, the Horizon 2020 programme implementation rate stood at 71 % with regard to the call procedures for the activities assigned to the Joint Undertaking;

15. Notes the independent impact study 'Study on the impact of ECSEL funded actions', published in July 2020, which concluded that the Joint Undertaking has already led to significant achievements at both the economic and societal levels, by providing a positive framework for trust building and risk taking and by clearly contributing to establishing the right condition or environment for innovation to occur at both project and programme level; notes, in addition, that the study concluded that the Joint Undertaking is able to foster research and development of solutions directly benefitting Union citizens and addressing societal challenges;

16. Notes that the issue of intellectual property rights (IPRs) needs to be addressed in all contracts which may produce an intended outcome or result of the performance; recalls that IPRs aim to safeguard the rights of individual creators but also provides details on how the rights will be used in the future; notes that since the activity is also financed by public funding, the results should be transparent, accessible to the public and subject to special requirements, such as interoperability if necessary; calls on the Commission to propose a legal framework regarding the IPRs and their implementation on the market, including special requirements and profit distribution;

17. Notes the information contained in the 2019 annual activity report of the Joint Undertaking regarding gender balance in electronic components and systems for European leadership projects, indicating that the total number of women engaged in those projects running in 2019 and projects reported that year (running from 2014, 2015 and 2016, 2017 and 2018) amounted to 20 % of which 13 % related to research activities and 7 % to non-research activities;

18. Calls on the Commission to ensure that the Joint Undertaking's activity programmes will in future respect the requirements and the targets provided by Union law as far as digitalisation is concerned and will follow the strategies in the domain elaborated by both the Commission and industry;

Internal controls

19. Notes from the Court's report that the Joint Undertaking has set up reliable *ex ante* control procedures based on financial and operational desk reviews, and that at the end of 2019, the Joint Undertaking had not yet started the implementation process of the Commission's new internal control framework (ICF), based on 17 internal control principles, that it is obliged to implement; notes from the Joint Undertaking's reply that it started to transition into the new ICF during 2020 with an action plan, and that it is defining the internal control monitoring criteria prior to validation by management, and, furthermore, that prior to completing its transition to the new ICF, it continues to apply and monitor its comprehensive set of existing internal control standards; calls on the Joint Undertaking to report to the discharge authority an update on that regard;

20. Notes from the Court's report that the Joint Undertaking has taken steps to assess the implementation of *ex post* audits by the NFAs and has obtained written statements from the NFAs declaring that the implementation of their national procedures provides reasonable assurance as to the legality and regularity of transactions but that the significant variation in the methodologies and procedures used by the NFAs does not allow the Joint Undertaking to calculate a single reliable weighted error rate or a residual error rate for Seventh Framework Programme payments; notes from the Court's report, moreover, that for Seventh Framework Programme projects, the payments made by the Joint Undertaking in 2019 amounted to EUR 20 305 796 (compared to EUR 41 247 048 in 2018), which

represented 11,2 % (compared to 22 % in 2018) of the total operational payments made by the Joint Undertaking in 2019, and that for those payments, the Court applied the residual error rate established by the Commission's Directorate-General for Research and Innovation for the whole Seventh Framework Programme, which was 3,52 % at the end of 2019;

21. Notes from the Court's report that for Horizon 2020 payments the Commission's common audit service is responsible for the *ex-post* audits and that, based on the *ex-post* audit results available at the end of 2019, the Joint Undertaking reported a representative error rate of 3 % and a residual error rate of 1,48 % for Horizon 2020 projects (clearings and final payments); moreover, notes from the Commission's proposal for a Horizon 2020 Regulation, that for research spending under Horizon 2020, a risk of error, on an annual basis, within a range of between 2 to 5 % is a realistic objective (taking into account the costs of controls, the simplification measures proposed to reduce the complexity of rules and the related inherent risk associated to the reimbursement of costs of the research project), and that the ultimate aim for the residual level of error at the closure of the programmes (after the financial impact of all audits, correction and recovery measures have been taken into account) is to achieve a level as close as possible to 2 %;

22. Notes that the Court audited, as part of the operational payment controls, randomly sampled Horizon 2020 payments made in 2019 at the level of the final beneficiaries to corroborate the *ex post* audit error rates; notes that the Court's detailed audits revealed systemic errors related to the declared personnel costs, with the main sources of errors being the wrong hourly rate calculation for the company owner and the use of annual hourly rates not based on a completed financial year; calls on the Joint Undertaking to improve its personnel costs declaration system and to report to the discharge authority of developments in that regard;

23. Notes that the Joint Undertaking adopted an action plan in April 2018 and that some activities are already completed, with the majority of the activities to be implemented in 2019, while some were considered beyond the scope of the Joint Undertaking;

24. Notes from the Court's report that in 2019, the Joint Undertaking agreed on a payment schedule to regularise the situation of the cash contributions for administrative costs amounting to over EUR 1 000 000 not being invoiced to the industry member AENEAS, which was raised in the Court's audit regarding discharge 2018, and that it issued a first recovery order to AENEAS amounting to EUR 549 500, and that in line with the payment schedule, the remaining amount of EUR 550 023 was to be collected in 2020;

Internal audit

25. Notes that the internal audit service (IAS) performed a follow-up of audit recommendations in the last quarter of 2019 with the aim of assessing the progress made in implementing the open recommendations resulted from past IAS audits, and that it concluded that all recommendations raised during the audit on the now common implementation centre had been effectively implemented; notes that regarding the audit on the performance management of the Joint Undertaking's activities, one recommendation (on performance indicators and monitoring tools) was effectively implemented, while the other (on performance framework) remains open as has been partially implemented; notes that in July 2019 the IAS released a strategic internal audit plan for 2019 to 2021 which is based on the results of an in-depth risk assessment carried out by the IAS in November 2018; notes, moreover, that following that internal audit plan, the audit of the Joint Undertaking's Horizon 2020 grant agreement implementation and closing, assessing the adequacy of the design and the efficiency and effectiveness of the internal controls in place, was launched during 2019 and is ongoing;

26. Notes from the Court's report that the Joint Undertaking has to improve the internal communication process to identify beneficiaries threatened with bankruptcy and to report, in a timely manner, on pre-financing at risk of non-recovery, and that consequently, pre-financing assets disclosed in the annual accounts might be overstated; calls on the Joint Undertaking to report to the discharge authority of developments in that regard;

Human resources management

27. Notes that on 31 December 2019, the Joint Undertaking employed 30 members of staff out of 31 as one second national expert position was authorised but not yet filled; notes that the Joint Undertaking's substantial work devoted to preparing the update of implementing rules of the staff regulations.

DECISION (EU, EURATOM) 2021/1682 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on discharge in respect of the implementation of the budget of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2019

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 2019 (COM(2020)0288 – C9-0270/2020),

— having regard to the financial information on the European Development Funds (COM(2020)0290),

— 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 2019, 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 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendations of 1 March 2021 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 2019 (05282/2021 – C9-0079/2021, 05284/2021 – C9-0080/2021, 05286/2021 – C9-0081/2021, 05289/2021 – C9-0082/2021),

— having regard to the Commission's reports on the follow-up to the discharge for the 2018 financial year (COM (2020)0311),

— having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States, of the one part, and the European Community and its Member States, of the other part, signed in Cotonou (Benin) on 23 June 2000 ([3]) and amended in Ouagadougou, Burkina Faso, on 22 June 2010 ([4]),

— having regard to Council Decision 2013/755/EU of 25 November 2013 on the association of the overseas countries and territories with the European Union ('Overseas Association Decision') ([5]),

— having regard to Article 33 of the Internal Agreement of 20 December 1995 between the representatives of the Governments of the Member States, meeting within the Council, on the financing and administration of the Community aid under the Second Financial Protocol to the fourth ACP-EC Convention ([6]),

— having regard to Article 32 of the Internal Agreement of 18 September 2000 between Representatives of the Governments of the Member States, meeting within the Council, on the Financing and Administration of Community Aid under the Financial Protocol to the Partnership Agreement between the African, Caribbean and Pacific States and the European Community and its Member States signed in Cotonou (Benin) on 23 June 2000 and the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies ([7]),

([1]) OJ C 351, 21.10.2020, p. 7.
([2]) OJ C 384, 13.11.2020, p. 1.
([3]) OJ L 317, 15.12.2000, p. 3.
([4]) OJ L 287, 4.11.2010, p. 3.
([5]) OJ L 344, 19.12.2013, p. 1.
([6]) OJ L 156, 29.5.1998, p. 108.
([7]) OJ L 317, 15.12.2000, p. 355.

— having regard to Article 11 of the Internal Agreement of 17 July 2006 between the Representatives of the Governments of the Member States, meeting within the Council, on the financing of Community aid under the multiannual financial framework for the period 2008 to 2013 in accordance with the ACP-EC Partnership Agreement and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies ([8]),

— having regard to Article 11 of the Internal Agreement of 24 and 26 June 2013 between the Representatives of the Governments of the Member States of the European Union, meeting within the Council, on the financing of European Union aid under the multiannual financial framework for the period 2014 to 2020 in accordance with the ACP-EU Partnership Agreement and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the Treaty on the Functioning of the European Union applies ([9]),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Article 74 of the Financial Regulation of 16 June 1998 applicable to development finance cooperation under the fourth ACP-EC Convention ([10]),

— having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the 9th European Development Fund ([11]),

— having regard to Article 50 of Council Regulation (EC) No 215/2008 of 18 February 2008 on the Financial Regulation applicable to the 10th European Development Fund ([12]),

— having regard to Article 42 of Council Regulation (EU) 2018/1877 of 26 November 2018 on the financial regulation applicable to the 11th European Development Fund, and repealing Regulation (EU) 2015/323 ([13]),

— having regard to Rule 99 and the third indent of Rule 100 of, and Annex V to, its Rules of Procedure,

— having regard to the opinion of the Committee on Development,

— having regard to the report of the Committee on Budgetary Control (A9-0095/2021),

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 2019;

2. Sets out its observations in the resolution below;

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

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([8]) OJ L 247, 9.9.2006, p. 32.
([9]) OJ L 210, 6.8.2013, p. 1.
([10]) OJ L 191, 7.7.1998, p. 53.
([11]) OJ L 83, 1.4.2003, p. 1.
([12]) OJ L 78, 19.3.2008, p. 1.
([13]) OJ L 307, 3.12.2018, p. 1.

DECISION (EU, EURATOM) 2021/1683 OF THE EUROPEAN PARLIAMENT

of 28 April 2021

on the closure of the accounts of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2019

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 2019 (COM(2020)0288 – C9-0270/2020),

— having regard to the financial information on the European Development Funds (COM(2020)0290),

— 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 2019, 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 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

— having regard to the Council's recommendations of 1 March 2021 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 2019 (05282/2021 – C9-0079/2021, 05284/2021 – C9-0080/2021, 05286/2021 – C9-0081/2021, 05289/2021 – C9-0082/2021),

— having regard to the Commission's reports on the follow-up to the discharge for the 2018 financial year (COM (2020)0311),

— having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States, of the one part, and the European Community and its Member States, of the other part, signed in Cotonou (Benin) on 23 June 2000 ([3]) and amended in Ouagadougou, Burkina Faso, on 22 June 2010 ([4]),

— having regard to Council Decision 2013/755/EU of 25 November 2013 on the association of the overseas countries and territories with the European Union ('Overseas Association Decision') ([5]),

— having regard to Article 33 of the Internal Agreement of 20 December 1995 between the representatives of the Governments of the Member States, meeting within the Council, on the financing and administration of the Community aid under the Second Financial Protocol to the fourth ACP-EC Convention ([6]),

— having regard to Article 32 of the Internal Agreement of 18 September 2000 between Representatives of the Governments of the Member States, meeting within the Council, on the Financing and Administration of Community Aid under the Financial Protocol to the Partnership Agreement between the African, Caribbean and Pacific States and the European Community and its Member States signed in Cotonou (Benin) on 23 June 2000 and the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies ([7]),

— having regard to Article 11 of the Internal Agreement of 17 July 2006 between the Representatives of the Governments of the Member States, meeting within the Council, on the financing of Community aid under the multiannual financial framework for the period 2008 to 2013 in accordance with the ACP-EC Partnership Agreement and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies ([8]),

([1]) OJ C 351, 21.10.2020, p. 7.
([2]) OJ C 384, 13.11.2020, p. 1.
([3]) OJ L 317, 15.12.2000, p. 3.
([4]) OJ L 287, 4.11.2010, p. 3.
([5]) OJ L 344, 19.12.2013, p. 1.
([6]) OJ L 156, 29.5.1998, p. 108.
([7]) OJ L 317, 15.12.2000, p. 355.
([8]) OJ L 247, 9.9.2006, p. 32.

— having regard to Article 11 of the Internal Agreement of 24 and 26 June 2013 between the Representatives of the Governments of the Member States of the European Union, meeting within the Council, on the financing of European Union aid under the multiannual financial framework for the period 2014 to 2020 in accordance with the ACP-EU Partnership Agreement and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the Treaty on the Functioning of the European Union applies ([9]),

— having regard to Article 319 of the Treaty on the Functioning of the European Union,

— having regard to Article 74 of the Financial Regulation of 16 June 1998 applicable to development finance cooperation under the fourth ACP-EC Convention ([10]),

— having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the 9th European Development Fund ([11]),

— having regard to Article 50 of Council Regulation (EC) No 215/2008 of 18 February 2008 on the Financial Regulation applicable to the 10th European Development Fund ([12]),

— having regard to Article 42 of Council Regulation (EU) 2018/1877 of 26 November 2018 on the financial regulation applicable to the 11th European Development Fund, and repealing Regulation (EU) 2015/323 ([13]),

— having regard to Rule 99 and the third indent of Rule 100 of, and Annex V to, its Rules of Procedure,

— having regard to the opinion of the Committee on Development,

— having regard to the report of the Committee on Budgetary Control (A9-0095/2021),

1. Approves the closure of the accounts of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2019;

2. Instructs its President to forward this decision to the Council, the Commission, the Court of Auditors and the European Investment Bank, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
David Maria SASSOLI

The Secretary-General
Klaus WELLE

([9]) OJ L 210, 6.8.2013, p. 1.
([10]) OJ L 191, 7.7.1998, p. 53.
([11]) OJ L 83, 1.4.2003, p. 1.
([12]) OJ L 78, 19.3.2008, p. 1.
([13]) OJ L 307, 3.12.2018, p. 1.

RESOLUTION (EU) 2021/1684 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2019,

— having regard to the answers provided by the Commission to the written questions to Commissioner Urpilainen for the hearing before the Budgetary Control Committee on 1 December 2020;

— having regard to Rule 99 and the third indent of Rule 100 of, and Annex V to, its Rules of Procedure,

— having regard to the opinion of the Committee on Development,

— having regard to the report of the Committee on Budgetary Control (A9-0095/2021),

A. whereas the Commission entirely supports the management of the European Development Funds (EDFs), bearing both the ultimate responsibility for the legality and regularity of EDF operations and for overseeing the EDFs' financial reporting process;

B. whereas Parliament will only be able to exercise its role as discharge authority properly if it is kept regularly and comprehensively updated by the Commission, with detailed information regarding EDF-funded projects and their recipients;

C. whereas Parliament is not involved in establishing and allocating EDF resources compared to other development instruments;

D. whereas effective pre-conditionalities and regular checks are key components in ensuring the effectiveness and sound financial management of the EDFs;

E. whereas it is crucial to ensure that development aid is used in accordance with its original purpose, namely to reduce and ultimately to eradicate poverty, as provided for in Article 208 of the Treaty on the Functioning of the European Union (TFEU), with due consideration for aid and development effectiveness principles;

F. whereas European development aid and public investments should promote joint priorities and policy objectives that include the eradication of poverty, climate and environmental action, economic and trade policies and migration management and should be fully aligned with the principles of fundamental human rights, democracy and good governance;

G. whereas the 17 Sustainable Development Goals (SDGs) are core objectives to be pursued in cooperation instruments in both the public and private sector;

H. whereas the existence of a transparent, inclusive and efficient participatory policy framing process is a prerequisite for sustainable development;

I. whereas sustainability is crucial for achieving the set goals and results and, in particular, the long-term impact of development aid;

J. whereas the alignment of Union development cooperation with partner countries' own development priorities should always be fully respected and is a key element of the 2030 Agenda for Sustainable Development (2030 Agenda); whereas cultural and linguistic affinities between Member States and partner countries may encourage adherence to the SDGs set out in the 2030 Agenda;

K. whereas policy coherence and complementarity of various external policies should be carefully looked at, especially when several policies are being implemented in a single partner country, with a view to promoting cooperation between the public and private sectors, encouraging synergies and trade-offs between existing policies and avoiding as much as possible unnecessary administrative burden;

L. whereas the Commission is ultimately responsible for the legality and regularity of the transactions underlying the EDFs' accounts and for overseeing the EDFs' financial monitoring and reporting process;

M. whereas the Commission's monitoring activity would be facilitated by the standardisation of communication channels between partner countries, EDF-funded entities and the Union;

N. whereas the Union's external interventions are channelled through international organisations, which either implement Union funds or co-finance projects together with the Union, and include challenges in terms of oversight and governance;

O. whereas budget support for sustainable development, while playing a key role in driving change and in addressing the main development challenges, carries a considerable governance risk and should be granted only if the beneficiary state is able to demonstrate a sufficient level of transparency, accountability, respect for the rule of law and human rights prior to receiving budget support assistance, followed by thorough *ex-post* checks;

P. whereas fostering transparency and fighting corruption and fraud are key for the success of the Union's budget support operations;

Q. whereas Union governance support is a key component of development aid in generating effective governance reforms;

Statement of assurance

Financial and project implementation of the EDFs (eighth to eleventh EDF) in 2019

1. Observes that the eleventh EDF represents 45,5 % of the portfolio of the Commission's Directorate-General for International Partnerships (DG INTPA) in terms of payments in 2019; notes that the EDFs' commitments reached EUR 3 986 million in 2019, just under the annual target of EUR 4 057 million (98,25 % of the annual target, compared to 109,3 % in 2018); observes that payments amounted to EUR 3 910 million, representing an execution rate of 88,9 % of the target of EUR 4 057 million (compared to 98,2 % in 2018); notes, in addition, that European Investment Bank (EIB) commitments amounted to EUR 156 million, all of them concerning the investment facility, while EIB payments amounted to EUR 40 million in 2019, all of them also concerning the investment facility;

2. Welcomes the regular efforts of DG INTPA to reduce old pre-financing and old unspent commitments with a target of 25 %; notes that DG INTPA exceeded the target by reducing the EDFs' old pre-financing by 37 % (40 % for other domains of aid) and by 36 % for the EDFs' old unspent commitments (35 % for other aid areas);

3. Notes that DG INTPA achieved its target of having not more than 15 % of old expired contracts for the EDFs, a modest improvement in comparison to 2018 when that figure was 17 %; notes that it achieved a score of 13 % across its entire area of responsibility; notes that the improvements result from the introduction of new procedures introduced in September 2017;

4. Notes the closure of the eighth EDF and the Commission's intention to close the ninth EDF by the end of 2020; calls on the Commission to keep the discharge authority informed about the achievement of that intention;

Reliability of the accounts

5. Welcomes the fact that the Court of Auditors (the 'Court'), in its annual report on the activities funded by the eighth, ninth, tenth and eleventh EDFs for the financial year 2019, concludes that the accounts for the financial year ending 31 December 2019 present fairly, in all material respects, the EDFs' financial position, the results of their operations, their cash flows and the changes in their net assets for the year then ended, in accordance with the provisions of the Council Regulation (EU) 2018/1877 [1] (EDF Financial Regulation) and the accounting rules adopted by the accounting officer;

[1] Council Regulation (EU) 2018/1877 of 26 November 2018 on the financial regulation applicable to the 11th European Development Fund, and repealing Regulation (EU) 2015/323 (OJ L 307, 3.12.2018, p. 1).

Legality and regularity of the transactions underlying the accounts

6. Welcomes the Court's opinion, according to which the revenue underlying the accounts for the year 2019 is legal and regular in all material aspects;

7. Expresses concern over the adverse opinion of the Court on the legality and regularity of expenditure due to the fact that the expenditure accepted in the accounts for the year ended 31 December 2019 is materially affected by error;

8. Is concerned that the estimated level of error surpassed the materiality threshold, with 3,5 % of expenditure affected for the eighth, ninth, tenth and eleventh EDFs (compared to 5,2 % for 2018, 4,5 % in 2017, 3,3 % in 2016, 3,8 % in both 2014 and 2015, 3,4 % in 2013 and 3 % in 2012); notes that the growing trend of the estimated level of error has temporary stopped; expects, nevertheless, that the Commission reflect on the root causes of the succession of adverse opinions and take all steps necessary to further reduce the estimated level of error;

9. Notes that, according to the Commission's reply to the Court's conclusion, the biggest portion of the errors relates to expenditure not incurred and that, as shown in the past, most of that expenditure might be incurred at a later stage; calls on the Commission to perform thorough controls in order to correct the errors as far as possible;

10. Stresses that out of 126 payment transactions reviewed by the Court, 37 (or 29 %) were affected by errors; notes that 28 errors were quantified by the Court and adjusted by the results of the 2019 Residual Error Rate (RER) study performed by the Commission, resulting in an estimated level of error of 3,5 %;

11. Regrets to note that the typology of errors identified is similar to previous years, namely expenditure not incurred (43,6 %, up from 22,7 % in 2018), serious failure to comply with public procurement rules (22,1 %, down from 27,1 % in 2018), ineligible expenditure (12,7 %, up from 4,3 % in 2018), an RER adapted from the DG INTPA study (9,6 %, up from 5,4 % in 2018), expenditure outside the implementation period (6,1 %) and the absence of essential supporting documents (5,9 %);

12. Is deeply concerned by the recurrent character of those errors; notes that the Commission included the Court's findings in its analysis supporting the 2020-2024 Control and Monitoring Strategy, adopted in June 2020, resulting in a strategic objective specifically addressing those errors; encourages the Commission to report to the discharge authority on its performance as regards that strategic objective in terms of result or outcome indicators;

13. Agrees with the Court that the controls carried out abroad remain insufficient;

14. Regrets that, as in previous years, the Commission made more errors in transactions relating to estimates, grants, contribution agreements concluded with international organisations and delegation agreements concluded with the cooperation agencies of the Member States;

15. Strongly regrets that additional measures are not being taken to increase *ex-ante* controls;

Transparency and effectiveness of the monitoring and assurance systems

16. Notes with concern that out of the 28 payments with quantifiable errors, in 9 cases (32 %) the Commission had sufficient information to prevent, or to detect and correct, the error before accepting the expenditure; calls on the Commission to substantially improve its processes to verify the legality and regularity of transactions and to make sure that the verifications are properly followed-up; regrets to note that this lack of verification is similar to previous years.

17. Considers that monitoring activities will be more effective if Commission intelligence is regularly published and shared with the discharge authority in advance;

18. Notes that the Court found that the Commission and its implementing partners committed more errors in transactions relating to programme estimates, grants, contribution agreements with international organisations and delegation agreements with Member States' cooperation agencies than they did with other forms of support, such as those covering works, supply and service contracts; notes that of the 65 transactions of that type examined by the Court, 25 (38 %) contained quantifiable errors, which accounted for 71,7 % of the estimated level of error; calls on the Commission to publish comprehensive, updated and detailed information regarding funded projects and recipients, enhance its risk-based approach and invest control capacity in areas that are more error prone;

19. Calls on the Commission to proceed with a pre-established format for communication between partner countries, EDF beneficiaries and the Union with a view to reducing the errors found by the Court;

20. Is worried about the Court's observation, as in previous years, that the frequency of identified errors, including some contained in final claims which had been subject to *ex-ante* external audits and expenditure verifications, points to weaknesses in those checks; notes with concern that this is not only problematic in terms of the effectiveness of the checks but also in terms of the efficiency of the management and control system because the checks performed did not prevent or correct the error; reiterates its expectation that the control system be more rigorous and calls on DG INTPA to continue efforts to improve the assessment of both the effectiveness and efficiency of its control system by identifying key performance indicators for both, by setting realistic and ambitious targets and by monitoring and improving its control system; calls, furthermore, on the Commission to set up a platform covering EDF-funded projects by country, focusing on the final recipients, general and specific project goals and, above all, their practical results in terms of the desired increase in development indices;

21. Notes DG INTPA's eighth RER study, which resulted in an RER of 1,13 %, up from 0,85 % in 2018 and below the 2 % materiality threshold fixed by the Commission; notes the Court's observation that four major factors distort the RER, contributing to the underestimation of the RER, namely the insufficient coverage of certain aspects of procurement procedures, the very low number of on-the-spot-checks in the country of project implementation, which is deemed insufficient to detect errors that are not apparent in documents, the method for determining the RER, which results in a rate that does not necessarily reflect the actual residual errors, and the possible overreliance on previous control work, which is contrary to the purpose of the RER study, namely to identify the errors that have evaded precisely those controls; calls on DG INTPA, as in previous years, to liaise with the Court and to address those issues in an update of the methodology and in a more thorough performance of next year's RER study;

22. Notes with concern the Court's statement that the absence of reservations in the 2019 annual activity report is unjustified; further notes the Court's consideration that that results partly from the limitations of the RER study and partly from the introduction of a *de minimis* rule, which states that a reservation is not needed if the individual spending area it would cover represents less than 5 % of total payments and has a financial impact of less than EUR 5 million; notes that, consequently, reservations are no longer made in some cases where they were made in previous years, even if corresponding risks remain and the errors remain the same; recalls that a reservation is a keystone in the accountability construction and therefore constitutes a preventive and transparency instrument within the assurance building of DG INTPA, reflecting ongoing challenges or remaining and recurring weaknesses faced at headquarters or within Union delegations;

23. Notes that no reservations were issued in 2019 by applying, *inter alia*, a *de minimis* threshold for reservations; further notes that DG INTPA integrated unimplemented actions following reservations in previous annual activity reports into one action plan to strengthen the control system, paying specific attention to high risk areas such as grants in direct and indirect management, programme estimates in indirect management with beneficiary countries, indirect management with third organisations and cross-cutting actions;

24. Notes that 19 fraud investigations were ongoing in 2019, the same number as in 2018;

25. Welcomes the update of DG INTPA's anti-fraud strategy in 2019 to emphasise the role of the Early Detection and Exclusion System (EDES) as a fraud sanctioning tool and encourages DG INTPA to continue to raise awareness among its staff about that system and to cooperate closely with the Commission's Directorate-General for Budget and the EDES panel when notifying cases for registration in EDES, in particular when the ongoing 19 fraud investigations have been concluded;

26. Notes with satisfaction the continued commitment of the United Kingdom to pay all its obligations under the current multiannual financial framework and previous financial perspectives as if it were still a Member State, as expressed in the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community (the 'Withdrawal Agreement'); notes furthermore that the Withdrawal Agreement states that the United Kingdom is to remain party to the EDFs until the closure of the eleventh EDF and all previous unclosed EDFs, and is to, in this respect, assume the same obligations as the Member States under the Internal Agreement by which it was set up, as well as the obligations resulting from previous EDFs until their closure, and that the United Kingdom may participate, as an observer, without voting rights, in the EDF Committee;

27. Emphasises the need to honour all of the Union's financing for development commitments; calls on the Commission to return to its earlier practice of preparing annual accountability reports in order to ensure the transparency and efficiency of Union spending and to focus those reports on progress towards fundamental objectives to which the Union has committed itself, rather than on technical details;

Cooperation with international organisations, Union development agencies and non-governmental organisations

28. Notes that, following the entry into force in 2018 of the Financial Regulation, on 17 April 2019, a revised pillar assessment methodology was adopted; welcomes the new compulsory pillars that have been added to the assessment, namely pillar 7: exclusion from access to funding, pillar 8: publication of information on recipients, and pillar 9: protection of personal data; welcomes the fact that all pillar assessed entities have been notified of the requirement to undertake the complementary assessment on the new pillars and the target to have them completed by the end of 2020; calls on the Commission to keep the discharge authority informed about the progress and the results;

29. Notes that the Commission issued new pillar assessment reports for eight entities, four international organisations and four national agencies, and welcomes the fact that the outcome was positive in the majority of cases and that roadmaps for improvements have been implemented where needed; underlines the importance of properly conducted *ex-ante* pillar assessments, both in terms of qualitative delivery of the expected development-related outcomes and the protection of the Union's financial interests;

30. Welcomes the replacement of the EDFs, the DCI and other instruments with the *Neighbourhood, Development and International Cooperation Instrument* (NDICI) because NDICI allows for budgetary scrutiny by Parliament and supports the wider strive towards joined-up policy-making towards third countries; emphasises that far more effective policy coherence for development (PCD) must be an important objective of the joined-up approach; stresses that more efforts are still needed to comply with PCD principles, in particular as regards Union trade, agricultural, fisheries, environment, climate, migration and foreign and security policies, in order to achieve aid effectiveness objectives; calls for the systematic treatment of identified PCD issues in impact assessments, inter-service consultations and implementation and monitoring arrangements so as to help increase the efficiency of the Union's pursuit of its development policy objectives, in accordance with Article 208 TFEU; reiterates, in that regard, its call for an in-depth analysis of the impact of economic partnership agreements on local economies and intra-regional trade in order to address concerns about their implementation in terms of regional integration and industrialisation;

31. Reiterates the necessity to ensure full transparency and access to data, in accordance with existing Union legislation, on projects implemented by international organisations and civil society organisations, as well as providing clear rules on governing control and monitoring;

32. Stresses that entities entrusted with the implementation of Union funds must, as a general principle, respect the principles of sound financial management and transparency; stresses that any entity must fully contribute to the protection of the financial interests of the Union and must, as a condition for receiving funds, grant the necessary rights and access required for the authorising officer responsible, for the Court and for the European Anti-Fraud Office (OLAF); notes, in that regard, the difficulty faced by the Court in getting visas for a duly announced and planned on-the-spot-visit to projects in Burundi and the resulting limitations faced by the Court; calls on the Commission and the European External Action Service (EEAS) to raise that issue and remind their counterparts in Burundi of their obligations as recipients of Union funding;

33. Notes that there is still a need for a more systematic approach to the communication of the Union's grant-funded activities to enhance the Union's visibility and to strengthen transparency, accountability and human rights due-diligence along the chain of funding; calls on the Commission to introduce in framework agreements the obligation for the leading agency to ensure the visibility of the Union in multi-donor projects; calls on the Commission to carry out sample-based on-the-spot controls years after the completion of the co-financed projects to check the continued impact of the EDF interventions and to take the necessary steps to ensure the long-term impact of its operations;

EU budget support

34. Notes that the EDFs' contribution to budget support activities in 2019 reached EUR 790,3 million (compared to EUR 881,9 million in 2018), of which EUR 366,8 million represented new commitments (compared to EUR 858,6 million in 2018), with a geographical coverage of 55 partner countries, representing 82 budget support contracts (14 less than in 2018); observes that for overseas countries and territories (OCTs), EUR 70,0 million (compared to EUR 92,9 million in 2018) were disbursed through the EDFs for 12 countries and representing 13 budget support contracts;

35. Notes with appreciation that sub-Saharan Africa is still the largest recipient of budget support with a share of 36 %; observes with concern that the share of low income countries decreased to 32 % (compared to 38 % in 2018) and that lower middle income countries, with 47 % of the total ongoing commitments, represent the largest beneficiaries of budget support;

36. Recalls that budget support aims to strengthen the partnership with the Union partner countries, promote sustainable development, eradicate poverty, reduce inequalities and consolidate peace and democracy, ultimately to contribute to the achievement of the SDGs; notes that Union budget support is to be guided by the internationally agreed Busan effectiveness principles such as ownership by partner countries, results focus, inclusiveness and accountability; highlights that, because it fosters transparency and good governance, budget support also contributes to the fight against corruption and fraud;

37. Notes that, in terms of relative contribution to the SDGs, budget support programmes strongly contribute to SDG 16 (peace, justice and governance), SDG 17 (partnerships), SDG 5 (gender equality) and SDG 1 (no poverty); welcomes the strong multi-dimensional scope of budget support programmes and considers that they should support entrepreneurship and private initiative in order to leverage economic and social development as advocated in SDG 9 (build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation) and SDG 17 (strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development);

38. Notes that in African, Caribbean and Pacific countries and OCTs, disbursements are mainly done by fixed tranches, as has been the case in past years; recalls its position that variable tranches might provide a better leverage for deepening policy and political dialogue with partner countries on the main reforms to be carried out;

39. Calls once more on DG INTPA, however, to strictly assess in its policy dialogue the risks related to corporate tax avoidance, tax evasion and illicit financial flows affecting, in particular, developing countries; encourages DG INTPA to assess the fiscal impact and to help establish oriented investment objectives;

40. Considers that needs assessments in connection with NDICI programming should take into account countries' debt situations and how those situations influence the possibility of pursuing the SDGs; stresses the need for donors to prioritise grant-based financing as the default option, especially to LDCs, and not favour blending, guarantees or any loans that could increase the burden of debt over grants; urges the Union and the Member States to develop, as a first step, and in addition to its pledges on a debt moratorium, a new debt relief initiative regarding heavily indebted poor countries; calls, more broadly, for the creation of a multilateral debt workout mechanism to address both the impact of the crisis and the financing requirements of the 2030 Agenda.

Performance

41. Welcomes the results achieved as regards the intention that inclusive public policies promote shared growth and help tackle social or geographical disparities (SDG 10), where statistics indicate that the income share of the bottom 40 % of the population in countries receiving Union budget support increased from 15,6 % to 17,4 % of gross national income between 2004 and 2019, while it decreased slightly in other developing or emerging countries; considers it also essential to raise awareness among local interlocutors about the growing importance of private partners in economic, social and territorial development;

42. Acknowledges the emphasis on the SDGs, increased cooperation with local partners and field consultation in the Commission's Guidelines for the Programming of the NDICI and looks forward to the full translation of those matters in the programmes so that the NDICI actively contributes to the achievement of the SDGs and the full implementation of the 2030 Agenda; calls for proper implementation of, and reporting on, horizontal spending targets set in the NDICI, in particular the biodiversity-related spending target, which is not a stand-alone target in the NDICI but aims to contribute to the overall biodiversity target of the 2021-2027 multiannual financial framework, with the ambition of allocating 7,5 % of annual spending to biodiversity objectives in 2024 and allocating 10 % of annual spending to biodiversity objectives in 2026 and 2027;

43. Welcomes the results achieved by the Union's contribution to SDG 16 in pursuit of controlling corruption, where the worldwide governance indicators indicate that countries receiving budget support perform better in controlling corruption than other developing or emerging countries (with an average score of – 0,35, compared to – 0,56 in 2019) and with an improving trend over time (from a score of – 0,50 in 2005);

44. Welcomes the results achieved by domestic revenue mobilisation, as part of the Union's contribution to SDG 17 (partnerships) where, according to data from the International Monetary Fund, African countries in which the Commission introduced DRM indicators as part of budget support programmes saw an increase of 2 percentage points of the ratio tax to gross domestic product;

45. Calls for close monitoring and thorough policy dialogue with partner countries regarding objectives, progress towards agreed results and performance indicators; calls once more on the Commission to better define and measure expected development impact and, especially, to improve the control mechanism with regard to the conduct of the beneficiary state in the areas of corruption, respect for human rights, good governance and democracy; stresses the need to include the private sector in that strategic dialogue; remains deeply concerned about the use that could be made of Union budget support in recipient countries where there is no or only limited democratic control;

46. Reiterates its call on the Commission to carry out an evaluation on a country-by-country basis of the long-term on-going EDF-financed projects in order to demonstrate the true impact on the relevant country of decades-long Union investment and how it has effectively helped beneficiary countries' economic, social and sustainable development; calls the Commission to limit or terminate the funding of ineffective projects in the future;

47. Regrets the fact that the Court did not include the performance of the EDFs in Chapter 6, entitled 'Global Europe', of its report on the performance of the EU budget; welcomes the inclusion of a paragraph on the performance of the EDFs in the Court's annual report; notes that that report contains individual observations on projects; notes with concern the finding of the Court that there were cases where the efficiency and effectiveness of the observed actions were compromised; calls on the Commission to look into the individual projects observed by the Court and to take action to safeguard the intended results of the actions and to protect the financial interests of the Union; calls on the Court to extend its work on the performance of the EDFs;

48. Notes with concern the conclusion of the Court, in Special Report 14/2020 entitled 'EU development aid to Kenya', that the programming of the eleventh EDF does not sufficiently demonstrate that aid is channelled to where it can do most to reduce poverty; notes, in particular, that funds were spread across many areas, and that there was an unclear assessment as to how the aid could reach a critical mass to achieve significant results; notes the recommendation of the Court that the Commission and the EEAS assess whether, and explain how, the amounts allocated to and within each focal sector are likely to reach a sufficient critical mass to achieve significant results; notes the acceptance of that recommendation by the Commission and the EEAS;

49. Regrets to note the Court's conclusion that the process of allocating funding to Kenya did not include a specific assessment of the country's development obstacles and objectives; notes the reply of the Commission and the EEAS that the amounts of funding were decided on the basis of composite indicators that assessed many needs and performance dimensions with regard to Kenya; notes that the Court issued a recommendation calling on the Commission and EEAS to examine the Union's method for allocating funding between African, Caribbean and Pacific countries, involving Parliament, the Council and Member States, as appropriate, and welcomes its acceptance by the Commission and the EEAS; notes that the second part of the recommendation, which called on the Commission and the EEAS to introduce specific conditions to establish a clear link between financial allocations and the country's past performance and government's commitments to structural reforms, was not accepted by the Commission and the EEAS;

50. Is disappointed by the absence in the Court's Special Report on Union development aid to Kenya of a proper understanding of the poverty reduction primary objective of the Union's development policy and the failure of the Court to even note the existence of the UN's 2030 Agenda and the flawed conclusions resulting from those serious omissions; recalls that according to the FAO small-scale family farmers produce 80 % of the world's food; in that regard is concerned by the Court's position regarding the significant share of Union support towards Kenyan agricultural communities in arid and semi-arid land regions and smallholder farmers and by the Court's call for further industrialisation of the local agri-food sector as this might endanger food security and those communities' way of living;

51. Is particularly concerned by the case of the Mombasa- Nairobi road financed via the EU-Africa Infrastructure Trust Fund (EUTF), a Union blending instrument with donor contributions from the EDF budget, several Member States and the EIB; recalls that more than 100 families were forcibly evicted from their homes on the roadside in order to make way for construction works for that project and that more than 500 complaints have been submitted to the EIB regarding human rights abuses for that project alone, including forced evictions by armed police; calls for the suspension of that project until a proper human rights impact assessment has been delivered; stresses that this example echoes the shortcomings recently reported on blending and guarantee mechanisms to contribute to the SDGs or to the implementation of the Paris Climate Agreement and to demonstrate financial additionality;

52. Calls on the Commission to encourage international institutions, in particular in the case of co-funded and multi-donor initiatives, to approximate their results management frameworks with the Union;

53. Believes that a better focus on local SMEs and private sector and civil society organisations should be a core axis of cooperation in the management of the Union delegations' pipelines of projects; stresses that, given the funding gap required to reach the ambitious SDGs, strategic dialogue with the private sector and civil society organisations must play a crucial role for the development of local economies;

54. Considers that due care is needed to ensure better communication among the Commission, Parliament and Member States concerning the implementation of the EUTF and sufficient public reporting, oversight and audit of their operations and performance; invites the Court to consider an audit of the impact of the implementation of the EUTF on Union development policy both from a budgetary and results point of view; calls, therefore, on the Commission to draw conclusions from the audit and ensure that EUTF projects that have been inefficiently implemented are terminated or greatly limited in funding;

The European Union Trust Fund for Africa

55. Recalls Parliament's regular stance that the Commission should ensure that any trust fund established as a new development tool must always be in line with the Union's overall strategy and development policy objectives, i.e. the reduction and eradication of poverty;

56. Stresses that in order to meet the policy objectives, the EUTF must address the root causes of destabilisation, forced displacement and irregular migration by promoting resilience, economic opportunities, equal opportunities, security of populations and human and social development;

Risks and challenges related to the EDF aid implementation

57. Recalls that good governance, the rule of law and the respect for human rights are unavoidable preconditions for aid effectiveness; calls on the Commission to set the rule of law and the respect for human rights as the ultimate precondition for approving financial aid; invites the Commission to make more stringent use of the clause included in the financial agreements with partner countries that enables the Commission to suspend or to terminate the agreement in the event of the breach of an obligation relating to respect for human rights, democratic principles and the rule of law (Article 26.1 of the General Conditions);

58. Is concerned by the Commission's rejection of a recommendation of Parliament to include in the next annual activity report a structured assessment of the impact of the activities of the EDFs; invites the Commission to revise its position and respond positively to Parliament's specific request;

59. Reiterates its concerns about the inconsistency between the budgetary process of the EDFs where Parliament is not involved in establishing and allocating EDF resources, and the necessary accountability process where Parliament is the discharge authority, with the exception of the Investment Facility, which is managed by the EIB and therefore outside the scope of the audit.

RESOLUTION (EU) 2021/1685 OF THE EUROPEAN PARLIAMENT

of 29 April 2021

on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2019: 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 2019,

— having regard to the Commission's report on the follow-up to the discharge for the 2018 financial year (COM(2020) 0311),

— having regard to the Court of Auditors' annual report on EU agencies for the financial year 2019, together with the agencies' replies ([1]),

— having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([2]), and in particular Articles 68 and 70 thereof,

— having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([3]),

— having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ([4]), and in particular Article 105 thereof,

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

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

— having regard to the report of the Committee on Budgetary Control (A9-0100/2021),

A. whereas this resolution contains, for each body within the meaning of Article 70 of Regulation (EU, Euratom) 2018/1046, cross-cutting observations accompanying the discharge decisions in accordance with Article 262 of Regulation (EU, Euratom) 2018/1046 and Article 3 of Annex V to Parliament's Rules of Procedure;

B. whereas this resolution also contains, for the Euratom Supply Agency, cross-cutting observations accompanying the discharge decision in accordance with Article 262 of Regulation (EU, Euratom) 2018/1046 and Article 3 of Annex V to Parliament's Rules of Procedure;

C. Whereas Union agencies should focus on missions with clear European added value and the organisation of such missions should be optimised to avoid overlaps in the best interests of the Union taxpayer;

1. Welcomes the progress made by the agencies in their efforts to respond to the requests and recommendations expressed within the previous annual discharge procedure;

2. Emphasises that the agencies have significant influence on policy- and decision-making, and programme preparation and implementation in areas of vital importance to Union citizens' daily lives, such as health, safety, security, freedom and justice; reiterates the importance of agencies in addressing specific policy needs and in reinforcing European cooperation; notes that the agencies can also act as frontrunners in solving crisis situations or long-term societal challenges;

([1]) OJ C 351, 21.10.2020, p. 7. ECA annual report on EU agencies for the 2019 financial year: https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2019/agencies_2019_EN.pdf.
([2]) OJ L 193, 30.7.2018, p. 1.
([3]) OJ L 328, 7.12.2013, p. 42.
([4]) OJ L 122, 10.5.2019, p. 1.

3. Notes with satisfaction that, according to the annual report of the Court of Auditors (the 'Court') on Union agencies for the financial year 2019 (the 'Court's report'), the Court issued an unqualified audit opinion on the reliability of the accounts of all agencies; notes in addition that the Court issued an unqualified opinion on the legality and regularity of the revenue underlying the accounts for all agencies; observes that the Court issued an unqualified opinion on the legality and regularity of the payments underlying the accounts for all agencies, except for the European Union Agency for the Cooperation of Energy Regulators (ACER) and the European Asylum Support Office (EASO) for each of which a qualified opinion was issued;

4. Notes that for the 32 decentralised Union agencies, the cumulative total for the 2019 budgets amounted to around EUR 2 854 000 000 in commitment appropriations, representing an increase of approximately 10,29 % compared to 2018, and to EUR 2 570 000 000 in payment appropriations, an increase of 8,88 % in comparison to 2018; notes moreover that of the EUR 2 570 000 000 in payment appropriations, some EUR 1 920 000 000 were financed from the general budget of the Union, representing 74,75 % of the agencies' total financing in 2019 (compared to 72,16 % in 2018); acknowledges furthermore that some EUR 649 000 000 were financed by fees and charges and by direct contributions from participating countries (a decrease of 1,22 % compared to 2018);

Main risks and recommendations identified by the Court

5. Notes that, according to its report, the Court considers the overall risk to the reliability of agencies' accounts, based on international accounting standards, to be low, as was the case in 2018;

6. Notes that, according to its report, the Court considers the overall risk to the legality and regularity of revenue underlying the agencies' accounts to be low for most agencies, and to be medium for the partly self-financed agencies where specific regulations are applicable to collection of fees and other revenue contributions, as was the case in 2018;

7. Notes that the Court considers the risk to the legality and regularity of payments underlying the agencies' accounts overall to be medium, varying from low to high for specific budget titles; notes that the risk for Title I (Staff Expenditure) is generally low, for Title II (Administrative Expenditure) the risk is considered to be medium, and for Title III (Operational Expenditure) the risk is considered to be low to high, depending on the agency in question and the nature of its operational expenditure; points out that high risks usually derive from procurement and grant payments that involve large amounts; notes the Court has found that while controls as regards grants have generally improved, they are not always fully effective;

8. Notes the main areas of observation of the Court, which focus on:

   — public procurement management which remains the most error prone area;

   — recruitment procedures and conflicts of interests for staff leaving a Union Agency and joining the private sector, which need to be managed better by agencies;

   — budgetary management where the Court identified several weaknesses;

9. Welcomes the fact that the Court has declared that in most cases agencies have taken corrective actions to address previous years' audit observations and calls on the JHA agencies to continue their efforts to follow up on the Court's observations;

Budget and financial management

10. Regrets that the level of detail provided in the budgetary implementation reports of a minority of agencies differs from that of the majority, which demonstrates the need for clearer and standardised guidelines on agencies' budget reporting, including the need for agencies to explain significant deviations from the original budget or establishment plans; highlights the urgent need for all agencies to improve their planning capacities; deplores the reply of the Commission to the request to automatically provide the discharge authority with the official budget (in commitment appropriations and in payment appropriations) and staff figures (establishment plan figures with permanent staff, temporary agents, contract agents and seconded national experts as of 31 December of the year in question) in respect of the 32 decentralised agencies, as the mentioned guidelines (which in reality are templates that mostly provide guidance on form rather than substance) are not sufficient to address the differences in calculations between the reports; reiterates its request to the Commission to provide the discharge authority with the official budget and staff figures for each agency and to provide consolidated figures for the decentralised agencies that are subject to the Parliament's discharge procedure;

11. Considers that greater attention should be paid to relevance and coherence, particularly in the context of overlapping areas of competence, when setting up future agencies;

12. Believes that resources should be allocated more flexibly based on need or urgency;

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

14. Expresses its concern over the very high level of carry-overs in some agencies, which could indicate various weaknesses, including weak budgetary planning, which is in contradiction to the budgetary principle of annuality;

Performance

15. Welcomes the Commission's acceptance of last year's discharge recommendation to further develop and implement the principle of performance-based budgeting, and the improvements made to the Single Programming Document and the Consolidated Annual Activity Reports as a result;

16. Welcomes the Court's publication of the first ever horizontal performance audit on all Union agencies entitled - 'Special Report 22/2020: Future of EU Agencies - Potential for more flexibility and cooperation' ([5]);

17. Notes the main observations of the Court, in particular the fact that agencies deal with topical societal subjects and have a high potential for future development as well as an high grade of expertise;

18. Agrees with the Court that despite the fact that agencies carry out important tasks in all spheres of our daily life, there is clear difficulty in building trust with individual citizens; in this regards highlights the issue of accountability, transparency and even effectiveness, in addition to a lack of public awareness since agencies remain largely unknown to citizens and only negative incidents appear in media;

19. Appreciates and further encourages ever closer cooperation among the agencies in the area of employment, social affairs and inclusion in order to improve synergies, ensure further complementarity and the sharing of resources; stresses the importance and added value of each agency in their field of expertise and their autonomy; acknowledges that the four agencies have held joint meetings specifically to align their performance indicator methodologies as a follow-up to the Commission's recommendation received in 2019 based on the 2017 four-agency evaluation (recommendation 5 of SWD(2019)0159);

20. Highlights the conclusion of the Court's Special Report 'Future of EU Agencies' that information on the performance of Union agencies is scarce; urges agencies to strengthen performance accountability; expects all Union agencies to cooperate as optimally as possible with the Commission and the Court in the provision of performance information;

21. Notes the Court's finding in its report 'Future of EU Agencies' that agencies measure performance through key performance indicators (KPIs) and that the Commission in 2015 issued guidelines for directors of agencies on KPIs; notes with regret that the indicators used in practice mainly relate to the implementation of an agency's annual work programme, budget and human resources management, and that they do not usually allow for an Agency's overall performance assessment of results or of the agency's efficiency and effectiveness in discharging its mandate; calls on the agencies to work together to improve the use of KPIs with the aim of ensuring a stronger focus on performance in the discharge procedure, in addition to compliance; calls on the agencies to continue developing indicators, which will measure their contribution to the policy implementation of Union policies; urges the agencies to regularly review and update those indicators; calls on the Commission to adopt a centralised set of guidelines on reporting and the setting of KPIs to ensure proper measurement of the agencies' performance;

22. Notes that the Court, while trying to identify the conditions necessary to allow agencies to achieve their objectives, highlights the need for more financial and policy flexibility as well as a more structural and coherent governance model where performance information focus on outputs rather than on their contribution to policy implementation;

([5]) OJ C 358, 26.10.2020, p. 6.

23. Recalls that the Common Approach states that every Union Agency should be evaluated every five years and that the Commission should be responsible for organising evaluation and for every second evaluation the sunset clause should be applied; notes with regret that the founding regulations of several agencies have not yet been aligned with the Common Approach; notes the Court's finding in its report 'Future of EU Agencies' that the founding regulations of 13 agencies were recast between 2015 and 2019, but only five proposals were accompanied by an impact assessment; calls on the Commission to regularly conduct an independent evaluation of the performance of the agencies;

24. Believes that clear rules should be put in place concerning the evolution and termination of agencies' missions;

25. Believes that an impact assessment should be carried out for each agency and that a review clause on the justification of the assigned objectives of the agency should be added systematically;

26. Insists on better avoiding overlapping subjects and areas of competence between the different agencies;

27. Welcomes the cooperation within the JHA Agencies Network; calls on the agencies to continue to develop synergies, increase cooperation and exchange best practice between them with a view to improving efficiency;

28. Calls on the agencies to continue to develop their synergies, increase cooperation and exchange of best practice with other Union agencies with a view to improve efficiency (human resources, building management, IT services and security);

29. Believes that it is necessary to strengthen the role of the agencies as centres of expertise and networking;

30. Welcomes the creation of a shared services task force by the EU Agencies Network ('the Network') and the development of a strategic proposal 'Shared services and Capabilities 2.0' to encourage and support cooperation between agencies; recommends that the recommendations of the Court in its report 'Future of EU Agencies' as regards flexible use of resources (recommendations 1 and 2) and agencies as centres for sharing expertise and networking (recommendation 4) be integrated in this exercise);

31. Points to the positive example given by ECDC as regards cooperation with other Union agencies, including through the Network; encourages the agencies to cooperate and exchange best practice where possible, including e.g. on teleworking;

32. Recalls the importance of increasing the digitalisation of the agencies in terms of internal operation and management but also in order to speed up the digitalisation of procedures; stresses the need for the Agency to continue to be proactive in this regard in order to avoid a digital gap between the agencies at all costs; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed;

33. Recalls that the yearly exchange of views regarding the annual work programmes and the multiannual strategies of the agencies in the committees responsible is instrumental in ensuring that the programmes and strategies are aligned to the actual political priorities, especially in the context of the implementation of the principles enshrined in the European Pillar of Social Rights; recalls that the agencies are the most qualified at assessing the use of resources and play a crucial role in supporting the right sustainable projects in line with the European Green Deal; calls on the Commission to ensure funding to support the Union agencies in securing social dialogue; notes that the Union agencies play a crucial role in securing social dialogue with Union institutions;

Staff policy

34. Notes that the 32 decentralised agencies employed a total of 7 880 members of staff, comprising officials, temporary agents, contract agents and seconded national experts, in 2019 (compared to 7 626 in 2018), representing a significant increase of 3,33 % compared with the previous year;

35. Welcomes the more detailed and structured information provided on gender balance in the agencies;

36. Expresses its concern that in the vast majority of agencies there is a lack of gender balance among staff in the overall management; notes that in 2019, at the level of senior management, an even gender balance was reported by three agencies, a good balance was achieved by ten agencies, but that there was no gender balance in 16 agencies (four of them featured male-only representation and one of them only female representation); deplores the fact that gender equality is completely absent in the 2021-2027 Strategy for the Network; calls on the agencies and the Network to integrate gender equality in their strategies and to align the ambition of agencies with the aim of the Commission to reach a gender balance of 50 % at all levels of its management by the end of 2024;

37. Notes further that in terms of gender balance in management boards in 2019, there was no agency with an even gender balance, a good balance existed in seven agencies, and there was no gender balance in 14 management boards; asks the Member States and the relevant organisations that participate in management boards to take into account the importance of ensuring gender balance when nominating their members to an Agency's management board;

38. Notes further that, as regards overall staff, eight agencies have an even gender balance, 19 agencies have a good gender balance and three agencies have no gender balance; calls on the agencies to continue to strive for a good gender balance in the future;

39. Notes with concern that in 2019 only 34 % of members of the highest decision-making bodies of all Union agencies were women and recalls that gender balance must be ensured within the Union agencies in accordance with the basic regulations establishing them; asks, therefore, that the Union agencies collect and present data on gender balance for all categories of management staff (from the lowest to the highest level) to gather the basic data on which the Union agencies are encouraged to address gender imbalance in management and to pursue gender mainstreaming in all fields;

40. Notes that the geographical balance of staff of Union agencies follows the population of the Member States as a percentage of the EU27 slightly more closely than the geographical balance of staff of the Commission; notes an under-representation for eight Member States, an over-representation for seventeen Member States and an approximate balance for two Member States; regrets the lack of policies across agencies to improve diversity among its staff; calls on agencies, as well as the Network, to put forward plans to achieve this goal;

41. Notes that the agencies reported an average of 8,42 days of sick leave per member of staff per year; regrets that there is at present no reliable data available to give an overview of sick leave caused by burnout, mainly because several agencies reported that they could not provide the relevant information due to medical confidentiality;

42. Notes that, at the request of the discharge authority, the agencies reported the number of staff cuts they had made from 2013 to 2019 and whether reductions in permanent and temporary staff were compensated for by hiring more contract agents and external staff; notes that the agencies reported a total of 447 staff cuts in the requested period; notes that the agencies also reported that 266 posts for temporary agents were added in the same period, resulting in a net reduction of 181 posts; further notes that the establishment plans of all agencies over the same time period showed a reduction of 32 posts for permanent staff and the creation of 845 posts for temporary agents, resulting in a net creation of 813 posts;

43. Underlines the important effect of turnover within the staff of the Union agencies, calls for the implementation of human and social policies to remedy it;

44. Notes with regret that some of the agencies are facing the challenge of insufficient staff, especially when new tasks are allocated without matching personnel for their implementation, and that the discharge authority is particularly concerned about the difficulties that some agencies experience in hiring qualified staff at specific grades, a fact which hinders the overall performance of the agencies and necessitates the employment of external actors; notes in this regard recommendations 1 and 2 of the Court in its report 'Future of EU Agencies' as regards the increased need for flexibility, and encourages the Network and the Commission to work together on the implementation of these recommendations; notes further in this regard that the Court's Special Report on the European Personnel Selection Office (EPSO) (Special Report 23/2020) highlights the fact that the current selection process necessitates a search for more flexible selection procedures by Union institutions to fulfil their immediate recruitment needs; emphasises the Union institutions' need for more specialised personnel, which in the case of agencies is essential given their specific mandates; calls on the Commission, and in particular on EPSO, to better assist the agencies in this regard and to adapt its recruitment policies in a way that would attract the best qualified and more specialised staff; asks the Commission and EPSO to show a degree of flexibility in adapting the job offers to the particular conditions, to ensure efficient recruitment; highlights the importance of improving Union's selection procedures and job attractiveness; stresses that understaffing of agencies poses a serious risk of negative impact on performance, as well as on staff wellbeing and turnover;

45. Notes that the agencies reported a total of six former Members of European Parliament (MEPs), former Commissioners or former high-level officials that performed paid duties for an agency and that it concerned four former MEPs, one former Commissioner and one former high-level official; notes that these persons received indemnities and reimbursements for costs made;

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

47. Encourages the agencies to pursue the development of a long term Human Resources policy framework which addresses work-life balance, lifelong guidance and career development, gender balance, teleworking, geographical balance and the recruitment and integration of people with disabilities;

48. Regrets the fact that some Member States have requested and succeeded in having an agency on their territory, without providing facilities for their installation and without taking measures to increase the attractiveness of staff recruitment;

49. Is concerned about the size of some agency boards of directors which have been deemed too large by the Court and which therefore make it difficult to take decisions and which generate considerable administrative costs;

50. Notes that the Court identified weaknesses in agencies' recruitment procedures concerning the management of potential conflicts of interests (one agency), the application of the principle of equal treatment or transparency (three agencies), and keeping a proper audit trail of the procedure (one agency); deplores that there were cases (in at least three agencies) of panel members in significant conflict of interest with relation to the ongoing selection procedure; stresses that undeclared conflicts of interests can hinder selection procedures, causing substantial delays and loss of funds, as well as reputational damages to the agencies;

51. Notes that the Ombudsman found two instances of maladministration in case 2168/2019/KR on the European Banking Authority's decision to approve the request from its executive director to become CEO of a financial lobby group; welcomes the recommendations made by the Ombudsman in this case, notably to invoke the option of forbidding its senior staff from taking up certain positions after the end of their term of office where necessary, to set out criteria for when it will forbid such moves in the future and to put in place internal procedures to cut access to confidential information with immediate effect in case members of staff move to other employment; calls on all agencies to implement these recommendations as a matter of priority;

52. Expresses concern at the fact that some agencies relied strongly and over extended periods of time on interim workers; deplores the fact that in some cases the interim workers were paid less than agency staff employed in the same position; notes with concern that there were compliance issues identified in procurement and in the signature of contracts and framework agreements with recruitment of interim workers; calls on the agencies to diligently comply with the rules of procedure; reiterates calls to improve planning measures and selection procedures across the agencies;

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

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

Procurement

55. Notes with concern that the Court made 82 observations addressing areas for improvement in 29 agencies; notes that most observations concern shortcomings in public procurement procedures and that this was also the case in 2018; notes that these shortcomings mostly concern sound financial management and regularity; urges the agencies to implement recommendations and eliminate shortcomings; reiterates calls on the Commission to improve its efforts to implement clear and unified budgetary measures and procedures in agencies to tackle the identified issues recurring in a majority of the agencies;

56. Underlines the fact that public procurement continues to be the main area prone to error in relation to all Union decentralised agencies; calls therefore on the affected JHA agencies, i.e. Europol and CEPOL to improve their public procurement procedures with a view to ensuring full compliance with the applicable rules and as a result, to achieve the appropriate balance between the three pillars of sustainable development - economic, social and environmental, while respecting the principles of transparency, proportionality, equal treatment and non-discrimination and calls on eu-LISA to improve the recruitment procedure; recalls that public procurement is a milestone for achieving the 2030 Agenda for Sustainable Development and its Sustainable Development Goals;

57. Notes with concern that only one Union agency, the European Union Intellectual Property Office, publishes a sustainability report; calls on the agencies to introduce sustainability reporting, to align their reporting with the OECD work on Public Procurement and Responsible Business Conduct and the upcoming Union legislation on corporate due diligence, to strengthen their efforts in adopting digitalised operating solutions, and to ensure swift implementation of the European eco-management and audit scheme (EMAS) as recommended by the Court; calls on the agencies to pay due attention to the energy mix of its sources of electricity and encourages the procurement of electricity generated by renewable energy;

58. Welcomes the increased use of e-procurement tools by Union agencies; notes that the most common e-PRIOR modules used by agencies are e-tendering, e-submission and e-invoicing; calls on the Network of Procurement Officers (NAPO) to accelerate the provision of the Public Procurement Management Tool (PPMT) of JRC to agencies;

Prevention and management of conflicts of interests and transparency

59. Notes with concern that it remains the case that not all agencies have published on their websites the CVs and declarations of interest for members of the management boards, executive leadership and seconded experts; regrets the fact that some agencies still publish declarations of absence of conflicts of interests; highlights that it is not up to the board members or executives to declare themselves to have an absence of conflicts of interests; reiterates its calls for a unified model of declarations of interest to be implemented by all agencies; stresses the importance of reinforcing the existing rules, improving their implementation and encouraging the homogenisation to assess or deal with conflict of interest and revolving door situations throughout the institutions, agencies and other bodies of the Union; urges the Member States to ensure that all seconded experts publish their respective declarations of interest and CVs on the respective agency websites;

60. Calls for the whistleblower protection policies of all Union agencies to be brought into line with Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law;

61. Notes that the study 'Conflicts of Interests and EU Agencies', which was published in January 2020, concluded that transparency is the main principle that should underpin the agencies' policies so as to enable effective public scrutiny; acknowledges the differences in risk factors, size and external pressure among agencies and the need to adapt conflict of interest policies to those differences; notes the recommendations made in this study to improve conflict of interest rules and to achieve more coherence and consistency and urges the agencies to follow up on these recommendations and continually assess and improve their policies given the instances of assumed or perceived conflicts of interests which occurred in 2019;

62. Notes with concern that not all agencies report the meetings that the agencies' staff has with external stakeholders, in particular the management level's meetings with organisations and self-employed individuals; calls on the agencies to report and to make available the meetings on the agencies' website in order to enhance the transparency of their activities;

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

64. Urges all JHA agencies to take measures to ensure full compliance with Union transparency rules as well as with fundamental rights and data protection standards; and calls upon them to comply with financial regulations and high management standards;

Internal controls

65. Acknowledges the Court's observation that, when using inter-institutional contracts, agencies remain responsible for the application of public procurement principles for their specific purchases, stresses that agencies' internal controls must ensure that these principles are respected;

66. Notes that at the end of 2019, most agencies reported that they had implemented the revised internal control framework and that they had performed an annual assessment; urges the adoption and implementation of the internal control framework by all agencies in order to align their internal controls with international best practice, and to make sure that internal controls effectively and efficiently support the decision-making process; deplores the fact that in 2019, in some agencies, there was no audit procedure conducted by the IAS;

67. Notes that in 2019, according to the Court's report concerning follow-up of previous years' observations, 98 observations were closed, 71 observations were still being implemented, and 16 observations were deemed to be not under the agencies' (sole) control, meaning that major decisions concerning these 16 observations need to be taken by the Court of Justice of the European Union, the Commission or the Member States; calls on the agencies to diligently implement the observations and further improve their internal control frameworks;

Other comments

68. Notes that, according to the Court's report, the agencies previously based in London (the European Banking Authority (EBA) and the European Medicines Agency (EMA)) were relocated from the United Kingdom in 2019 and that their accounts include provisions for the related removal costs; notes furthermore in the case of EMA that the Court referred to the agreement reached in July 2019 with its landlord to sublease its former office premises, under conditions that are consistent with the terms of the head lease while maintaining EMA's liability for the entire amount payable under the initial lease contract;

69. Points out that a complex approach is needed in order to make the Union agencies' home pages accessible to persons with all kind of disabilities as foreseen in Directive (EU) 2016/2102, including the availability of national sign languages; suggests that organisations representing disabled persons be involved in this process;

70. Notes that agencies reported that they were paying due attention to cybersecurity protection, with the most common measures in place being a service level agreement signed between the agency and the Directorate-General for Informatics of the European Commission (and its EU Computer Response Team / CERT-EU), and the use of ARES as an electronic document and records management system; further notes that the 77 % of agencies reported having a cybersecurity policy in place, while the remaining agencies reported being at various stages of development of such a policy;

71. Recalls that agencies were created for specific needs and that significant numbers of agencies were set up in response to certain crises; agrees with the Court's position in its report 'Future of EU Agencies' that the role of an agency needs to be reassessed at different stages of its operational period in order to verify whether an agency is still relevant and whether its actions are coherent with other agencies and their partner directorates-general;

72. Highlights the risks of using external IT consultants and outsourcing the management of budgetary or staffing-related exercises;

73. Believes that the set-up and the functioning of agencies should be flexible in order to help implement Union policy and to enhance European cooperation; acknowledges in this regard the Court's view in its report 'Future of EU Agencies' that there is insufficient flexibility in the set-up and operation of agencies and that the potential for them to cooperate for common policy objectives in the interest of citizens could be further exploited;

74. Recalls general lack of awareness among European citizens about the existence of the agencies, even within the country where the agencies are located, and also the fact that citizens receive little information about the benefits of the agencies; calls on the agencies in this regard to continue developing their communication strategies and to increase their media and social media presence in order to raise awareness about their work, research and activities among the general public;

75. Notes that the Court did not audit the 2019 accounts of the European Public Prosecutor's Office (EPPO), since that Union body was not yet financially autonomous;

76. Notes the inherent difficulty that the agencies face when required to submit their Single Programming Document while the relevant legal instruments are still under negotiation by the co-legislators, thereby leading to the unsatisfactory situation where budget lines are made available before their corresponding legal instruments are adopted; calls on the Commission to improve its communication with the agencies to better streamline the expected timelines for the adoption of legislation and corresponding budget lines; notes the Court's Recommendation that the Commission and the agencies should allocate resources in a more flexible manner while stressing the importance of due reporting, transparency and auditing;

77. Recalls that the European Labour Authority (ELA) was created in March 2018 and started its operation in October 2019; highlights the importance of making the ELA fully operational without undue delay in order to improve the application and enforcement of Union law relating to labour mobility and social security coordination so as to ensure fair mobility and the effective cross-border enforcement of workers' rights; stresses the need to ensure sufficient financial resources in this regard;

78. Points out that ELA will help ensure that Union rules on labour mobility and social security coordination are enforced effectively and fairly, will assist national authorities in cooperating to enforce these rules, and will make it easier for citizens and businesses to benefit from the internal market; is of the opinion that, although the four agencies (Eurofound, Cedefop, ETF and EU-OSHA) are predominantly research-centred, they could usefully support and contribute to the work of ELA;

79. 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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