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II

(Non-legislative acts)

DECISIONS

DECISION (EU) 2017/1602 OF THE EUROPEAN PARLIAMENT

of 27 April 2017

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2015, Section I — European Parliament

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2015 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2015 (COM(2016) 475 — C8-0270/2016) ⁽²⁾,
 - having regard to the report on budgetary and financial management for the financial year 2015, Section I — European Parliament ⁽³⁾,
 - having regard to the Internal Auditor's annual report for the financial year 2015,
 - having regard to the Court of Auditors' annual report on the implementation of the budget for the financial year 2015, 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 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Article 318 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾, and in particular Articles 164, 165 and 166 thereof,
 - having regard to the Bureau decision of 16 June 2014 on the Internal Rules on the implementation of the European Parliament's budget ⁽⁷⁾, and in particular Article 22 thereof,
 - having regard to Rule 94 and Rule 98(3) of, and Annex IV to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0153/2017),
- A. whereas the President adopted Parliament's accounts for the financial year 2015 on 4 July 2016;
- B. whereas the Secretary-General, as principal authorising officer by delegation, certified, on 24 June 2016, his reasonable assurance that the resources assigned for Parliament's budget have been used for their intended purpose, in accordance with the principles of sound financial management and that the control procedures established give the necessary guarantees concerning the legality and regularity of the underlying transactions;

⁽¹⁾ OJ L 69, 13.3.2015.

⁽²⁾ OJ C 380, 14.10.2016, p. 1.

⁽³⁾ OJ C 354, 27.9.2016, p. 1.

⁽⁴⁾ OJ C 375, 13.10.2016, p. 1.

⁽⁵⁾ OJ C 375, 13.10.2016, p. 10.

⁽⁶⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁷⁾ PE 422.541/Bur.

- C. whereas the audit of the Court of Auditors stated that, in its specific assessment of administrative and other expenditure in 2015, it did not identify any serious weaknesses in the examined annual activity reports and internal control systems of the institutions and bodies required by Regulation (EU, Euratom) No 966/2012;
- D. whereas Article 166(1) of Regulation (EU, Euratom) No 966/2012 requires each Union institution to take all appropriate steps to act on the observations accompanying 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 2015;
 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
Antonio TAJANI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2017/1603 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015, 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 2015, Section I — European Parliament,
 - having regard to Rule 94 and Rule 98(3) of, and Annex IV to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0153/2017),
- A. whereas in his certification of the final accounts, the European Parliament's ('Parliament's') accounting officer stated his reasonable assurance that the accounts present a true and fair view of the financial position of Parliament in all material respects and that no issues requiring a reservation have been brought to his attention;
- B. whereas, in accordance with the usual procedure, 129 questions were sent to Parliament's administration and written replies were received and discussed publicly by the Committee on Budgetary Control (CONT), in the presence of the vice-president responsible for the budget, the Secretary-General and the internal auditor;
- C. whereas scrutiny, particularly in the form of the yearly discharge procedure is essential to ensure that Parliament's political leadership and administration are held accountable to citizens in the Union; whereas there is permanent scope for improvement in terms of quality, efficiency, and effectiveness in the management of public finances; whereas the principle of performance-based budgeting and good governance of human resources should be a core element when executing the budget;

Oversight over Parliament's budgetary and financial management

1. Notes that the formal oversight system of Parliament's budgetary and financial management consists of four main components:
 - (a) the certification of the final accounts by Parliament's accounting officer;
 - (b) the annual reports of the internal auditor and his opinion on the internal control system;
 - (c) the assessment of administrative and other expenditure for all the Union institutions, including Parliament, by its external auditor, the Court of Auditors (the 'Court'); and
 - (d) the discharge procedure prepared by CONT resulting in a decision of Parliament on granting the President of Parliament discharge.
2. Notes that the annual report of the internal auditor contains findings based on specific audit work; aims to improve budgetary and financial management but not to provide a comprehensive picture of Parliament's budgetary and financial management; notes, similarly, that the Court's report only represents the results of a small sample (16 transactions) in respect of Parliament's transactions;
3. Understands that, in general, the low level of error in respect of the administrative expenditure may account for the relatively little attention paid by the Court to Parliament's transactions;
4. Points out, however, that even if the error rate is remarkably low, the reputational risk is relatively high, given that such financial and budgetary errors might impact negatively on the standing of the institution;
5. Adds that, more recently, as a consequence of the generally felt need for performance based budgeting, discharges should not be confined to detecting irregularities but also include measurement of concrete performance and results and that this too is particularly important in the case of Parliament, since lack of results has a direct impact on the institution's reputation;

6. Notes that, against this background, the work undertaken by Parliament in the context of the discharge procedure offers an opportunity to consider more thoroughly the accounts of Parliament's administration; calls for a strengthening of in-house expertise on accounts and auditing that rapporteurs can make use of in the preparation of their discharge reports;

Parliament's accounts

7. Notes that Parliament's final appropriations for 2015 totalled EUR 1 794 929 112, or 19,78 % of heading 5 of the Multiannual Financial Framework ⁽¹⁾ set aside for the 2015 administrative expenditure of the Union institutions as a whole, representing a 2,2 % increase compared to the 2014 budget (EUR 1 755 631 742);
8. Notes that total revenue entered in the accounts as at 31 December 2015 was EUR 176 367 724 (2014: EUR 174 436 852), including EUR 27 988 590 in assigned revenue (2014: EUR 26 979 032);
9. Points out that four chapters accounted for 71 % 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); notes that this indicates that Parliament's expenditure is characterised by a high level of continuity for the major part linked to remunerations for Members and staff, adjusted according to the Staff Regulations and other contractual obligations;
10. Notes the figures on the basis of which Parliament's accounts for the financial year 2015 were closed, namely:

(a) Available appropriations (EUR)

appropriations for 2015:	1 794 929 112
non-automatic carry-overs from financial year 2014:	—
automatic carry-overs from financial year 2014:	277 911 825
appropriations corresponding to assigned revenue for 2015:	27 988 590
carry-overs corresponding to assigned revenue from 2014:	106 077 150
Total:	2 206 906 677

(b) Utilisation of appropriations in the financial year 2015 (EUR)

commitments:	2 176 992 756
payments made:	1 770 807 099
appropriations carried forward automatically including those arising from assigned revenue:	392 379 176
appropriations carried forward non-automatically:	—
appropriations cancelled:	43 720 402

(c) Budgetary receipts (EUR)

received in 2015:	176 367 724
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(d) Total balance sheet at 31 December 2015 (EUR)

	1 511 058 599
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11. Notes that, in 2015, 99,1 % of the appropriations entered in Parliament's budget were committed with a cancellation rate of 0,9 % and that, as in previous years, a very high level of budget implementation was achieved;

⁽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).

12. Draws attention to the fact that the appropriations cancelled totalled EUR 41 422 684 with the bulk of the cancellations made against salaries and expenditure related to buildings;
13. Notes that the 'mopping-up' transfer accounted for EUR 71 000 000, which represents 4 % of the total appropriations transferred from provisional appropriation headings and from other sources, so as to help fund the annual lease payments for the Konrad Adenauer building; urges that Parliament's building policy be laid down with sufficient clarity, as part of the budgetary strategy; considers that level of the 'mopping-up' transfer as very high; is of the firm opinion that an effective management of the budget should reduce this transfer to the bare minimum; calls on the Court, in this connection, to draw up a report on Parliament's building policy;

Court's opinions on the reliability of the 2015 accounts and on the legality and regularity of the transactions underlying those accounts

14. Notes that overall audit evidence indicates that the spending on 'administration' is not affected by a material level of error, but that on the basis of the seven quantified errors the estimated level of error present under heading 5 of the MFF on administration is 0,6 % (up from 0,5 % in 2014);
15. Is very concerned about the Court's finding that of the 151 transactions examined for all the Union institutions, 22 (14,6 %) were affected by error; notes, however, that, of these 22 transactions, only seven errors were quantified, and thus had financial implications, resulting in an estimated level of error of 0,6 %;
16. Notes, furthermore, the specific findings concerning Parliament contained in the annual report of the Court for 2015; notes that the Court found weaknesses in controls on the authorisation and settlement of expenditure made in 2014; these involved only one out of 16 Parliament transactions that were examined, concerning one or other of the political groups, and those weaknesses were cleared in 2015;
17. Notes the responses given by Parliament to the Court during the adversarial procedure; asks the Court to keep the responsible committee informed on the implementation of its recommendation to provide better guidance and to review the existing control framework for the implementation of budget appropriations allocated to political groups;

The internal auditor's annual report

18. Notes that, at the competent open committee meeting with the internal auditor held on 30 January 2017, the internal auditor presented his annual report and described that in 2015 he had adopted reports on the following subjects:
 - Follow-up of open actions from internal audit reports;
 - Code of conduct on multilingualism;
 - IT operational efficiency and performance measurement;
 - Financial Management System (FMS);
 - Debt recovery process;
 - Business continuity management;
 - IT data centre inventory and management of external expertise;
19. Notes and supports the views expressed by the internal auditor concerning the need:
 - to draft a reasoned proposal for updating the code of conduct on multilingualism for interpretation services that includes specific provisions on the planning of trilogue-related meetings;
 - to improve the regulatory framework applicable to meetings with interpretation, including: better alignment between existing sets of rules; measures to spread demand more evenly over the week and to identify and fill underused slots; underscores the need to reduce the number of meetings cancelled at short notice, since this results in considerable misallocation of resources;
 - to draw up relevant criteria and indicative thresholds for starting legal procedures and for waiving debts and submitting these for approval by the principal authorising officer by delegation;
 - to establish an adequate governance and policy (including institutional guidance and practical arrangements) for business continuity management;

20. Notes that, at the end of 2015, after successive follow-up audits, four actions from the review of the internal control framework, all of them 'moderate risk', remain open, one of which had its due-date deferred to 2017 in the context of Parliament's new financial management system; calls on the internal auditor to keep CONT informed on the progress achieved on those actions;
21. Asks the Internal Auditor in presenting the annual report, to focus more closely on those aspects where shortcomings and/or irregularities have been encountered; asks also the Internal Auditor to make his reports on follow-up, developments and solutions relating to problems identified in the course of his mandate available to the Committee on Budgetary Control; asks the Secretary-General to introduce procedures for the assessment of performance and results;

Follow-up to the 2014 discharge resolution

22. Notes the written answers to the 2014 discharge resolution provided to CONT on 20 October 2016 and of the presentation, by the Secretary-General, of the various questions and requests in respect of Parliament's 2014 discharge resolution and of the exchange of views with Members that followed; regrets, however, that many of these applications have not been followed up and that no reason or justification has been given; stresses the importance being able to discuss more frequently with the Secretary-General in CONT issues affecting Parliament's budget and its implementation.
23. Notes that there was an inconsistency between the dates of presentation of the draft Parliament discharge report and the possible tabling of additional questions to the Secretary-General; asks the Secretary-General to provide replies to the supplementary questions before the deadline for amendments and, if necessary, before the vote in committee is taken;

Parliament's 2015 discharge

24. Notes the exchange of views between the vice-president responsible for the budget, the Secretary-General and CONT in the presence of the member of the Court and the internal auditor, on 30 January 2017;
25. Expresses its satisfaction with the commitment of Parliament's administration to continuously improving the performance of Parliament's services as a whole and to do so in an efficient manner, although it also considers that it is taking too long in some cases to put the changes into practice;
26. Notes that Parliament, which costs about EUR 3,60 per citizen per year, does not need to shy away from comparisons with other parliamentary systems, especially since one-third of costs is accounted for by basic factors (multilingualism and number of sites) over which Parliament itself has limited influence and which do not apply to other parliaments in the same way;
27. Notes, however, that attention paid to performance based budgeting varies between the directorates-general, and is well developed in, for example, the Directorate-General for Finance (DG FINS), but is still at a preliminary stage elsewhere in the administration; calls upon the Secretary-General to ensure that clear, measurable targets are set and monitored throughout the administration;
28. Notes the Secretary-General's reply regarding the accessibility of the ePetition application for Members and the general public as well as the Legal Service report; asks the Secretary-General to report on the actions to follow-up the recommendations of the Legal Service;
29. Welcomes the attention paid by the administration to sustainability, in particular, in the context of public procurement procedures; notes, however, that, with the entry into force of the new directive on public procurement ⁽¹⁾, it has become possible to increase the weight of criteria related to social and environmental sustainability relative to the criterion of the lowest price;
30. Calls upon the Secretary-General to submit a plan of action on how to apply sustainability criteria in Parliament's public procurement procedures and, in this respect, to include an evaluation of the use made of green public procurement as an instrument;

⁽¹⁾ 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).

31. Acknowledges that, according to the Court, the costs of the geographic dispersion of Parliament amount to EUR 114 million per year and notes the finding, in its resolution of 20 November 2013 on the location of the seats of the European Union's Institutions ⁽¹⁾, that 78 % of all missions by Parliament staff coming under the Staff Regulations arise as a direct result of the fact that Parliament's services are geographically dispersed; recalls that the estimate of the environmental impact of that dispersal is between 11 000 to 19 000 tonnes of CO₂ emissions; calls on the Bureau to request the Secretary-General to develop, without delay, a roadmap for a single seat for Parliament; reiterates its call on Parliament and the Council to address, in order to create long-term savings, the need for a roadmap for a single seat, as stated by Parliament in several previous resolutions; believes that the withdrawal of the UK and the need to reallocate the European Agencies which currently have their seats in the UK could provide an excellent opportunity to solve several issues in the same time; points however to Article 341 TFEU which establishes that the seats of the institutions of the Union shall be determined by common accord of the governments of the Member States and Protocol 6 annexed to the TEU and the TFEU which lays down that Parliament shall have its seat in Strasbourg; recalls that a single-seat solution requires Treaty change;
32. Recalls the reply by the Administration to Question 75 in the questionnaire concerning the discharge for Parliament for 2013, namely that it had decided to discontinue the 'practice of long-term missions ..., ... leading to considerable savings', but views as a major contradiction the fact that 13 members of staff are currently on long-term missions; considers that a long-term mission for a member of staff, involving an expatriation allowance and daily allowances, to a place where that person was already living and working is a reprehensible use of taxpayers' money and contrary to the Staff Regulations; insists on a clarification of the circumstances of every long-term mission, and in particular on the disclosure of the reasons and costs for that long-term mission;
33. Recalls that all officials and other servants of the Union, even those who work within cabinets, are to carry out their duties solely with the interests of the Union in mind, according to the rules laid down in the Staff Regulations; points out that Union officials are paid by taxpayers' money, which is not intended to finance press or other staff engaged in promoting any national political interest of a President; calls on the Bureau to lay down clear provisions in Parliament's regulations;
34. Notes the decision of the President of 21 October 2015, by which he sought to appoint people to managerial posts within Parliament without observing procedures, and in particular without calls for applications; notes that that decision 'did not correspond to the rules' (Administration's reply in connection with the second questionnaire from CONT; insists that that decision by the President be formally revoked;
35. Notes that, on 15 December 2015, the President gave himself authority to allocate an uncapped special allowance to his cabinet staffers, over and above the existing cabinet allowance, despite the fact that the Staff Regulations make no provision for such a special allowance; raises again the question of the lawfulness of that authority and the validity of the special allowances; asks for consideration to be given to whether the decision concerned should be revoked;

Management of the subsidy scheme for visitors' groups

36. Notes the fact that, on 24 October 2016, the Bureau adopted the revised Rules governing the payment of financial contributions for sponsored visitors groups;
37. Welcomes the fact that this considerably reduces cash payments and introduces mandatory electronic transfers thereby reducing the risks of theft, as well as the reputational risk for Parliament, while still providing for considerable flexibility; supports the Bureau's intention to evaluate the revised system after one year of implementation; regrets, however, that Parliamentary Assistants can be nominated to receive payments to their personal accounts and to certify the group's expenses; is concerned this places an unnecessary legal and financial responsibility on APAs and exposes them to potential risks; urges the Bureau to reconsider this as a priority;
38. Deplores the fact that Parliament granted discharge to its President in respect of the implementation of the Parliament's budget for the financial year 2014 and, at the last minute, deleted important paragraphs, raising further questions concerning the President's political activities and his financial behaviour during the 2014 European elections;

⁽¹⁾ OJ C 436, 24.11.2016, p. 2.

Transparency register and conflict of interest

39. Welcomes the increasing attention on the part of the media and the public to Parliament and its administration; notes, however, that some journalists find it difficult to obtain the specific information they are looking for; points out that transparency of Parliament and its administration is essential for the legitimacy of the institution and that, always respecting the rules governing the protection of personal data, access to information should be improved;
40. Calls on the Bureau to publish on Parliament's website the relevant documents submitted to it by the Secretary-General in a machine-readable format, unless the nature of the information contained therein makes this impossible, as is the case, for example, for the protection of personal data;
41. Stresses the need to make the work of Parliament's internal decision-making bodies, in particular the Bureau, more transparent and accessible; calls for Bureau agendas to be published on the Intranet in good time and for the minutes of meetings to be published much more promptly; observes that it is not necessary to wait until they are translated into all languages;
42. Recalls the obligation on Members to inform the administration immediately of any change in their declarations of interests;
43. Asks the Secretary-General to forward this resolution to the Bureau, highlighting all requests for action or decisions by the Bureau; calls on the Secretary-General to establish a plan of action and a timetable enabling the Bureau to follow up and/or respond to the recommendations contained in Parliament's discharge resolutions and to include the results in the annual monitoring document; asks the Secretary-General to report in good time to the Committee on Budgets and CONT on all projects with a significant budgetary impact that have been submitted to the Bureau;
44. Believes that Members ought to be able to use Parliament's website to provide their constituents with the greatest possible transparency on their activities and, therefore, calls upon the Secretary-General to develop a system that Members can use to publish details of their meetings with interest representatives; and urges the Secretary-General to make this possible without further delay, as already requested in Parliament's 2014 discharge resolution;
45. Calls on the Bureau to define and publish the rules concerning the use of the general expenditure allowance (GEA);
46. Notes the low level of awareness, among Members, of the possibility of returning general expenditure allowance surpluses; reminds Members that the GEA does not constitute an additional personal salary; asks the Secretary-General to publicise this possibility as a priority; urges Members to return surpluses at the end of their mandate;
47. Similarly, calls on the Secretary-General to provide Members who would like to publish on their own websites details of payments to them of any other Parliament allowances, with appropriate data records that can be easily reprocessed;
48. Calls, further, on the Secretary-General to assist interested political groups in the same way;
49. Notes that Parliament's website makes available a range of documents regarding the decision on the recognition of the European political parties and European political foundations alongside details specifying the final funding amount; asks Parliament to request the Commission to present a proposal for a revision of the current Union legal act on the statute and funding of European political parties and European political foundations ⁽¹⁾, including stricter requirements for the setting up of European political parties and foundations, in order to prevent abuses;
50. Welcomes the introduction of a special form for rapporteurs where they can indicate which interest representatives had influenced their reports (legislative footprint);
51. Reiterates its call for Parliament's administration to produce a report on the use of Parliament's premises by interest representatives and other external organisations;

⁽¹⁾ 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).

52. Is concerned that the current code of conduct for Members may need to be further improved in order to avoid conflicts of interests paying specific attention to:
- paid side-jobs of Members;
 - lobbying activities directed towards the European institutions of former Members while they are entitled to a transition allowance;
 - the registration of declarations of Members' interests;
 - the composition and competences of the advisory committee.

Directorate-General for Communication

53. Welcomes the development of indicators for the performance measurement of Parliament's communication activities and invites the Secretary-General to devote a separate section on the effectiveness of this new performance-based approach in the field of communication in the 2016 report on Parliament's activities;
54. Supports the various programmes aimed at facilitating visits by journalists and citizens who are interested in finding out more about Parliament's activities;
55. Reiterates, in this regard, its call in the 2014 discharge where it was noted that Parliament website remained relatively un-user-friendly, difficult to navigate and had not yet incorporated the most recent technological developments, with the result that it was difficult to find relevant information quickly; it was also pointed out that, given the importance of communication with European citizens, the website did not contribute to improving the image of Parliament with the public at large;
56. Calls on the Directorate-General for Communications (DG COMM) to introduce a more efficient and user-friendly website that incorporates a more efficient website search engine, one that will raise the profile of Parliament with the general public and respond more directly to the needs and interests of citizens; notes that mediocre results only have been obtained, despite the expenditure of considerable resources;
57. Expresses concern about the effectiveness of Parliament's communication strategy; calls in this respect for a comprehensive review of the current strategy and, in particular, for a more active approach towards those who are not automatically interested in Parliament's activities or who may even be sceptical about its functioning; invites the Secretary-General to develop a new strategy to reach out further in order to engage with these citizens too, including by facilitating access to information, to adequately address unjustified prejudices against Parliament, while avoiding unnecessary and costly advertising campaigns;
58. Underlines the need to modernise the mission of the information offices of Parliament by optimising the use of new communication technologies and patterns and taking advantage of their privileged geographical positions, close to citizens, to further intensify 'going local' activities, such as debates organised with Members and civil society, with a view to listening to people and engaging with them; emphasises that online debate and media attention triggered by such events should contribute to increase outreach to citizens still further; notes that building and staff costs for the information offices in the Member States are disproportionately high in relation to the amount of money spent on the key functions of those offices; calls on the Secretary-General to present, by the end of 2017, to CONT a detailed activity and financial report on the information offices in the cities of Brussels and Strasbourg respectively, with a special focus on the value that they add;
59. Is concerned at the replies given to the questions for written response on Parliament's information offices in some Member States, as in most cases only a fraction of their operating costs arise from the real goals and tasks of such offices, whilst the lion's share of the money is spent on office rentals and the salaries and travel expenses of their staff;
60. Invites the Secretary-General to improve internal communication between the various directorates-general, so that, for instance the development of new important tools such as the legislative train gets known to a wider public, both internal and external;

LUX Prize

61. Welcomes the joint presentation made to CONT and the Committee on Culture and Education of the survey as requested in the 2013 discharge conducted to determine whether the LUX Prize is well known and how, if at all, it is viewed in their respective Member States and of the findings therein;

62. Recalls that the survey mainly related to the awareness of the LUX Film Prize among Members and film-makers, on the aim of the Prize, which is to illustrate to citizens Parliament's commitment to consensual values such as human rights and solidarity, as well as its commitment to cultural and linguistic diversity;
63. Notes that the survey had a low response rate, just 18 % of Parliament's constituent Members, corresponding to 137 Members from all political groups and Member States, and that, among those Members, more than 90 % were aware of the LUX Film Prize, 75 % understood its purpose and more than 80 % have a positive image of it.
64. Is not convinced of the selection method, by which Members decide about the nominations and the final election of the Prize winner, and invites the Bureau to report on alternative models for obtaining the desired results, for example, by supporting a comparable initiative taken by film-makers' organisations themselves;
65. Notes that, although during the years the amount of spectators has increased, a number of 43 000 within the Union is still very low and raises the question whether the Lux Prize is justifiable;

House of European History

66. Regrets the repeated delays of the opening of the House of European History, which was originally planned for March 2016, was subsequently delayed till September and November 2016 and is now scheduled to take place on 6 May 2017;
67. Notes with concern the on-going discussions on the nature of its temporary exhibitions; emphasises the importance of the academic independence of the House of European History in terms of exhibition content and design, these being determined exclusively by museological and historical criteria;
68. Is pleased that, according to estimates, the House of European History will welcome 250 000 visitors a year; points out that the annual operating costs of this facility are estimated in advance at EUR 13,3 million; expresses its concern at the proportionally low number of visitors compared to the high operating costs, bearing in mind that, in 2015, Parliament welcomed 326 080 visitors, and that the operating cost was just EUR 4,3 million;
69. Notes that with the establishment of the Parliamentarium and the opening of the House of European History, the Parliament and its surroundings are becoming a citizens' and tourist attraction that will bring about a better knowledge of the role of Parliament and illustrate for citizens Parliament's commitment to consensual values such as human rights and solidarity; requests that the Bureau consider entering into a dialogue with the local authorities to see how the latter can contribute to the financing and management of the House of European History;
70. Calls on the Bureau to consider adapting the management of the House of European History to a more inter-institutional approach, exploring further cooperation with other institutions of the Union, especially the Commission and the Council;
71. Welcomes the Commission decision to contribute EUR 800 000 a year to the operating costs of the House of European History; considers, however, that the Commission should contribute a much higher proportion of the estimated annual operating costs;

Directorate-General for Personnel (DG PERS)

72. Notes that, by 31 December 2015, a total of 5 391 officials and temporary staff were employed within the Secretariat (an increase of 96 compared with 31 December 2014) and a total of 771 officials and temporary staff were employed within the political groups (an increase of 26 compared with 31 December 2014); notes that, together with contract agents, DG PERS was responsible for 9 402 staff (an increase of 467 compared with 31 December 2014);
73. Notes that at 1 January 2015, 47 posts were deleted from Parliament's establishment plan in accordance with the 2014 revision of the Staff Regulations and the MFF for 2014-2020, leaving the total establishment plan at 6 739 posts of which 5 723 (84,9 %) were for the secretariat and 1 016 (15,1 %) for the political groups; notes that, on 31 December 2015, 4,9 % of the posts in the secretariat were vacant, compared to 9,6 % at the end of 2014;

74. Welcomes the fact that the gender balance of the directors-general improved from 18,2 %/81,8 % in 2014 to 33,3 %/66,7 % in 2015, but notes that the gender balance of directors fell from 34 %/66 %, in 2014, to 31,1 %/68,9 %, in 2015; recalls that the absolute majority of the Parliament staff is composed of women but that women are in a limited part of the managerial posts; notes that the gender balance in heads of unit continued to improve from 30 %/70 %, at the end of 2014, to 31,2 %/68,8 %, at the end of 2015; emphasises that imbalances for managerial posts therefore persist and that an equal opportunities programme for these posts remains of the utmost importance; is of the firm opinion that Parliament should have at least 40 % of women in managerial posts by 2019;
75. Expresses its surprise that Parliament's advisory committee on the appointment of senior officials consists solely of higher management and invites the Secretary-General to include a representative of a staff association;
76. Emphasises that geographical balance, namely the relationship between the numbers of staff having a particular nationality and the size of population of their corresponding Member States, should still remain an important element of resources management particularly with respect to the Member States that have acceded to the Union since 2004, welcomes the fact that Parliament has reached an overall balanced composition of officials from the Member States which joined the Union before and since 2004; but points out that these Member States still represent only 3 % of staff at 'higher administrator' (AD12-16) level at the three places of work, compared to their share of the population of the Union, which is 21 %, and that progress on this is still awaited;
77. Recognises that, for certain activities, such as running the canteens and cleaning, outsourcing has been Parliament's preferred option and that, as a consequence, for certain DG's, the number of external staff on Parliament's premises may even exceed the number of officials;
78. Notes, however, that such outsourcing decisions cannot provide an explanation for the use of all external staff and that, for example in the Directorate-General Innovation and Technological Support ((DG ITEC), the ratio between external staff and officials is difficult to explain;
79. Expresses the opinion that external staff should not be used to compensate for the reduction of the number of posts as agreed in the context of the 2014 revision of the Staff Regulations and the current MFF;
80. Notes the Secretary-General's replies regarding the conditions for external contracting by Parliament; emphasises that the administration must carefully and systematically ensure strict compliance by service providers with employment, safety and welfare legislation etc. applicable to all external staff working on Parliament premises, such as canteen, cleaning and maintenance staff etc.; calls on Parliament to introduce regular alert and monitoring mechanisms for the prevention and detection of any isolated or systematic cases of negligence, abuse or infringement, enabling it to take immediate action;
81. Notes that the procedure for bringing Parliament's security guard service in-house is complete and that the procedure for doing the same for the drivers' service is ongoing; calls on the Secretary-General to report to CONT on what has been learnt from these procedures and any savings that have been made as a result;
82. Notes with concern that canteen personnel are not paid in accordance with the hours in their contract for weeks when Members work elsewhere, such as constituency weeks or plenary sessions in Strasbourg and that a considerable number are assigned short-time work, affecting their employment and earnings; calls on the Secretary-General to come up with a solution in negotiation with the canteen service provider that guarantees the employees regular hours and payments every week;
83. Notes that, at the end of 2015, there were 1 813 accredited parliamentary assistants (APAs) working at Parliament, compared to 1 686 a year before; calls for special consideration of the rights of APAs and local assistants, as their contracts are directly linked to the mandate of the Members they support, bearing in mind that APAs are members of staff holding Parliament employment contracts, while local assistants are subject to various national legislations;
84. Regrets that the evaluation report on the application of the provisions governing APAs was not submitted to CONT before the end of 2016, as called for in the resolution on the 2014 discharge, and that it still has not been submitted;

85. Points out that, in cases of harassment or whistleblowing, APAs are in a particularly vulnerable position, as their contracts are based on mutual trust between the Member and his or her assistant; notes that, if this trust is lacking, this in itself is a reason for terminating the contract; notes, furthermore, that if the Member has to resign as a result of reputational damage arising from a criminal offence or other violation of law, this normally means that the contracts of all his or her assistants will also be terminated; calls, therefore, for the immediate strengthening of the representation of APAs in the advisory committee on harassment, ensuring that there is a gender balance, as already requested in the context of the 2013 and 2014 discharges; calls on the Bureau to assign appropriate funds to cover the travel and subsistence expenses of APA claimants, who often don't have the necessary means to come to Brussels to attend in person and state their case to the harassment committee; calls also for the possibility of financial compensatory measures for APAs to be considered in the next revision of the Staff Regulations in order to ensure equal treatment of APAs and recognition of their particular vulnerability in cases of harassment or whistleblowing;
86. Welcomes the intention of the administration to launch the process for adaptation of the flat rate allowances for Strasbourg missions received by APAs, which are significantly lower than those for permanent officials; emphasises that this adaptation should be based on transparent calculation methodology and that it should be in direct correlation with the recent upwards revision of allowances and accommodation ceilings for permanent officials; also emphasises that automatic indexation of the allowances for future revisions should be introduced;
87. Deplores the fact that the Bureau has not responded to the requests made by Parliament in its 2013 and 2014 discharge Resolutions to apply to APAs the same daily allowances than the other staff; asks the Secretary-General to provide, before any changes are implemented, an estimation of the additional cost which would arise through this adjustment; meanwhile underlines that the current mission reimbursements ceilings for APAs have not been adjusted since 2009 and that the discrepancy between APAs and other staff has further increased up to at least 40 % following the introduction of new ceilings approved by the Council on 9 September 2016 and so far applied, from 10 September 2016 only to officials; calls, therefore, on the Bureau to take the necessary measures to remedy this inequality;
88. Deeply regrets the fact that the employment period of an APA in the case of death or resignation of his or her Member ceases at the end of the relevant calendar month; emphasises that this could mean that an APA would not have a single day of notice if the Member's term of office happens to end on the final day of a given month; calls for this unacceptable situation to be resolved in the next revision of the Staff Regulations, by linking notice periods to a defined period of time, such as four weeks, rather than to calendar months; further calls on the Bureau to swiftly introduce temporary measures that could provide a provisional solution to this problem before such legal revision takes place;
89. Is concerned about the alleged practice of Members obliging APAs to undertake missions, particularly to Strasbourg, without mission orders, without mission costs or simply without travel costs; is of opinion that such a practice leaves room for abuse: where APAs travel without a mission order they not only have to pay for the costs by their own means, they are also not covered by workplace insurance; calls on the Bureau make sure that the Staff Regulations are properly implemented and to penalise Members who breach the rules;
90. Notes that trainees are entitled to a discount of EUR 0,50 on main dishes in all the self-service restaurants in Brussels and Luxembourg EUR 0,80 in Strasbourg; considers, however, that, taking into account their average pay levels and the high prices charged over the last two years, these discounts are not sufficient to have even a minimal impact on their finances; calls on the Secretary-General to grant price reductions in line with their earnings;
91. Calls on the Bureau to ensure that social and pension rights are guaranteed for APAs that have worked with no interruption for the last two legislative parliamentary terms; in this regard, invites the administration to put forward a proposal that takes into account the decision to have early elections in 2014 and the time spent in the recruitment procedure, when calculating the 10 year service period required by the Staff Regulations;
92. Calls on the Conference of Presidents to reconsider the possibility for APAs, at certain conditions to be set, to accompany Members in official Parliament Delegations and Missions, as already requested by several Members.

93. Calls on the Secretary-General and the Bureau to look into and resolve problems arising mainly from the last change of term in relation to APAs (as delays in signing contracts, interruption of contracts, early European elections, etc.) which can have serious consequences on future acquisition labour rights of APAs; ask APAs' representatives to be involved in the search for solutions;
94. Asks the Parliament, in the interests of equal opportunities and respect for employment rights, to adopt guidelines on attribution of a grade to APAs and to develop corresponding clear job descriptions, responsibilities and tasks for each function group;
95. Notes that in 2015 the number of terminations of service of staff was 154, of which 126 were retirements, 13 invalidities, nine resignations and six deaths; invites the Secretary-General to strictly enforce the fourth paragraph of Article 16 of the Staff Regulations on potential conflicts of interest after termination of service in Parliament, in particular in cases of resignation, as it is striking that no cases of potential conflicts of interest have ever been published;
96. Notes with concern that no special arrangements have been made for staff in the event that a Member State decides to leave the Union; whilst recognising that this issue is relevant to all European institutions, invites the Secretary-General to engage in dialogue with the Commission in order to ensure that British staff do not become victims of Brexit, and that their statutory, contractual and acquired rights are fully safeguarded;
97. Calls for a more efficient organisation of training courses in order to adapt them to the specific needs of APAs; calls, in particular, for the administration to take into account the calendar of parliamentary and MEP's activities and define tailored timetables and specific topics.
98. Points to the fact that 43 % of Parliament's staff considers that teleworking would have a positive effect on their job satisfaction; emphasises that Parliament is the only institution that has not introduced teleworking and a flexitime system, while both have been present for many years in most of the other institutions, including the Commission, with proven results in terms of increased productivity and better quality of life for members of staff; notes that Parliament introduced occasional teleworking in October 2016; asks the Secretary-General to report to all interested services, including Members and their assistants, on the implementation of this service; calls also for the 'flexitime' system to be incorporated as soon as possible into Parliament's working practices;
99. Calls on Parliament to change its rules governing internships offered by MEPs and political groups in order to improve the situation of interns and trainees in Parliament, including decent remuneration, the fixing of a limited duration of traineeships and a learning agreement.

DG FINS

Contracts awarded by the Parliament

100. Notes with satisfaction that Parliament publishes a complete annual list on its website of all those of its contractors who obtained contracts with a value of more than EUR 15 000, and that that list includes the name and address of the contractor, the type and subject of the contract, its duration, its value, the procedure followed and the relevant directorate-general;
101. Points out that this list goes beyond the transparency requirements set out in the Financial Regulation; encourages all the Union institutions to make available full information on all contractors and contracts awarded through public procurement, including cases of direct awarding or restricted procedures;
102. Supports the Court's conclusion that the Union institutions need to set up a single public repository of information related to their procurement contracts in order to allow effective transparency and *ex post* monitoring of their procurement activities;
103. Points out that, despite previous calls for improvement, the service offered by Parliament's travel agency remains unsatisfactory, since prices are relatively high and the agency has failed to negotiate agreements with the major airlines to secure better rates and more flexibility when making travel arrangements;

104. Calls on the agency to actively seek to offer lower prices whatever the airline in question; requests that the agency introduces a feedback process (user satisfaction surveys) with a view to identifying areas in which further progress might be made;

Voluntary Pension Fund

105. Notes that the voluntary pension fund increased its estimated actuarial deficit to EUR 276,8 million at the end of 2015; further notes that at the end of 2015, the amount of net assets to be taken into account and the actuarial commitment amount to EUR 155,5 million and EUR 432,3 million respectively;
106. Recalls that these projected future liabilities are spread over several decades but notes that the total amount paid in 2015 by the voluntary pension fund amounts to EUR 15,8 million;
107. Points out that this raises concerns about the possible exhaustion of the fund and that Parliament is the guarantor for the payment of pension rights when and if this fund is unable to meet its obligations;
108. Calls once again on the Bureau to make an assessment as soon as possible of the current situation of the Pension Fund;
109. Recalls Paragraph 112 of last year's discharge resolution ⁽¹⁾ that calls for an assessment of the current situation of the pension fund; regrets that such an assessment has not yet been delivered;
110. Recalls that the Court of Justice ruled in 2013 that the decision to increase the age of retirement for Fund subscribers from 60 to 63 years in order to avoid the early exhaustion of the capital and to align it with the new statute for Members was valid;
111. Considers that, whereas national pension funds normally have to meet strict standards and are not allowed to have any actuarial deficit at all, the voluntary pension fund is now facing an actuarial deficit of 64 % of the actuarial commitment, calls on the Secretary-General to present the Bureau with a comprehensive plan of action to avoid the early exhaustion of the fund;

Other matters

112. Regrets the fact that, in selecting the financial institutions that Parliament deals with for its payments and accounts, no attention is paid to the policies of these institutions in respect of corporate social responsibility and calls on the Secretary-General to make sure that, in future, Parliament primarily deals with financial institutions that have investment policies that focus on sustainability and other aspects of corporate social responsibility;
113. Emphasises that in 2015 Parliament had on average EUR 106,25 million on bank accounts raising no interest income whatsoever; invites the Secretary-General to examine whether it is necessary to have such a high amount of liquidity and in particular, invites him to improve treasury management in this respect and, if possible, to find ways of increasing the returns on such deposits;

DG ITEC

114. Is satisfied with the implementation of DG ITEC's strategic orientations 2014-2019; considers that many changes in the electronic working environment for Members and staff are being implemented, but that the implications of these changes, including new opportunities, are relatively little known and are being developed mainly inside DG ITEC; calls for closer cooperation between DG ITEC and DG COMM to improve internal and external communication concerning the many innovations that have been or will soon be implemented;

⁽¹⁾ OJ L 246, 14.9.2016, p. 3.

115. Understands the efforts of DG ITEC to improve the number of hits for Parliament's webpages in the context of Google's search engine; is, however, also of the opinion that the search engine on Parliament's webpage itself should lead to meaningful results, so that users can actually use the portal of the site to quickly get to the relevant webpages; is concerned that, at the moment, this search engine does not function properly, and invites the Secretary-General to find a quick solution for this long-standing problem;
116. Notes, with concern, that, despite the fact that, within the remit of DG ITEC, expenses incurred on an annual basis for the acquisition of new hardware amount to more than EUR 35 million, there is no clear policy for environmental and social sustainable procurement and invites the Secretary-General to develop an action plan in this regard to make sure that in the future all calls for tender include environmental and social selection criteria of hardware;
117. Calls on DG ITEC to make all Parliament's web pages accessible to portable devices, since, even though a large proportion of visitors to the pages use an iPad or mobile phone to access the sites of Parliament and the specialised committees, the current interfaces cannot be considered to be compatible with portable devices; proposes the implementation of measures to improve, tangibly and within a reasonable time-frame, the accessibility of the web pages to portable devices;
118. Finds it essential for the mandate of the Members that printers remain in their offices; points out that cheap generic cartridges may possibly lead to dangerous levels of emissions of particles and to health damages; calls, therefore, for measures to be taken by DG ITEC and Directorate-General for Infrastructure and Logistics (DG INLO) to promote the procurement of eco-friendly printers and to ensure the sole use of original cartridges, whilst creating options for Members and their staff to have printers located strategically near but not inside their offices;
119. Notes the adoption by the Bureau on 7 September 2015 of an information and communications technology systems security policy ('ICT security policy'); stresses that, in the current global context, a considerably more robust ICT security policy that fully addresses the management of risks associated with cyber security urgently needs to be implemented; welcomes in this regard the appointment of a cyber security officer of Parliament;
120. Reiterates the call in its 2014 discharge resolution for the creation of an emergency rapid alert system which allows DG ITEC, in collaboration with the Directorate-General for Security and Safety (DG SAFE), to send swift communications by SMS or email to Members and staff that agree to their contact details being included on a communication list for use in specific emergency situations;
121. Commends DG ITEC for rolling out Wi-Fi throughout Parliament's buildings; notes, however, the Wi-Fi in the hemicycle in Strasbourg is unreliable, especially when, during voting sessions and key debates, many Members use the system simultaneously; calls on the Secretary-General to take the necessary remedial measures in this respect;

Directorate-General for External Policies of the Union

122. Welcomes the fact that certain public meetings of inter-parliamentary delegations are already being broadcast by web-streaming; asks the Secretary-General to continue developing and expanding this service, together with the content of the delegations' web pages;

DG INLO

123. Notes that the 2010 — medium-term building strategy is currently being revised; calls for that strategy to be extended to cover a longer-term perspective, and for it to include a case study of the likely consequences of Brexit;

124. Welcomes the fact that from 2019 onwards, the amount of office space for Members and their assistants in Strasbourg will increase; calls on the Secretary-General to ensure that, as long as no single-seat solution has been found for the working place of Parliament, the minimum amount of square meters per assistant in accordance with the current rules on labour conditions, will be guaranteed, since Parliament's position on this issue is vulnerable, as it deliberately disrespects those rules on the minimum amount of office space;
125. Deeply regrets the decision to change the furniture in the offices of Members and their assistants in Brussels and calls for this to be halted immediately; notes that most of the furniture is perfectly serviceable and presentable, and that there is therefore absolutely no need to change it; considers that feedback from a number of Members — as opposed to a general survey — is not, on its own, sufficient justification for the change, while arguments put forward by the administration on matters of taste, fashion or outdated style are equally inadequate; individual items of furniture should only be changed if there are clear signs of deterioration, major wear and tear or health risk at the workplace of a specific or general nature (such as the possible development of more ergonomic office chairs); points out that, at a time of economic crisis, resulting in our current straitened financial circumstances, such concern with external appearances might seriously compromise the credibility of Parliament and its Members, in particular in the eyes of citizens and public opinion;
126. Recognises that, in accordance with the Bureau decisions of 2013 and 2015, the new catering contracts do not provide for any direct subsidies from Parliament's budget; is concerned, however, that certain services were offered at higher than market prices in 2015; refers, in this respect, to the coffee service during meetings; notes prices were revised in August 2016;
127. Regrets deeply the arbitrary, subjective and disproportionate criteria used for the recruitment of drivers and the internalisation of this service initiated in 2016 for safety reasons; regrets that the procedure did not take into account the skills and experience acquired by drivers during years of work in direct contact with Members and the relationship of trust established with them and the fact that they then found themselves unemployed, many of them already at an age at which it is difficult to find work;

Directorate-General for Interpretation and Conferences (DG INTE)

128. Is concerned about the problematic social dialogue between DG INTE and the representatives of interpreters, which started in January 2014 and which, to date, has produced no agreement; calls on the Secretary-General to initiate a mediation between the parties involved to improve the mutual understanding of the positions and to find solutions that are agreeable to all;
129. Expresses its satisfaction with the progress that has already been achieved in the modernisation process of DG INTE, notably with respect to the enhanced availability of interpreters, the moderate increase in the number of hours interpreters spend delivering interpretation and the improved distribution of interpreter workloads; notes that the calculation method with regard to statistics has been clarified and that all annual leave and sick leave have now been excluded from the calculation of the average number of hours spent by interpreters in the booth;
130. Requests information from the Secretary-General regarding the measures that have been taken since the adoption of the resolution on the discharge on the budget 2014 to achieve more resource efficiency and effectiveness in the organisation of meetings by streamlining conference management in Parliament;

DG SAFE

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

132. Calls on the Secretary-General to ensure that cooperation with the other Institutions of the Union is actively pursued, along with cooperation with the Belgian, French and Luxembourgish authorities.
133. Calls on DG ITEC and DG SAFE to reinforce cyber-defence capabilities in light of the increased threat of cyber-attacks in recent months;

Environment-friendly Parliament

134. Recalls that the Bureau launched the Environmental management system (EMAS) project in Parliament on 19 April 2004; notes that a revised environmental policy was adopted by the Bureau in 2016 that retains and reaffirms the commitment of Parliament to continuous environmental improvement;
135. Welcomes the installation of the inter-institutional helpdesk on green public procurement, which is now to be fully implemented by setting clear targets in the field, as well as stepping up efforts in internal information, promotion and effective governance on green public procurement; underlines also the fact that sub-contracted service providers must equally comply with the rules; deplores the high use of plastic bottles, cups, containers and packaging in Parliament in this respect;
136. Bears in mind that Parliament committed itself to making a 30 % reduction per FTE of its CO₂ emissions by 2020 compared to 2006; commends the fact that, between 2006 and 2015, this indicator fell by approximately 24,3 %;
137. Considers it to be of the utmost importance, therefore, that Parliament set itself new, more challenging, quantitative targets, and that those targets should be regularly measured by the responsible services; notes, in this regard, the Bureau 2015 decision to offset the total amount of Parliament's carbon emissions, including emissions from flights by Members between their country of origin and Parliament's working places;
138. Reminds Parliament of its commitment under Directive 2012/27/EU of the European Parliament and of the Council ⁽¹⁾ on energy efficiency which stipulates that it will, 'without prejudice to applicable budgetary and procurement rules, undertake to apply the same requirements to the buildings they own and occupy as those applicable to the buildings of Member States' central government under Articles 5 and 6' thereof, due to the high visibility of the buildings and the leading role that it should play with regard to the energy performance of buildings; underlines the urgency of compliance with this declaration, not at least for its own credibility in the currently ongoing revisions of the energy performance of buildings and the energy efficiency directives;
139. Calls on the Bureau to study an incentive scheme for promoting more sustainable and efficient transport for home-work commuting;
140. Welcomes Parliament's initiative with regard to the implementation of a comprehensive policy to reduce food waste; calls on Parliament to ensure that food waste is actively prevented by all the catering providers in all the premises of Parliament; calls on Parliament to intensify the practice of donation of unsold food for charity purposes;
141. Assumes that the introduction of an efficient meeting room reservation system and a facility management register can bring into play considerable potential as regards Parliament's costs and environmental efforts, and calls on the Secretary-General to take that approach forward, accordingly;

⁽¹⁾ 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).

Political Groups (budget item 4 0 0)

142. Notes that, in 2015, the appropriations entered under budget item 4 0 0, attributed to the political groups and non-attached Members were used as follows:

Group	2015					2014 (**)				
	Annual appropriations	Own resources and carried-over appropriations (*)	Expenditure	Rate of use of annual appropriations (%)	Amounts carried over to next period	Annual appropriations	Own resources and carried-over appropriations	Expenditure	Rate of use of annual appropriations (%)	Amounts carried over to next period (2011)
EPP	17 440	10 198	17 101	98,06	8 720	19 919	7 908	17 796	89,34	9 960
S	15 256	5 748	15 379	100,81	5 625	15 619	4 653	14 850	95,07	5 422
ECR	5 959	1 614	5 065	84,99	2 509	5 014	1 060	4 476	105,43	1 598
ALDE	5 692	2 517	5 865	103,03	2 344	6 214	1 774	5 491	88,35	2 498
GUE/NGL	4 305	1 256	3 832	89,02	1 729	3 527	417	2 689	76,62	1 255
Greens/EFA	4 153	1 293	3 890	93,67	1 556	4 292	1 389	4 396	88,41	1 287
EFDD	3 843	1 643	3 629	94,45	1 856	3 231	1 142	2 708	88,83	1 615
ENF	1 587	0	827	52,09	760					
Non-attached Members	1 627	533	1 001	61,51	214	1 991	441	1 281	64,32	533
Total	59 860	24 803	56 588	94,53	25 312	59 807	18 784	53 687	89,76	24 168

(*) all amounts in thousands of EUR

(**) 2014 consisted of two financial years due to parliamentary elections in May 2014. The figures for 2014 in the table represent the consolidated amounts.

143. Recalls that the Court recommended in its annual report that Parliament 'review the existing control framework for the implementation of budget appropriations allocated to political groups and in addition, that Parliament provide better guidance through reinforced monitoring on the application by the groups of the rules for authorisation and settlement of expenditure, and for procurement procedures'

European Political Parties and European Political Foundations

144. Notes that, in 2015, the appropriations entered under budget item 4 0 2 were used as follows ⁽¹⁾:

Party	Abbreviation	Own resources (*)	EP grant	Total revenue	EP grant as % of eligible expenditure (max. 85 %)	Revenue surplus (transfer to reserves) or loss
European People's Party	EPP	1 926	8 053	12 241	85	363
Party of European Socialists	PES	1 246	5 828	8 024	85	40
Alliance of Liberals and Democrats for Europe Party	ALDE	561	2 093	2 789	85	90
European Green Party	EGP	480	1 666	2 245	85	83
Alliance of European Conservatives and Reformists	AECR	395	1 952	2 401	85	8
Party of the European Left	EL	372	1 484	2 044	85	71
European Democratic Party	EDP/PDE	120	457	577	85	0
EUDemocrats	EUD	55	292	370	85	3
European Free Alliance	EFA	127	636	845	85	0
European Christian Political Movement	ECPM	87	461	560	85	4
European Alliance for Freedom	EAF	94	494	588	85	7
Alliance of European National Movements	AENM	53	292	399	85	0
Movement for a Europe of Nations and Freedom	MENF	161	401	562	85	0
Alliance for Direct Democracy in Europe	ADDE	250	821	1 070	85	- 403
Movement for a Europe of Liberties and Democracy	MELD	91	44	226	85	- 208
Total		6 017	24 974	34 943	85	59

(*) all amounts in thousands EUR

⁽¹⁾ Notes:

all amounts in thousands of EUR.

Note ⁽¹⁾: total revenue includes previous year's carry-over in accordance with Article 125(6) of the Financial Regulation.

145. Notes that in 2015 the appropriations entered under budget item 4 0 3 were used as follows ⁽¹⁾:

Foundation	Abbreviation	Affiliated to party	Own resources (*)	EP grant	Total revenue	EP grant as % of eligible expenditure (max. 85 %)
Wilfried Martens Centre for European Studies	WMCES	EPP	949	4 725	5 674	85
Foundation for European Progressive Studies	FEPS	PES	847	3 848	4 695	85
European Liberal Forum	ELF	ALDE	183	880	1 063	85
Green European Foundation	GEF	EGP	163	914	1 077	85
Transform Europe	TE	EL	159	847	1 066	85
Institute of European Democrats	IED	PDE	47	284	331	85
Centre Maurits Coppeters	CMC	EFA	57	241	298	85
New Direction — Foundation for European Reform	ND	AECR	323	1 100	1 423	85
European Foundation for Freedom	EFF	EAF	47	268	315	85
Organisation For European Interstate Cooperation	OEIC	EUD	33	132	165	85
Christian Political Foundation for Europe	CPFE	ECPM	51	267	318	85
Foundation for a Europe of Liberties and Democracy	FELD	MELD	50	248	298	85
Institute for Direct Democracy in Europe	IDDE	ADDE	144	673	817	85
European Identities and Traditions	EIT	AENM	32	169	201	85
Total			3 085	14 596	17 681	85

(*) all amounts in thousands EUR.

146. Notes with concern that, in the cases of the Alliance for Direct Democracy in Europe, the Movement for a Europe of Liberties and Democracy, the Initiative for Direct Democracy in Europe and the Foundation for a Europe of Liberties and Democracy major irregularities have been detected, relating to prohibited direct or indirect financing of national parties and to donations;

⁽¹⁾ Notes:
all amounts in thousand EUR.

147. Expresses its concern about the reputational risk for Parliament any such irregularities constitute and is convinced of the need for quick and effective action to prevent and address any similar irregularities in the future; considers however that these irregularities are limited to a limited number of political parties and foundations; is of the opinion that these irregularities should not question the financial management of the other political parties and foundations;
148. Is aware of the new regulations, namely Regulation (EU, Euratom) No 1141/2014 and Regulation (EU, Euratom) No 1142/2014 of the European Parliament and of the Council of 22 October 2014 ⁽¹⁾, which will start to affect the funding of European political parties and foundations for the financial year 2018, and of the important role of the newly established Authority for European political parties and European political foundations, as well as of the on-going discussions in the Bureau of the proposals of the Secretary-General to address a number of issues not resolved by those Regulations; calls on Parliament's internal auditor to make a new audit report on the financing of the European political parties and foundations as soon as possible after the entry into force of the new Regulation;
149. Considers it to be essential in this respect to look into any deficiencies in the current system of internal and external controls in respect of the avoidance of major irregularities; notes the declarations of the external accountant, EY, that its audits are aimed at obtaining a reasonable assurance that the annual accounts are free of material misstatements and that the entity has complied with in scope of rules and regulations, and that they include examining, on a test basis, evidence supporting the opinion; notes, however, that the examinations do not include investigations of possible fraudulent statements and documents, and therefore provide only for a somewhat limited insight in the financial activities examined;
150. Notes the scarce human resources (effectively 2 FTEs) in DG FINS devoted to checking the accounts of European political parties and foundations; is of the firm opinion that considering the high reputational risk involved, more resources could be devoted to this activity;
151. Calls on the Bureau, in so far as the principle of confidentiality allows it, to facilitate access to the underlying documents contained in the final reports of European political parties and foundations and, in particular the accounts and the audits undertaken;
152. Requests the new established Authority to submit a progress report to Parliament after its first year of activity, namely 2017; and calls on the Secretary-General to ensure that the authority will have at his disposal all necessary resources to fulfil its tasks;

⁽¹⁾ Regulation (EU, Euratom) No 1142/2014 of the European Parliament and of the Council of 22 October 2014 amending Regulation (EU, Euratom) No 966/2012 as regards the financing of European political parties (OJ L 317, 4.11.2014, p. 28).

DECISION (EU) 2017/1604 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the general budget of the European Union for the financial year 2015, Section II — European Council and Council**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2015 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2015 (COM(2016)475 — C8-0271/2016) ⁽²⁾,
 - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2015, 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 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Articles 55, 99, 164, 165 and 166 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0131/2017),
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 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision and the resolution forming an integral part of it to the European Council, the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors, the European Ombudsman, the European Data Protection Supervisor and the European External Action Service, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 69, 13.3.2015.

⁽²⁾ OJ C 380, 14.10.2016, p. 1.

⁽³⁾ OJ C 375, 13.10.2016, p. 1.

⁽⁴⁾ OJ C 380, 14.10.2016, p. 147.

⁽⁵⁾ OJ L 298, 26.10.2012, p. 1.

RESOLUTION (EU) 2017/1605 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015, 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 2015, Section II — European Council and Council,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0131/2017),
- A.
- whereas in the context of the discharge procedure, Parliament stresses the special importance of further strengthening of the democratic legitimacy of the Union institutions through improving on transparency and accountability, implementing the concept of the performance-based budgeting and good governance of human resources;
 1. Notes that on the basis of its audit work, the Court of Auditors (the 'Court') concluded that the payments as a whole for the year ended on 31 December 2015 for administrative and other expenditure of the institutions and bodies were free from material error;
 2. Notes with satisfaction that in its annual report on the implementation of the budget concerning the financial year 2015 ('the Court's report'), the Court observed that no significant weaknesses had been identified in respect of the audited topics related to human resources and procurement for the European Council and Council;
 3. Notes that in 2015, the European Council and the Council had an overall budget of EUR 541 791 500 (EUR 534 202 300 in 2014), with an implementation rate of 92,6 %;
 4. Takes note of the increase of EUR 7,6 million (+ 1,4 %) in the Council's budget for 2015;
 5. Notes the publication by the General Secretariat of the Council (GSC) of the annual activity reports of the Legal Service, the Communication and Document Management and the Administration directors-general;
 6. Takes note of the explanations provided in the Administration annual activity report on structural underspending; yet is concerned that the underspending rate continues to be high in certain categories; encourages the development of key performance indicators to improve budgetary planning;
 7. Maintains its concern with the very high number of appropriations being carried over from 2015 to 2016, particularly those on property, plant and equipment;
 8. Reiterates that the budget of the European Council and the Council should be separated in order to contribute to the transparency of the financial management of the institutions and to improve the accountability of both institutions;
 9. Asks for the overview of human resources to be broken down by category, grade, sex, nationality and vocational training;
 10. Emphasises that geographical balance, namely the relationship between staff nationality and the size of Member States, should still remain an important element of resources management particularly with respect to the Member States that have acceded to the Union since 2004; welcomes the fact that the European Council and the Council have reached an overall balanced composition of officials from the Member States which joined the Union before and since 2004, but points out that Member States which acceded to the Union in 2004 or after are still under-represented at the higher level of administration and in managerial posts, for which progress is still awaited;
 11. Notes the existence of a gender balance policy in the GSC; welcomes the positive trend of gender balance in management; calls on the Council, however, to further strengthen its efforts, pointing to the fact that the level of gender balance in the management posts still reached only 30 %/70 % by the end of 2015;

12. Welcomes the information regarding the occupational activities of former senior officials of the GSC after leaving the service ⁽¹⁾ in the year 2015; supports the full transparency and publication of such information every year;
13. Notes with great concern that the GSC in 2015 had still not implemented internal whistleblowing rules, as remarked by the Ombudsman; calls on the Council to implement internal whistleblowing rules without further delay;
14. Observes the Council's establishment plan to comply with the inter-institutional agreement to reduce staff by 5 % over a period of five years; asks to be informed how this reduction tallies with the creation of 19 new posts; suggests that the Council report back to Parliament on the possible alternative savings achieved to compensate for the delay in the reduction of staff;
15. Takes note of the Directorate-General Administration's reorganisation to improve its quality and efficiency; expects this reform to have a positive impact on the implementation of the Council's budget;
16. Is concerned at the delivery delay of the Europa building; asks to be informed of the financial impact of the postponement;
17. Reiterates its call for the Council's building policy to be provided to the discharge authority; reminds the Council of Parliament's call for progress reports on building projects and a detailed breakdown of the costs incurred to date;
18. Notes with satisfaction that the GSC obtained the eco-dynamic enterprise label in 2015 and EMAS certification in 2016 for its efficient environment management;

State of play

19. Takes note of the secretary-general of the Council's official reply to the invitation of Parliament's Committee on Budgetary Control to attend the exchange of views with the secretary-generals of the other institutions; observes that the reply simply reiterates the Council position on the exchange of financial information already expressed in the past; notes that the written questionnaire sent to the GSC on 17 November 2016 with questions from the Members remained unanswered;
20. Reiterates that the Council ought to be transparent and fully accountable to Union citizens for the funds entrusted to it as a Union institution; stresses that this implies that the Council must take part fully and in good faith in the annual discharge procedure, just as the other institutions do; considers, in this regard, that effective supervision of the Union's budget implementation requires cooperation between Parliament and the Council through a working arrangement; deeply regrets the difficulties encountered in the discharge procedures to date;
21. Insists that the expenditure of the Council must be scrutinised in the same way as that of other institutions and points out that the basics of such scrutiny have been laid down in its discharge resolutions of the past years;
22. Recalls that Parliament grants discharge to the other institutions after considering the documents provided and the replies given to the questions; regrets that Parliament repeatedly encounters problems in receiving answers from the Council; in this sense hopes for a much improved cooperation with the secretary-general of the Council for whom the year 2015 was the first year he took on these new responsibilities;
23. Regrets the failure in the past to grant the discharge due to insufficient cooperation between Parliament and the Council; notes that there would appear to be greater goodwill on both sides and expresses optimism that progress will be made with a view to improving cooperation in the future, something that will improve the public image of Parliament and the Council; calls on Parliament and the Council to continue along this path;
24. Underlines the Parliament's power to grant discharge pursuant to Articles 316, 317 and 319 of the Treaty on the Functioning of the European Union and Articles 164 to 167 of Regulation (EU, Euratom) No 966/2012, and affirms that granting or not granting discharge is a duty that Parliament has towards the Union citizens;

⁽¹⁾ Third and fourth paragraphs of Article 16 of the Staff Regulations.

25. Recalls that each of the institutions, as defined in Article 2(b) of Regulation (EU, Euratom) No 966/2012, is autonomous in implementing its own section of the budget given its budgetary autonomy laid down in Article 55 of that Regulation; affirms that, according to the practice and the interpretation of the current rules and the budgetary autonomy of the Council, and in order to maintain transparency and democratic accountability towards Union taxpayers, the Parliament grants discharge to each institution individually;
 26. Considers that satisfactory cooperation between Parliament, the European Council and the Council as a result of an open and formal dialogue procedure can be a positive sign to be sent to the citizens of the Union.
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DECISION (EU, Euratom) 2017/1606 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the general budget of the European Union for the financial year 2015, Section III — Commission**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2015 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2015 (COM(2016) 475 — C8-0269/2016) ⁽²⁾,
 - having regard to the Commission's report on the follow-up to the discharge for the 2014 financial year (COM(2016) 674), and to the accompanying Commission staff working documents (SWD(2016) 338, SWD(2016) 339),
 - having regard to the Commission's 2015 Annual Management and Performance Report for the EU Budget (COM(2016) 446),
 - having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2015 (COM(2016) 628), and to the accompanying Commission staff working document (SWD(2016) 322),
 - having regard to the Court of Auditors' annual report on the implementation of the budget for the financial year 2015, together with the institutions' replies ⁽³⁾, and to the Court of Auditors' special reports,
 - having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2015 (05876/2017 — C8-0037/2017),
 - having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Articles 62, 164, 165 and 166 thereof,
 - having regard to Rule 93 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A8-0150/2017),
- A. whereas, under Article 17(1) of the Treaty on European Union, the Commission is to execute the budget and manage programmes and, pursuant to Article 317 of the Treaty on the Functioning of the European Union, is to implement the budget in cooperation with the Member States, on its own responsibility, having regard to the principles of sound financial management;
1. Grants the Commission discharge in respect of the implementation of the general budget of the European Union for the financial year 2015;

⁽¹⁾ OJ L 69, 13.3.2015.

⁽²⁾ OJ C 380, 14.10.2016, p. 1.

⁽³⁾ OJ C 375, 13.10.2016, p. 1.

⁽⁴⁾ OJ C 380, 14.10.2016, p. 147.

⁽⁵⁾ OJ L 298, 26.10.2012, p. 1.

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 2015, Section III — Commission and executive agencies and in its resolution of 27 April 2017 on the Court of Auditors' special reports in the context of the Commission discharge for the financial year 2015 ⁽¹⁾;
3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Council, the Commission and the Court of Auditors, and to 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
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ Texts adopted of that date, P8_TA(2017)0144 (see page 66 of this Official Journal).

RESOLUTION (EU, Euratom) 2017/1607 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****with observations forming an integral part of the decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2015, Section III — Commission and executive agencies**

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 2015, 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 2015,
 - having regard to Articles 318 and 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽¹⁾ (the 'Financial Regulation') and Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union ⁽²⁾ (the 'Rules of Application'),
 - having regard to Rule 93 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A8-0150/2017),
- A. whereas Europe is facing a crisis of confidence in its institutions, a situation for which each individual institution of the Union must accept its own share of responsibility, and which thus requires Parliament to be particularly rigorous when scrutinising the accounts of the Commission;
- B. whereas the Union institutions and Member States should improve their communications policy so as to properly inform the citizens about the results achieved by the Union budget and their added value;
- C. whereas the Parliament must have a strong engagement towards Union citizens' concerns about where the Union budget is spent and how the Union protects their interests;
- D. whereas the Union institutions should work towards a robust and resilient Union budgetary system that performs not only with flexibility, but also with agility in both stable and turbulent times;
- E. whereas, cohesion policy brings a clear value added by improving the quality of life of citizens through Europe by being a key policy of solidarity and a vital source of public investment;
- F. whereas the Union institutions need to build a clear understanding and agree on which European policy priorities and public goods should be financed first to answer our citizens concerns and close the gaps in our policies;
- G. whereas Union spending, while limited to 1 % of the Union GNI, is a significant instrument for achieving Europe-wide policy objectives utilising the European added value and on average represents 1,9 % of Union Member States' general government expenditure;
- H. whereas while the percentages involved in the Union budget as (a) a portion of the overall aggregate Member States' expenditure; and (b) the unaccounted for/misspent/wasted element of that budget, are small, the actual amounts involved are considerable and thus justify intense scrutiny;

⁽¹⁾ OJ L 298, 26.10.2012, p. 1.⁽²⁾ OJ L 362, 31.12.2012, p. 1.

- I. whereas, according to the Treaty on the Functioning of the European Union, the Commission bears ultimate responsibility for the implementation of the Union budget, while Member States are required to sincerely cooperate with the Commission to ensure that the appropriations are used in accordance with the principles of sound financial management;
- J. whereas when the Parliament grants discharge to the Commission it checks whether or not funds have been used correctly and policy goals achieved;

Budget, programming periods and political priorities

1. Notes that the seven-year duration of the current Multiannual Financial Framework is not synchronised with the five-year mandates of the Parliament and the Commission, and that this also creates discrepancies between the budget for the financial year and its discharge; furthermore, points out that the 10-year strategic planning cycle and Europe 2020 Strategy are not aligned either with the seven-year cycle for managing the Union budget; is of the opinion that this is one of the causes of a major deficiency of the Union political governance since the Parliament and the Commission are bound by previous agreements on political objectives and finances which could create the impression that the European elections are irrelevant in this context;
2. Notes that in 2015 the budget of the Union had to support the achievement of the objectives of two different long-term political programmes:
 - (a) the Europe 2020 Strategy on the one hand; and
 - (b) the 10 political priorities set out by President Juncker on the other hand,while also responding to a number of crisis situations: refugees, insecurity in Europe and its neighbourhood, financial instability in Greece and the economic impact of the Russian ban exports, as well as the prolonged impact of the financial crisis and its structural consequences of unemployment, poverty and inequality;
3. Notes that Union policies may have different short-, medium- and long-term objectives, whose realisation cannot necessarily be determined by a single multiannual financial framework; believes consideration needs to be given to a new balance between political agenda setting, policy implementation and financial framework needs;
4. Regrets that the temporary budgetary arrangements do not offer the ideal system for transposing social and political aspirations into useful operational objectives for spending programmes and schemes;
5. Points out that there will be an opportunity in 2020 to bring the long-term strategy and policy-making in to line with the budgetary cycle and recommends that this opportunity should be availed of;
6. Is worried that in 2015 the share of the climate-related spending of the Union budget was only 17,3 % in 2015 and was only 17,6 % on average for the period 2014-2016 according to the Court of Auditors (the 'Court') ⁽¹⁾, while the objective was to reach, at least, 20 % over the financial period; stresses therefore that according to the Court there is a serious risk that the 20 % target will not be met without more effort to tackle climate change;
7. Points out furthermore that the 20 % climate-related spending was decided before the Paris agreement; is convinced that further efforts should be made in order to make the Union budget even more climate-friendly; underlines, moreover, that the revision of the Multiannual Financial Framework creates an excellent opportunity to ensure that the 20 % target of spending on climate-related actions is reached and to provide for a possible increase of this threshold in line with the EU's international commitments taken during the COP 21;
8. Welcomes the performance-based budgeting approach launched by the Commission; considers that the Union budget should be more efficient and more effective than ever due to the scarce financial resources; regrets however that the Commission focuses mainly on the outputs rather than on the outcomes;

Measures to be taken

9. Endorses the suggestion made by the Court in its briefing paper of 28 October 2016 on the mid-term review of the Multiannual Financial Framework (points 39 and 40) that it is time for the Commission to explore other options, for example:
 - a rolling budgeting programme with a five year planning horizon, clause(s) of revision by objectives and policies and a rolling evaluation programme,

⁽¹⁾ Court's Special Report No 31/2016.

- determining the duration of programmes and schemes on policy needs rather than basing it on the length of the financial planning period; requiring Member States and the Commission to present well-justified needs for (a) Union funding; and (b) results to be achieved, before spending is set;
10. Calls on the Commission to put on the agenda of the next experts' meeting on Budget Focused Results the suggestions made by the Court in points 39 and 40 of its above-mentioned briefing paper of 28 October 2016 and the recommendations of the high-level group on own resources in order to prepare the next 'Conference on EU Budget focused on Results' initiative at which the policy areas on which the Union budget should be spent will be debated before the financial framework is decided upon;
 11. Endorses all recommendations made by the Court in its Special Report No 31/2016 and especially that the Commission should explore all potential opportunities, including the mid-term Multiannual Financial Framework revision and the revision of some legal bases, to ensure a further real shift towards climate action; calls on the Court to issue a follow-up report on the climate-related spending of the Union budget by the end of 2018;
 12. Calls on the Commission to make greater use of the opportunities regarding the performance reserve within the existing legal framework, in order to create a genuine financial stimulus to effectively improve financial management; requests furthermore a reinforcement of the performance reserve as an instrument, by increasing the performance-dependent component in the following legislative framework;
 13. Calls on the Commission to orient its priorities towards the successful achievement of the Europe 2020 Strategy by using the instruments of the European Semester;
 14. Calls on the Commission to establish draft political priorities for the financial period beginning in 2021, and to submit the text to the Parliament at an early stage;
 15. Regrets that the Commission did not perform a full-scale review of the Europe 2020 Strategy in order to ensure its implementation under the Strategic Agenda for the Union in Times of Change, adopted by the European Council in June 2014, as this agenda envisages;
 16. Calls on the Commission to take into account the Paris agreement and to increase immediately the climate-related spending target in the Union budget from 20 % to 30 %;
 17. Calls on the Commission to draft the forthcoming Union budgets in order to make it more efficient and more effective and to better align them with the Europe 2020 targets, Union climate targets, and Union international commitments;

Shadow budgets

18. Points out that numerous financial mechanisms supporting Union policies are not directly financed by the Union budget or recorded in the Union balance sheet: these include the European Financial Stability Facility, the European Stability Mechanism, the Single Resolution Mechanism and the European Investment Fund linked to the European Investment Bank;
19. Notes that other mechanisms are partially recorded in the Union balance sheet such as the blending facilities and the European Fund for Strategic Investments;
20. Points out the increasing use of financial instruments principally composed of loans, equity instruments, guarantees and risk sharing instruments under indirect management for the 2014-2020 period, and points out further that the European Investment Bank Group managed almost all of the financial instruments under indirect management; does not believe there is enough information available for an assessment of what these instruments have achieved, especially with regard to their social and environmental impact; emphasises that financial instruments can supplement grants but should not replace them;
21. Regrets that the increasing use of such financial instruments, and also the financial instruments in shared management (the financial engineering instruments) poses higher risks not just for the Union budget remaining a credible instrument and sufficient for both current and future objectives, but also for accountability and the coordination of Union policies and operations; underlines that extending the use of financial instruments should be preceded by a comprehensive evaluation of their results, achievements and efficiency; points out that the Court's special reports ⁽¹⁾ state that the financial instruments do not work as expected and/or are oversized and/or are unsuccessful in attracting private capital;

⁽¹⁾ Court's Special Report No 05/2015 and No 19/2016.

22. Warns the Commission that the financial instruments or any funding arrangement are not necessarily bound by the Union political objectives and targets and might finance projects which are not in line with the Union commitments;
23. Points out that the launch of the European Fund for Strategic Investments has affected the delay in the launch of the Connecting Europe Facility and that the European Fund for Strategic Investments will also impact the use made of some other financial instruments;

Measures to be taken

24. Urges the Commission to propose measures to make Union funding arrangements for implementation of the Union budget — which currently include different tools and combinations between them as for example programmes, structural and investment funds, trust funds, strategic investment fund, guarantee funds, facilities, financial instruments, macro-financial assistance instruments, etc. — clearer, simpler, more coherent and better equipped to ensure sufficient transparency, accountability, performance and public understanding of how Union policies are funded and what benefits they bring; regrets that the proposal for a new financial regulation from September 2016 does not address these problems in an adequate manner;
25. Calls on the Commission to re-evaluate the *ex ante* assessment for the Connecting Europe Facility debt instrument in the light of the creation of the European Fund for Strategic Investments and also to submit to Parliament an assessment of the impact of the European Fund for Strategic Investments on other Union programmes and financial instruments;
26. Asks the Court to evaluate the contribution of the financial instruments and funding arrangements (as listed in paragraph 24) to the Europe 2020 Strategy; calls on the Commission to take any relevant measures in order to ensure that the financial instruments and any funding arrangement are compatible with the Union's strategy, targets and commitments the Union has taken;
27. Welcomes Commissioner Oettinger's intention to bring the various shadow budgets, in the long run, back under the roof of the Union budget; considers that this would hugely increase democratic accountability; is of the firm opinion that this problem should be solved as soon as possible, but at the latest by the end of the next financial programming period; calls on the Commission to prepare a communication on this issue before November 2017;

Budgetary and financial management

28. Regrets that the backlogs in the use of 2007-2013 structural funds are significant; notes that by the end of 2015, payment of 10 % of the total EUR 446,2 billion allocated to all approved operational programmes was still outstanding;
29. Stresses that this situation may indeed pose a significant challenge and undermine the effectiveness of European structural and investment funds as in some Member States the unclaimed Union contribution, together with required co-financing, exceeds 15 % of the total general government expenditure when the last two financial framework periods, 2007-2013 and 2014-2020, are taken into account;
30. Notes with concern the fact that, by the end of 2015, five Member States (the Czech Republic, Italy, Spain, Poland and Romania) and principle beneficiaries accounted for more than half of the unused commitment appropriations for structural funds that have not led to payments for the programming period 2007-2013, the reasons for this delay being various: lack of capacity and administrative assistance, lack of national resources to co-finance Union operations, delays in submitting regional programmes for the 2014-2020 Multiannual Financial Framework, etc.;
31. Points out that a new feature in this Multiannual Financial Framework is that unused amounts under the payment ceiling and under the commitments ceiling automatically increase the flexibility for subsequent years;
32. Stresses that the level of commitments in 2015 was higher than in any previous year and just within the overall limit (97,7 % of the amount available);
33. Points out that in 2015 three-quarters of operational spending went to schemes operating under the rules of the previous Multiannual Financial Framework: i.e. subsidies to farmers for 2014, cohesion projects, research projects under the seventh framework programme which began in 2007;

34. Finds unacceptable that by the end of 2015 fewer than 20 % of the national authorities responsible for European structural and investment funds — with the exception of the European Agricultural Fund for Rural Development — had been designated by the Member States; considers those designations to be a necessary step for Member States' authorities to submit statements of expenditure to the Commission; is of the opinion that the considerable novelties introduced for the 2014-2020 period lead to administrative difficulties despite efforts for simplification;
35. Points out that difficulties with completing the compliance assessment procedures concerning the new management and control system, that generally fall at the beginning of the programming period, are a serious cause for absorption delays;
36. Notes that the global economic recession, which has a direct effect in the form of the budgetary restraint measures applied to public budgets and difficulties in obtaining internal financing is also a main factor for delaying absorption;
37. Deeply regrets that, as a consequence, there is a risk that delays in budget execution for the 2014-2020 programming period will be greater than those experienced for the 2007-2013; fears that the forthcoming Multiannual Financial Framework might start with an unprecedented high level of *reste à liquider* ('RAL') which might endanger the management of the Union budget in the first years; expects the Commission to have learnt from this with a view to preventing similar delays in the future;
38. Notes that the Commission adopted in March 2015 a payment plan presenting short-term measures to reduce the level of unpaid bill but points out that while those measures seek to improve shorter-term cash-flow management, dealing with the high level of outstanding commitments requires a longer-term perspective and a thorough evaluation of the root causes (administrative and operational difficulties, macroeconomic restrictions, etc.) in order to devise an effective strategy so that they do not occur in the future;
39. Stresses that the triggering of Article 50 of the Treaty on European Union might create troubles in the way the Union budget is managed, especially concerning the payments; points out the need to cover this crucial element in any transitional or final agreement with any withdrawing Member State;

Measures to be taken

40. Requests that the Commission take measures to strictly observe the rules and timetables regarding outstanding commitments including:
 - (i) closure and decommitment of the 2007-2013 programmes;
 - (ii) proper use of net correction in cohesion;
 - (iii) a reduction of cash held by fiduciaries; and
 - (iv) the compilation of payment plans and forecasts where outstanding commitments are significant;
41. Requests once again that the Commission establish annually an updated long-term cash-flow forecast, spanning a seven-to-ten-year time horizon covering budgetary ceilings, payments needs, capacity constraints and potential decommitments in order to better match payments needs and funds available;
42. Requests that as a matter of urgency, given the poor situation in which several Member States now find themselves, the Commission consider in its budgetary and financial management the capacity constraints and the specific socioeconomic conditions of certain Member States; calls on the Commission to use all available instruments through technical assistance and the new Structural Reform Support Programme to support these Member States in order to avoid the underutilisation of funds and to increase the absorption rates especially in the area of the European structural and investment funds;
43. Reiterates the need for simplification and clarity of rules and procedures at both Union and national level in order to facilitate access to Union funds for beneficiaries and to ensure sound management of those funds by the administrative services; believes that simplification will contribute to the speedy allocation of funds, higher absorption rates, increased efficiency and transparency, fewer implementation errors and reduced payment periods; considers that a balance needs to be struck between simplification and the stability of rules, procedures and controls; notes that, in any case, providing potential applicants and beneficiaries with sufficient information and guidelines is a necessary precondition for successful implementation;

44. Calls on the Commission to refrain from new cuts of the technical assistance at its disposal and to come up with an action plan for effective and timely absorption with particular emphasis on those Member States and regions lagging behind and having low absorption rates;

Financial engineering instruments

45. Regrets that only 75 % ⁽¹⁾ of the contributions to the financial engineering instruments for the programming period 2007-2013 were paid out to the final recipients by the end of 2015 in shared management (57 % paid out at the end of 2014 and 37 % paid out at the end of 2012) and that cash held in financial instruments under indirect management remained high (EUR 1,3 billion in 2015; EUR 1,3 billion in 2014; EUR 1,4 billion in 2013);
46. Notes with concern the fact that unused amounts of financial instruments remain relatively high, 80 % of which were concentrated in five Member States at the end of 2014 (of which Italy constituted 45 % of the total); considers that the Commission ought to carry out a comprehensive assessment of these instruments before the end of 2018 in order to determine whether they should be carried over into the next financial programming period;
47. Requests that the Commission recover unused cash balances in financial instruments under shared management and remaining unused funds in indirect management financial instruments from previous Multiannual Financial Frameworks for which the eligibility periods has expired;

The Court's statement of assurance

48. Welcomes the fact that the Court gives a clean opinion on the reliability of the accounts for 2015 as it had done since 2007, that the Court concluded that revenue was free from material error in 2015 and notes with satisfaction that the commitments underlying the accounts for the year ended 31 December 2015 are legal and regular in all material respects;
49. Deeply regrets that for the 22nd year in a row payments are materially affected by error because of the fact that the supervisory and control systems are only partially effective;
50. Regrets that despite the improvement, payments are affected by a most likely error rate of 3,8 %; recalls that the most likely error rate for payments was estimated in the financial year 2014 at 4,4 %, in the financial year 2013 at 4,7 %, in the financial year 2012 at 4,8 % and in the financial year 2011 at 3,9 %;
51. Stresses that even if the situation has improved in recent years the most likely error rate is still significantly above the materiality threshold of 2 %; stresses that if the Commission, the authorities in the Member States or the independent auditors had made use of all information available to them, they could have prevented, or detected and corrected a significant proportion of the errors before the related payments were made; cannot accept that available information not be used to reduce the level of errors; firmly believes that the Member States have a crucial role in this regard; urges the Member States to use all available information to prevent, detect and correct any error and to act accordingly;
52. Regrets that due to a change in the legal framework of the common agricultural policy in 2015, the Court no longer includes cross compliance in its transaction testing making the comparison with the previous financial year more difficult; in 2014, such errors contributed 0,6 percentage points to the overall estimated level of error for Multiannual Financial Framework heading 2 'Natural resources' whilst their annual contribution to the overall estimated level of error was between 0,1 and 0,2 percentage points over the period 2011-2014;
53. Notes with concern that if the corrective measures taken by the Member States and the Commission had not been applied to the payments audited by the Court, the overall estimated level of error would have been 4,3 % rather than 3,8 %;
54. Notes that the type of management has a limited impact on the level of error as the Court finds nearly the same estimated level of error under shared management with the Member States (4,0 %) and for expenditure managed directly by the Commission (3,9 %);

⁽¹⁾ European Commission DG REGIO summary of data on the progress made in financing and implementing financial engineering instruments reported by the managing authorities in accordance with Article 67(2)(j) of Council Regulation (EC) No 1083/2006, programming period 2007-2013, situation as at 31 December 2015, 20 September 2016, p. 61.

55. Points out that the Court found highest estimated levels of error in spending under 'Economic, social and territorial cohesion' (5,2 %) and for 'Competitiveness for growth and jobs' (4,4 %) whilst 'Administrative expenditure' had the lowest estimated level of error (0,6 %); underlines that, in general, errors do not constitute fraud; recommends that the Court should initiate a special report examining and comparing those areas with a view to producing a concise 'best-practice' document;
56. Notes that the different risk patterns of reimbursement schemes and entitlement schemes have had a major influence on the level of errors in the different spending areas; where the Union reimburses eligible costs for eligible activities on the basis of cost declarations made by beneficiaries the level of error is 5,2 % whilst where payments are made on meeting conditions rather than reimbursing costs the error rate is 1,9 %; recommends that the Court should examine and compare those areas with a view to concluding a special report on best practice;

Annual management and performance report: management achievements and Commission internal governance tools

57. Notes that compared with the situation in 2014, the amount at risk in payments, as determined by the Commission in its 2015 Annual Management and Performance Report for the EU Budget (COM(2016) 446), has decreased by some 10 % which is notably due to the reduction in the amount at risk reported in agriculture;
58. Stresses that the Commission recognises that spending is affected by a material level of error, as presented in its 2015 Annual Management and Performance Report, the amount at risk being in a range from EUR 3,3 to 4,5 billion which represents between 2,3 % and 3,1 % of the payments; notes that the Commission estimates that it will in future years identify and correct errors for between EUR 2,1 to 2,7 billion;
59. Shares the view of the Court that the Commission's methodology for estimating its amount at risk error has improved over the years but that individual estimations of directorates-general of the level of irregular spending are not based on a consistent methodology (see in particular point 1.38 of the 2015 Court's annual report); recommends that this practice should be regularised and standardised as soon as possible;
60. Notes that, despite improvements, the Commission has not eliminated the risk that the impact of corrective actions is overstated;
61. Points in particular to the fact that for more than three quarters of 2015, Commission directorates-general base their estimates of amount at risk on data provided by national authorities whilst it appears from the annual activity reports of the Commission directorates-general concerned Directorate-General for Agriculture and Rural Development (DG AGRI) and Directorate-General for Regional and Urban Policy (DG REGIO) that the reliability of Member States' control reports remains a challenge, although the data reporting of Member States has improved; considers it unacceptable that the Member States do not cooperate fairly with the Commission regarding the control reports and their reliability;
62. Underlines that the control burden for end-users would decrease if a 'single audit' approach were applied, in which case a European audit would not be carried out separately, but would build on national audits; observes that such a continuing line of accountability will however only be possible if national audits are adequate and if the Commission and Member States agree on the principles and interpretations; calls on the Commission to be proactive in this regard by publishing guidelines;
63. Believes that granting discharge should depend on the necessary improvement in financial management at Member State level; points to the instrument of national declarations in this context which could help to achieve greater accountability and ownership at national level;
64. Points out that owing to the specificity of multiannual programming and the complexity and accumulation of regional, national and Union rules applying to the budget procedure, and since errors can be corrected more than 10 years after they have occurred, it is artificial to base the estimated impact of future corrections upon recorded corrections over the last six years;
65. Emphasises, in this context, that if the Commission were sure of the effectiveness of its corrective capacity the directors-general should not issue any financial reservation in their annual activity reports;

66. Points out that the Commission reports ⁽¹⁾ a total of implemented financial corrections and recoveries amounting to EUR 3,9 billion; notes that the Court classified them in three categories: EUR 1,2 billion in corrections and recoveries at source applied before the Commission accepted expenditure (on agriculture, cohesion and direct/indirect management); EUR 1,1 billion in withdrawals by Member States applied after accepting expenditure by replacing ineligible amounts with new cohesion projects; EUR 1,6 billion in net corrections (on agriculture and direct/indirect management);
67. Stresses that where there is a high risk of irregularity it is best practice to discuss the risk and to quantify the level and likely impact; regrets that Commission reporting on this subject pays significant attention to 'corrective capacity' rather than to quantifying and analysing the nature of the errors it identifies, and undertaking relevant preventive measures for avoiding such errors; points out in particular that the Commission communications on 'Protection of the Union budget' provide no estimate of the level of irregularity present in initial or in approved claims for reimbursement;
68. Shares the view expressed by the Court in its Special Report No 27/2016 that the distinction introduced by the Kinnock-Prodi reform between the 'political responsibility of Commissioners' and the operational responsibility of directors-general means that it has not always been made clear whether 'political responsibility' includes taking responsibility for budgetary execution by the directorates-general, or whether it is distinct from it (see point 5 of the executive summary of the Court's Special Report No 27/2016);
69. Points out that the College of the commissioners does not assume responsibility for the annual accounts by drafting a foreword or a report from the President or the commissioner for budget, and that the Commission does not establish an annual statement on governance or on internal control, in line with best practice and the common practice of Member States;

Measures to be taken

70. Calls again on the Commission and the Member States to put in place sound procedures to confirm the timing, the origin and the amount of corrective measures and to provide information reconciling, as far as possible, the year in which payments is made, the year in which the related error is detected and the year in which recoveries or financial corrections are disclosed in the notes to the accounts;
71. Calls again on the Commission to issue, on an annual basis, a single, proper statement of assurance based on the annual activity reports of the directors-general and to produce its own statistical estimate of the level of error; asks the Commission to evaluate separately the amount of Union money it envisages to recuperate as recoveries or financial corrections linked to the financial year 2015;
72. Asks the Commission to conduct a careful analysis of so-called 'retrospective projects', i.e. the practice of inserting into the regional operational programme projects already launched by the authorities using other funds and which may incorporate or replace measures or projects that present operational problems or are in breach of the rules, said analysis to include *ex ante* assessments verifying that replacement projects meet the planned objectives;
73. Calls on the Commission to add an annual statement on governance and on internal control to the financial statement, covering in particular:
 - a description of the internal governance tools of the Commission,
 - an assessment of the operational and strategic risk activities during the year, and
 - a mid- and long-term fiscal sustainability statement,and to provide in its Communication on the Protection of the Union budget an estimate of the level of irregularity present in initial or in approved claims for reimbursement;
74. Calls on the Member States to deliver reliable data to the Commission especially concerning the control reports;

⁽¹⁾ See point 1.39 of the 2015 Court's annual report.

Political Reservations

75. Endorses the reservations issued by the directors-general of DG REGIO, the Directorate-General for Maritime Affairs and Fisheries (DG MARE), the Directorate-General for Migration and Home Affairs (DG HOME), the Directorate-General for International Cooperation and Development (DG DEVCO) and DG AGRI, in their annual activity report; is of the opinion that those reservations demonstrate that the control procedures put in place in the Commission and the Member States cannot give the necessary guarantees concerning the legality and regularity of all the underlying transactions in the corresponding policy areas;
76. Questions why the director-general of the Directorate-General for Research and Innovation (DG RTD), as in previous years, continues to issue a horizontal reservation covering all payments and cost claims under the Seventh Framework Programme; calls on the Commission to develop, at long last, a more meaningful, risk-based approach and use specific reservations when needed;

Getting results from the Union budget*Annual management and performance report: performance evaluation*

77. Notes that the 2015 Annual Management and Performance Report combines two former reports: the Evaluation Report produced in accordance with Article 318 of the Treaty on the Functioning of the European Union and the Synthesis Report required by Article 66(9) of the Financial Regulation;
78. Welcomes the fact that for each of the budget headings, the report provides implementation information on the progress of the 2014-2020 Multiannual Financial Framework programmes, evidence on the results of the 2007-2013 Multiannual Financial Framework programmes and also presents the links with the Europe 2020 Strategy;
79. Regrets that the so-called evaluation report, on the one hand, confuses descriptions of activities with results, and, on the other hand, attempts to evaluate the impact of policies and makes promises for the future;
80. Points out that Member States are not required to include common indicators in their programmes, with the exception of the Youth Employment Initiative and the European Agricultural Fund for Rural Development, and that results-based assessments do not form part of the initial control stage in the Member States;
81. Regrets that instead of simplifying its internal governance tools the Commission has added a new multiannual strategic plan for every Commission department based on common general objectives that cover the ten political priorities of the Juncker-Commission, and which support the Europe 2020 goals and the Treaty obligations;
82. Reiterates its call for thematic concentration, as expressed in its discharge report on budget year 2014; calls on the Commission to inquire to what extent thematic concentration could contribute to simplification and a decrease of the regulatory burden and control burden;
83. Calls on the Commission to adopt its annual management and performance report in due time so that the Court can take it in account in its annual report; insists that the information provided by this report should be as objective as possible and contain a comprehensive assessment of the results achieved in the previous year by the Commission when pursuing its policies; asks the Commission to reflect on the need for a long-term political programming period, as with the 10-year Europe 2020 Strategy;
84. Draws attention to the need for the process of establishing performance indicators to be transparent and democratic, involving all the Union institutions, partners and stakeholders concerned in order to make the indicators adequate for measurement of the implementation of the Union budget, as well as to answer the Union citizens' expectations;

Measures to be taken

85. Calls on the Commission to better evaluate in its next performance reports the outputs and the outcomes of all policies; calls on the Commission to clearly and synthetically show the contribution of European policies to Union objectives and to evaluate their respective contribution to the Europe 2020 targets;

Horizon 2020

86. Recalls that Horizon 2020 is an ambitious, wide-ranging programme whose general objective is based on three priorities: excellent science, industrial leadership, and societal challenges;
87. Notes that the Juncker Commission has adopted ten political priorities for 2014-2019 that are not exactly the same as the Europe 2020 priorities; this leads to a situation where the legal framework and the budget allocation for Horizon 2020 reflect the Europe 2020 strategy, while the Commission when implementing Horizon 2020 has since 2014 refocused strategic planning and management arrangements on the ten political priorities;
88. Regrets that the Commission has not so far mapped out the relationship between the two sets of priorities, and asks the Commission to clarify those links;
89. Stresses that a key success factor for Horizon 2020 is effective synergy and complementarity between national and European research and innovation programmes; notes that the Commission plans to analyse the impact and synergies between Horizon 2020 and the European structural and investment funds in the context of the Horizon 2020 interim evaluation;
90. Takes note of the two examples of complementarities between national and Union research programmes given in the 2015 Court's annual report and that the supreme audit institutions of Bulgaria and Portugal have found that while there are some areas in which national and Union research programmes are complementary in their countries, there were also some weaknesses at national level as to the indicators related to Horizon 2020 within national action plans and strategies and some issues regarding coordination and interaction between all the participants engaged in Horizon 2020 at the national level ⁽¹⁾; takes note, as well, that Bulgaria was the first Member State using voluntarily the Horizon 2020 policy support facility and encourages the Commission to continue supporting Member States which need to modernise their research and innovation sectors;
91. Recalls that the legal framework of Horizon 2020 introduces several important elements for performance management, such as objectives and key performance indicators; stresses that overall the objectives and indicators which have been agreed do represent a real improvement on the previous framework programmes;
92. Points out that there remain a number of weaknesses in the performance indicators used in Horizon 2020, such as:
 - (i) in relation to the balance of indicators which measure only inputs or outputs rather than results and impact ⁽²⁾;
 - (ii) the absence of baselines; and
 - (iii) a lack of ambition in targets;
93. Regrets that the Court found that the Commission is not using its Horizon 2020 work programmes and associated calls for proposals to increase the required targeted focus on performance ⁽³⁾;
94. Notes with satisfaction that, as to the proposals and grant agreements examined by the Court, sufficient emphasis had been put on performance in the objectives when required by the Commission, and that the same applies for the evaluation process of these proposals;
95. Regrets that in the individual work programmes which drive Horizon 2020 and connected calls for proposals the use of the wider concept of 'expected impact' rather than 'expected result' increases the risk that information provided for this part is too broad and the performance assessment of Horizon 2020 will be difficult to aggregate ⁽⁴⁾;
96. Is concerned that the Commission does not always use key performance concepts (for example, 'output', 'results', 'outcomes', and 'impact') consistently;

⁽¹⁾ See points 3.22 and 3.23 of the 2015 Court's annual report.

⁽²⁾ See points 3.29 of the 2015 Court's annual report.

⁽³⁾ See points 3.33 to 3.38 of the 2015 Court's annual report.

⁽⁴⁾ See point 3.56 of the 2015 Court's annual report.

97. Regrets that the Court found that the current set-up does not enable the Commission to monitor and report separately the spending and performance of research and development (R & D) and innovation within Horizon 2020; in addition, while the financial contribution of Horizon 2020 within Europe 2020 is well-established in the budgetary process through the published programme statements, it is regrettable that the Commission has not yet reported on the implementation of Horizon 2020 and its contribution to Europe 2020 in a meaningful way; calls on the Commission to report on the implementation of Horizon 2020 and its contribution to Europe 2020 in a meaningful way as results of the programme become available;
98. Suggests that the role for the national contact points should be increased in order to provide quality technical support on the ground; considers that annual assessment of results, trainings and stimulation of well-performing national contact points will increase the success rate of Horizon 2020 programme;

Measures to be taken

99. Calls on the Commission to present, in its future performance reports, the contribution of Horizon 2020 to Europe 2020 in a clear and exhaustive way;

Management plans and the annual activity reports of four directorates-general responsible for expenditure under 'Natural resources'

100. Regrets the observations made by the Court that many of the objectives used in management plans and annual activity reports of DG AGRI, DG CLIMA, DG ENVI and DG MARE were taken directly from policy or legislative documents and lacked the level of detail necessary for management and monitoring purposes;

Measures to be taken

101. Requests that the Commission:
- assess the performance of work programmes by translating high-level objectives set out in the Horizon 2020 legislation into operational objectives at work programme level,
 - further clarify the links between the Europe 2020 Strategy (2010-2020), the Multiannual Financial Framework (2014-2020) and the Commission priorities (2015-2019),
 - ensure across all its activities consistent use of the terms 'input', 'output', 'result', and 'impact', in line with its better regulation guidelines,
 - take measures ensuring the same pay for researchers doing the same work within the same project,
 - provide a list, by nationality, of all the enterprises quoted on the stock-exchange and/or which show a profit in their annual statement of accounts and which receive funds from Horizon 2020;

Revenue

102. Welcomes the fact that the Court overall audit evidence indicates that revenue is not affected by a material level of error and, in particular, that the examined systems are effective for GNI and VAT based own resources, that the examined systems are overall effective for the traditional own resources, the key internal controls in Member States visited by the Court being nevertheless partially effective and that the Court found no errors in the transactions tested;
103. Recalls that a reservation is a means by which a doubtful element in GNI data submitted by a Member State is kept open for possible correction and welcomes the fact that the Court did not identify serious problems in the lifted reservations reviewed in 2015;
104. Is concerned by the fact that although progress has been made to improve the reliability of the Greek GNI data, the reservations have not been lifted; notes that it is the only outstanding general reservation at the end of 2015, covering 2008 and 2009;

105. Regarding customs duties, notes that the Court found that the methodology used for the checks performed to verify whether tariff and import regulations are respected by importers (which include 'post-clearance' audits), the quality and the results they produced varied across the Member States; the Court especially highlighted the interruption of the three-year time-barring in France for debt notifications, a practice which differs from those in other Member States and leads to different treatment of economic operators within the Union ⁽¹⁾;
106. Regarding traditional own resources, notes that at the end of 2015 the Commission also had a list of 325 open points concerning non-compliance with Union customs rules that they had identified through inspections in Member States;
107. Points out that as to the customs duties and sugar levies statements, the Court found inefficiencies in the management of the amounts receivable (known as the B accounts) in the Member States and that the Commission identified similar shortcomings in 17 of the 22 Member States they visited;
108. Stressed that the Court identified risks related to customs debt recovery from companies registered outside the Union or from citizens of non-Union countries and found a number of cases from different Member States that were unable to collect debts from citizens or companies based, for example, in Belarus, the British Virgin Islands, Russia, Switzerland, Turkey and Ukraine;
109. Stresses that the impact of the major revisions to the GNI balances could be smaller if a common Union revision policy harmonising the timetable for major revisions had been in place;
110. Deplores that structural and legal elements having led to the political incident which occurred by the end of October 2014 as to the contributions of some Member States are still in place;

Measures to be taken

111. Calls on the Commission to:
 - take the necessary steps to harmonise the time limits of debt notifications to economic operators following a post clearance audit across Member States,
 - ensure that Member States provide correct declarations of the amounts collected from customs duties in the quarterly statements, and provide guidance on what should be recorded,
 - facilitate to the extent possible the recovery of customs debts by the Member States, where the debtors are not based in a Union Member State,
 - improve checks on the calculations of the contributions from the European Economic Area and the European Free Trade Association and the calculation of correction mechanisms, and
 - put in place the needed arrangements to reduce the impact of revisions of methods and sources presented by Member States for the compilation of their GNI.

Follow-up of the 2014 Commission discharge ⁽²⁾

112. Points out that the Commission agreed to start new actions on 88 requests made by the Parliament in its resolution accompanying the decision on the Commission discharge for the financial year 2014;
113. Notes that, according to the Commission, for 227 requests from the Parliament the required action had already been taken or is ongoing, and that for reasons related to the existing legal and budgetary framework or its institutional role or prerogatives, the Commission cannot accept 35 requests from the Parliament;
114. Regrets that the Commission's answers remain at times vague and ambiguous;
115. Welcomes the Commission's action to follow through on five of the six principal commitments;
116. Insists, nevertheless, that the Commission instructs its directorates-general to publish all country-specific recommendations they have issued in the context of the European Semester in their respective annual activity reports (sixth commitment);

⁽¹⁾ See point 4.16 of the 2015 Court's annual report.

⁽²⁾ COM(2016) 674, SWD(2016) 338, SWD(2016) 339.

117. Asks the Commission to reconsider its position in particular as regards the reliability of data transmitted by Member States, the transparency as to the final beneficiaries of Union funds, the transparency of the activities of the Ethical Committee, the fight against corruption and the reform of the administrative structures of the European Schools;
118. Strongly condemns the fact that the Commission does not feel the need to further publish the EU anti-corruption report; is of the opinion, that whatever the Commission's intentions on fighting corruption, this last-minute cancellation sends out the wrong signal not only to the Member States but also to the citizens; reiterates its opinion that corruption is still a challenge for the Union and the Member States, and that without effective anti-corruption measures it undermines economic performance, the rule of law and the credibility of democratic institutions within the Union; calls on the Commission to finalise and publish the 2016 anti-corruption report, to act swiftly and robustly to eliminate corruption in the Member States and Union institutions, and to commission an independent assessment of the anti-corruption standards in the Union institutions themselves;
119. Strongly reiterates its call on the Commission to develop a system of strict indicators and easily applicable, uniform criteria, based on the requirements set out in the Stockholm Programme, to measure the level of corruption in the Member States and evaluate the Member States' anti-corruption policies; invites the Commission to develop a corruption index in order to categorise the Member States; is of the opinion that a corruption index could provide a sound basis on which the Commission could establish its country-specific control mechanism when controlling the spending Union resources;

Competitiveness for growth and jobs

EU 2020

120. Notes that despite the repeated error rate, and delays in its implementation and closure, the *ex post* evaluation of the Seventh Framework Programme, undertaken by a high-level expert group ⁽¹⁾, considered the Seventh Framework Programme to have been a success; the high-level group underlined in particular that the Seventh Framework Programme:
- encouraged scientific excellence at an individual and institutional level,
 - promoted ground-breaking research through the novel 'Ideas' programme (European Research Council),
 - engaged industry and SMEs strategically,
 - reinforced a new mode of collaboration and an open innovation framework,
 - strengthened the European Research Area by catalysing a culture of cooperation and constructing comprehensive networks fit to address thematic challenges,
 - addressed certain societal challenges through research, technology and innovation through the 'Cooperation' programme,
 - encouraged harmonisation of national research and innovation systems and policies,
 - stimulated mobility of researchers across Europe: the 'People' programme has created the necessary conditions for an open labour market of researchers,
 - promoted investment in European research infrastructures,
 - reached a critical mass of research across the European landscape and worldwide;
121. Regrets that the public stakeholder consultation in the context of the Seventh Framework Programme evaluation, held between February and May 2015, pointed to the following weaknesses:
- high administrative burden and cumbersome legal and financial rules,
 - high degree of over-subscription,
 - insufficient focus on societal impact,
 - the scope of topics and calls was too narrow,
 - insufficient focus on industry participation,

⁽¹⁾ 'Commitment and Coherence — Ex-Post Evaluation of the 7th EU Framework Programme (2007-2013)', November 2015.

- high threshold for newcomers; low average success rate for proposals and applicants of 19 % and 22 % respectively;
 - weak communication;
122. Deeply regrets that the target to invest 3 % of Member States' gross domestic product (GDP) into research by 2020 will most likely not be met; considers therefore that the recurrent cuts in the Union budget concerning the research programmes should be halted; calls on all Member States to rise to the challenge; also calls on the Commission to draw the necessary conclusions for the mid-term revision of the Multiannual Financial Framework and for the next Multiannual Financial Framework;
123. Welcomes the progress made in delivering on the Innovation Union commitments: by mid-2014 all commitments had either been achieved or were on track;
124. Welcomes also that the share of Horizon 2020 funds allocated to small and medium-sized enterprises increased from 19,4 % in 2014 to 23,4 % in 2015 and recommends that this trend should be proactively encouraged;
125. Considers it unacceptable that the DG RTD has not complied with its request that the Commission's directorates-general should publish all their country-specific recommendations in their annual activity reports; notes with concern that only a limited number of territories are represented in the 20 most important Horizon 2020 projects;

General issues

126. Points out that chapter five of the 2015 Court's annual report covers payments in the following areas: research (EUR 10,4 billion), education, training, youth and sport (EUR 1,8 billion), space (EUR 1,4 billion), transport (EUR 1,3 billion), other actions and programmes (EUR 1,1 billion), energy (EUR 0,5 billion) and competitiveness of enterprises and small and medium-sized enterprises (COSME) (EUR 0,3 billion); research therefore accounts for 62 % of the spending;
127. Notes that the responsibility to implement the research framework programmes is shared amongst different Commission directorates-general, executive agencies, joint undertakings and so-called Article 185 bodies (partnerships with the Member States), all of which requires close coordination;
128. Clarifies that the Court's audit almost exclusively concerned payments under the Seventh Research Framework Programme;
129. Is concerned that the annual activity report of DG RTD indicated that by the end of 2015, 1 915 projects of the Seventh Framework Programme projects worth EUR 1,63 billion were still not completed; this could delay the implementation of Horizon 2020;

Management and control systems

130. Emphasises that the Court considers the supervisory and control systems for research and other internal policies to be 'partially effective';
131. Is concerned that, in 2015, of the 150 transactions that the Court audited, 72 (48 %) were affected by error; on the basis of the 38 errors which the Court had quantified, it estimated the level of error to be 4,4 %; furthermore, in 16 cases of quantifiable errors, the Commission, national authorities or independent auditors had sufficient information to prevent or detect and correct the errors before accepting the expenditure; if all this information had been used to correct errors, the estimated level of error for this chapter would have been 0,6 % lower;
132. Deplores that in 10 out of 38 transactions subject to quantified error, the Court reported errors exceeding 20 % of the examined items; these 10 cases (9 from the Seventh Research Framework Programme and one from the 2007-2013 Competitiveness and Innovation Programme) account for 77 % of the overall estimated level of error for 'Competitiveness for growth and jobs' in 2015;
133. Regrets that most of the quantified errors which the Court found (33 out of 38) concerned the reimbursement of ineligible personnel and indirect costs declared by beneficiaries and that almost all of the errors found by the Court in cost statements were due to beneficiaries misinterpreting the complex eligibility rules or incorrectly calculating their eligible costs which leads to the obvious conclusion that those rules need to be simplified;

134. Welcomes the fact that, according to the Court, compliance with procurement rules improved significantly;
135. Questions why the director-general of DG RTD again issued, as in previous years, a horizontal reservation concerning all cost claims under the Seventh Framework Programme (EUR 1,47 billion); is of the opinion that horizontal reservations in general cannot be considered as an instrument of sound financial management; acknowledges however that certain parts of the Seventh Framework Programme expenditure were not covered by a reserve where there was evidence that the risks (and so the residual error rates) were significantly lower than for all expenditure; notes that within research and technology development this applies to expenditure by given joint undertakings; notes that outside of DG RTD this also applies to expenditure by the Research Executive Agency under the Marie Curie programme, and all expenditure from the European Research Council Executive Agency;
136. Is surprised that the European Institute of Innovation and Technology did not participate, in 2015, in the common support centre for research and innovation;
137. Is concerned that the Seventh Framework Programme, according to the commissioner, will not be fully executed and evaluated before 2020, which could cause delays in future follow-up programmes; urges the Commission to publish the evaluation report as soon as possible and at the latest before it presents the post-Horizon 2020 research programme;

Horizon 2020

138. Notes that under Horizon 2020 only advance payments were made until the end of 2015; warns the Commission that a late start of the Horizon 2020 project could delay the implementation of the programme; warns against financial backlogs at the end of the programme;
139. Is concerned about the Court's findings that multiannual programmes setting political objectives like EU 2020 or Horizon 2020, while advancing in parallel, are not really linked ⁽¹⁾;
140. Regrets furthermore that the first monitoring report on Horizon 2020 gave only little information about synergy effects between the programme and structural funds ⁽²⁾; calls on the Commission to report on these synergy effects as results of the programme become available;
141. Is deeply concerned by the Court's opinion ⁽³⁾ that Horizon 2020 is not sufficiently performance-driven;

Measures to be taken

142. Reiterates its demand, already made in the 2014 Commission discharge resolution ⁽⁴⁾, that the Commission should instruct all directorates-general to publish all country-specific recommendations they have issued in the context of the European Semester in their respective annual activity reports;
143. Calls on the Member States to make an extra effort with the view to meeting the target of 3 % GDP being invested in research; considers that this would boost excellence and innovation; calls on the Commission therefore to examine the possibility of proposing a 'science covenant' at local, regional and national level, building on the dynamic already created by the Covenant of Mayors; calls on the Member States and the Parliament to make an effort through the Union budget too;
144. Calls on the Commission to revise the key performance indicator 'EU innovation output', as in the Commission's own words 'the composite nature of the indicator is not (...) suited to establish targets'; ⁽⁵⁾

⁽¹⁾ 2015 Court's annual report, point 3.19.

⁽²⁾ 2015 Court's annual report, point 3.22.

⁽³⁾ 2015 Court's annual report, Section 3.

⁽⁴⁾ Resolution (EU, Euratom) 2016/1461 of the European Parliament of 28 April 2016 with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2014, Section III — Commission and executive agencies, paragraph 8 (OJ L 246, 14.9.2016, p. 27).

⁽⁵⁾ 2015 annual activity report, Directorate-General for Research and Innovation, Brussels 2016, p. 11, footnote 8.

145. Urges the Commission to follow up in particular the 16 cases of quantifiable errors, in which Commission, national authorities or independent auditors had sufficient information to prevent or detect and correct the errors before accepting the expenditure; and further, to inform its competent committee in detail about the corrective measures taken before the end of October 2017;
146. Calls on the Commission to inform its competent committee in detail about the 10 transactions that accounted for 77 % of the errors and the remedial measures taken;
147. Calls on the Commission to modernise its management and control systems so that horizontal reservations are rendered superfluous; asks the Commission to inform its competent committee on the measures taken before November 2017;
148. Calls on the Commission, together with the Court, further to clarify the links between the Europe 2020 Strategy (2010-2020), the multiannual financial framework (2014-2020) and the Commission priorities (2015-2019) through, for instance, the strategic planning and reporting process (2016-2020); considers that this would strengthen monitoring and reporting arrangements and enable the Commission to report effectively on the contribution of the Union budget towards Europe 2020 objectives;

Miscellaneous

149. Takes note of the exclusive attribution of operating grants under budget line 04 03 01 05 'Information and training measures for workers' organisations' to only two specific trade union institutes, the European Trade Union Institute and the European Centre for Workers Questions; reminds the Commission that operating grants and framework partnerships must essentially be treated as grants and hence be subject to open tendering procedures and publication; expresses its general concern regarding the justification of such attribution practices on grounds of de facto monopolies or bodies' technical competence and high degree of specialisation or administrative power (Article 190(1)(c) and (f) of the Rules of Application); considers that lasting exclusive attributions of operating grants to bodies on these grounds may actually lead to such de facto monopolies, high competences, specialisations and powers, hence further justifying exclusive attributions of operating grants on the basis of Article 190 of the Rules of Application;
150. Reminds the Commission in that regard that exceptions to the rules of transparency and publication as established in articles 125ff of the Financial Regulation are to be interpreted and applied restrictively; invites the European Parliament, the Council and the Commission to strive towards clearly defining both the time frame and the scope of application for exceptions to the principles of transparency and publication, with the clear aim to further restrict their use;

Measures to be taken

151. Requests the Commission to apply and interpret restrictively exceptions to the rules of transparency and publication as established in Articles 125ff of the Financial Regulation; requests the Commission to clearly define both the time frame and the scope of application for exceptions to the principles of transparency and publication, with the clear aim to further restrict their use;

Economic, social and territorial cohesion

EU 2020

152. Notes the fact that, according to 2007-2013 the *ex post* evaluation of the European Regional Development Fund (ERDF) and Cohesion Fund (CF) ⁽¹⁾, EUR 1 of cohesion policy investment will generate EUR 2,74 of additional GDP by 2023; welcomes the fact that structural and cohesion funds were invested mainly in small and medium enterprise innovation (EUR 32,3 billion), generic enterprise support (EUR 21,4 billion), in research and technology development infrastructure (EUR 17,5 billion), transport investments (EUR 82,2 billion), energy investment (EUR 11,8 billion), environmental investment (EUR 41,9 billion), culture and tourism investments (EUR 12,2 billion) and urban and social infrastructure (EUR 28,8 billion);
153. Welcomes that the ERDF and the CF were able, to a certain extent, to counter-balance the effects of the 2007-2008 financial crises, indicating that without the intervention of structural funds the economic and social divergence among European regions would have grown even more;

⁽¹⁾ SWD(2016) 318.

154. Welcomes the achievements of the cohesion policy shown by the *ex post* evaluations of the 2007-2013 programming period in relation to the Europe 2020 targets:
- by ERDF and CF: Headlines 1 ‘Employment’ and 2 ‘R & D and innovations’ — 41 600 research jobs were created and 400 000 SMEs were supported; Headline 3 ‘Climate change and Energy’ — 3 900 MW additional capacity of renewable energy production were created,
 - by the European Social Fund (ESF): Headlines 1 ‘Employment’ — at least 9,4 million people gained employment (of which more than 300 000 people supported became self-employed); Headline 4 ‘Education’ — at least 8,7 million people gained a qualification/certificate;
155. Notes, however, that very few programmes had a focus on results or measured impact; therefore little to nothing is known about the sustainability of the investments;
156. Highlights, however, that in 2015 very few programmes had a focus on results or measured impact; therefore urges the Commission to set and agree at inter-institutional level the necessary set of indicators to implement the budget based on result; notes, however, at this stage little to nothing is known about the sustainability and the European added value of the investments;
157. Regrets that it is not informed about the measures the Commission asked Member States to undertake in the context of the European Semester; calls on the Commission to inform the European Parliament about the measures taken by the Member States in the context of the European Semester;
158. Is very concerned that the Court had signalled delays in the start of the 2014-2020 programming period already in its 2014 annual report; and that still, at the end of 2015, fewer than 20 % of the national authorities responsible for European structural and investment funds had been designated;

The European Regional Development Fund, the Cohesion Fund and the European Social Fund: general issues

159. Welcomes the fact that the Court has aligned the chapters in its annual report to the heading under the Multiannual Financial Framework; is of the opinion, however, that the funds under this heading are of such financial importance — ERDF EUR 28,3 billion; CF EUR 12,1 billion; ESF EUR 10,3 billion — that the Court’s audit strategy should keep the ERDF and the CF on the one hand, and the ESF on the other, identifiable;
160. Is concerned that, in particular towards the end of a programming period, Member States focused on absorption funds available under national envelopes rather than on achievement of policy objectives; calls on the Commission to help the worst-performing Member States through technical assistance, especially at the end of the financial period;
161. Is anxious that the 16 Member States that have not yet transposed the directive on public procurement ⁽¹⁾, the 19 Member States that have not transposed the directive on the award of concession contracts ⁽²⁾, and the 17 Member States that have not yet transposed the directive on procurement by entities operating in the water, energy, transport and postal services sectors ⁽³⁾, do so as quickly as possible as the directives aim at further simplification; calls on the Commission to verify progress in these areas;
162. Highlights the importance of the Youth Employment Initiative (YEI): by the end of November 2015, close to 320 000 young people had been included in actions supported by the YEI and 18 out of 22 Member States had launched actions under it; 28 % of the available YEI funding had been committed, 20 % had been contracted out to beneficiaries and 5 % had been paid to beneficiaries; notes that three Member States had not yet committed any funding by the end of November 2015 (Spain, Ireland and the United Kingdom);

⁽¹⁾ 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).

⁽²⁾ Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014 on the award of concession contracts (OJ L 94, 28.3.2014, p. 1).

⁽³⁾ Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94, 28.3.2014, p. 243).

163. Takes note of the preliminary results of the implementation of the ESF and YIE in 2014-2015 and that 2,7 million participants took part in ESF and YIE activities, including 1,6 million unemployed and 700 000 inactive people;
164. Regrets, at the same time, that a first study ⁽¹⁾ seems to also point to a lack of effectiveness of the services delivered and deficiencies in data collecting in some Member States;

Management and control systems

165. Notes that in 2015 more than 80 % of the payments were interim payments to operational programmes of the 2007-2013 programming period, whose eligibility period ended 31 December 2015; the advance payments to the 2014-2020 programming period amounted to around EUR 7,8 billion;
166. Expresses concern at the fact that in Italy there have been unacceptable delays in payments to trainees under the Youth Guarantee; calls on the Commission to monitor the situation and to draw up a specific action plan for those Member States in which this problem is occurring;
167. Acknowledges that the Court examined 223 transactions (120 transactions concerned ERDF, 52 concerned the CF, and 44 the ESF);
168. Is worried about the fact that the Court quantified the estimated level of error at 5,2 % (2014: 5,7 %); is alarmed that the Court, as in previous years, had to conclude that 'In 18 cases of quantifiable errors made by beneficiaries, national authorities had sufficient information to prevent or detect and correct the errors before declaring the expenditure to the Commission; urges the Member States to use all information to prevent, detect and correct the errors; urges the Commission to check whether the Member States use all information to prevent, detect or correct the errors; if all this information had been used, the estimated level of error for this chapter would have been 2,4 percentage points lower.' ⁽²⁾
169. Takes note that in the area of ERDF/CF expenditure, the Court identified that the main risks to regularity were that on the one hand, beneficiaries declare costs that are ineligible according to national eligibility rules and/or the less numerous eligibility provisions in the Union structural funds regulations, or, on the other hand, noncompliance with Union and/or national public procurement rules when awarding contracts; the Commission estimated the risk of error in this policy area between 3 % and 5,6 %;
170. Takes note that in the area of ESF expenditure, the Court identified that the main risk to regularity related to the intangible nature of the investments in human capital and the involvement of multiple, often small-scale, partners in the implementation of projects; the Commission estimated the risk of error in this policy area between 3 % and 3,6 %;
171. Notes with regret that one of the main sources of expenditure-related errors under the heading 'Economic, social and territorial cohesion' continues to be breaches of the rules on public procurement; points out that the serious breaches of the rules on public procurement include the direct award of additional contracts or additional works or services for which no justification is given, the illegal exclusion of bidders, conflicts of interest and discriminatory selection criteria; regards as essential a policy of complete transparency in respect of information concerning contractors and subcontractors, with a view to addressing errors and abuses of the rules;
172. Underlines that simplification, including the simplified cost option, reduces the risk of error; points, however, to the fact that management authorities are apprehensive about additional workload, legal uncertainties and the risk that any irregularity could be considered as a systemic error;
173. Welcomes the fact that Member States' annual control reports became more reliable over the years: in only 14 ERDF/CF cases, was the error rate reported by Member States adjusted upwards by more than 2 %;
174. Regrets that DG REGIO saw the need to issue 67 reservations (down from 77) due to unreliable management and control systems in 13 Member States and one reservation concerning the Instrument for Pre-Accession

⁽¹⁾ First results of the Youth Employment Initiative, Final report to the DG Employment, Social Affairs and Inclusion of the European Commission, June 2016.

⁽²⁾ 2015 Court's annual report, point 6.36.

Cross-Border Programme Greece-the Former Yugoslav Republic of Macedonia; of the 67 programmes under reservation 22 can be allotted to Spain, 10 to Hungary and 7 to Greece; meanwhile, the estimated financial impact of these reservations decreased from EUR 234 million in 2014 to EUR 231 million in 2015 for ERDF/CF;

175. Regrets also that Directorate-General for Employment, Social Affairs and Inclusion (DG EMPL) issues 23 reservations (down from 36) due to unreliable management and control systems in 11 Member States; takes note that the estimated financial impact of these reservations decreased from EUR 169,4 million in 2014 to EUR 50,3 million in 2015 for the ESF;
176. Supports the Commission's plan that improving impact evaluations of cohesion policy programmes should be made a priority ⁽¹⁾; asks the Commission how the findings will be incorporated in any legislation for the next programming period;

Financial engineering instruments (FEI)

177. Notes that the managing authorities of the Member States reported a total of 1 052 FEIs (including 77 holding funds and 975 specific funds) operating at the end of 2015: 89 % account for FEIs for enterprises, 7 % for urban development projects and 4 % for funds for energy efficiency/renewable energies.
178. Is aware that those FEIs were set up in 25 Member States (all Member States except Ireland, Luxembourg and Croatia) and received financial support from 188 operational programmes, including one cross-border cooperation operational programme.
179. Acknowledges that the total value of operational programme contributions paid to the FEIs amounted to EUR 16,9 billion, including EUR 11,7 billion of structural funds (ERDF and ESF); recognises, furthermore, that payments to final recipients have reached EUR 12,7 billion by the end of 2015, out of which EUR 8,6 billion structural funds, thus reaching an absorption rate of almost 75 % of the operational programme amounts paid to FEIs;
180. Points out that recipients in Poland, Hungary and France are the prime beneficiaries of the FEIs;
181. Shares the Court's view that the Commission should ensure that all the expenditure related to ERDF and ESF financial instruments for the 2007-2013 programming period are included sufficiently early in the closure declarations to enable audit authorities to carry out their checks; considers, in addition, that the Commission should encourage all Member States that implemented financial instruments to carry out specific audits on the implementation of these instruments in view of the closure;
182. Is deeply worried that the financial complexity created by more than 1 000 FEIs constitute a major part of the 'galaxies of budgets' which renders democratic accountability impossible;

European Investment Bank

183. Is deeply concerned about the generally higher costs and fees for European Investment Bank/European Investment Fund-managed funds implementing financial instruments under shared management which have been revealed by the Court's findings in its Special Report No 19/2016 on 'Implementing the EU budget through financial instruments — lessons to be learnt from the 2007-2013 programme period' and encourages the Court to conduct similar audit for the current period;
184. Calls on the Commission to present annually by June every year starting from 2018 a report on implementation from the beginning of the current Multiannual Financial Framework and state of play, including results achieved, of all financial instruments managed and implemented by the European Investment Bank Group, which operate with resources from the Union budget, in order to use it in the discharge procedure;

Specific cases

185. Notes that the European-Anti Fraud Office (OLAF) opened administrative investigations, such as in Germany related to the Volkswagen Group on the basis of emissions scandal, in France related to the National Front and its President and into the project in the Czech Republic known as 'Stork Nest' on the basis of alleged irregularities; calls on the Commission to inform its competent committee immediately when the investigations are completed;

⁽¹⁾ Reply to question 19 in the written questions to Commissioner Creţu.

186. Is deeply concerned that in Hungary, the Court and DG REGIO discovered serious irregularities related to the construction of metro line 4 in Budapest; notes that based on an OLAF administrative enquiry, which began in 2012 and which was only recently concluded due to the complex nature of the case, the Commission may have to recover EUR 228 million and the European Investment Bank may have to recover EUR 55 million; and that the mismanagement was discovered at project level; observes that the OLAF case report also recommends judicial follow-up in Hungary and the United Kingdom; calls on the Commission to keep its competent committee regularly informed on the progress made and measures taken;
187. Deplores the adoption by the Romanian government of an ordinance which could have impeded an effective fight against corruption and which, in addition, could have offered the possibility of pardoning politicians who may have been implicated in illegal acts; considers that such new legislative measures could have a very negative impact on the Commission's endeavour to protect the Union's financial interests as Romania is an important recipient of structural funds; calls on the Commission to inform its competent committee about the measures taken by the Commission to address the situation;

Measures to be taken

188. Reiterates its demand, already made in the 2014 Commission discharge resolution ⁽¹⁾, that the Commission should instruct all directorates-general to publish all country-specific recommendations they have issued in the context of the European Semester in their respective annual activity reports;
189. Asks the Court to keep, the ERDF and the CF on the one hand, and the ESF on the other, separately identifiable in its audit strategy, given their financial importance;
190. Calls on the Commission:
- to make sure that the management and control systems concerned in the 15 Member States ⁽²⁾ which showed weaknesses, are reinforced, and report on its effort to its competent committee in writing before October 2017,
 - to clarify the distinction between recoverable and non-recoverable value-added tax,
 - to report on the amount decommitted (country, fund, amount) after the financial period 2007-2013 came to an end,
 - in line with the Court's recommendation, when making its legislative proposal for the next programming period, to propose necessary updates of the design and delivery mechanism for the European structural and investment funds taking into account also the suggestions of the high-level simplification group in order to strengthen the cohesion policy contribution to tackle disparities in inequalities between Union regions and Member States; calls on the Commission to prepare a communication on this issue at an early stage,
 - to foresee for the next programming period more manageable and measurable performance indicators as Parliament attributes equal importance to legality and regularity checks, on the one side, and to performance, on the other,
 - to foresee full transparency and access to documentation for infrastructure work financed by the Union, focusing particularly on data relating to contractors and subcontractors;
191. Fully supports Commissioner Oettinger's stated view that financial instruments and 'shadow budgets' must be brought back, in the long run, under the roof of the Union budget, as this would mean that the Commission would be answerable to the Parliament; calls on the Commission to prepare a communication on this issue before November 2017;

Common agricultural policy

192. Recalls that the direct aid schemes introduced by the 2013 CAP reform only entered into force in claim year 2015 and that the present report relates to the expenditure of budget year 2015, corresponding to the direct aid applications lodged in 2014, the last year of the old CAP schemes;

⁽¹⁾ See paragraph 8 of the resolution of 28 April 2016.

⁽²⁾ 2015 Court's annual report, point 6.9, footnote 8.

Compliance issues

193. Points out that the estimated level of error of the Court lies at 2,9 % for Multiannual Financial Framework Heading 2 'Natural Resources' in the financial year 2015; notes that this level is similar to that of 2014, when taking into account the change of approach of the Court regarding cross-compliance errors that are no longer included in the error rate;
194. Calls on the Commission, therefore, with a view to improving accountability and reporting at senior management levels, to examine a more flexible and efficient application of the rule on internal mobility of managers in cases where a long time in post is combined with high error rates constantly being noted by the Court and sustained reservations about the results of management in the services concerned;
195. Points out that for 'Market and direct support', the error rate estimated of by the Court is 2,2 %, slightly above the materiality threshold of 2 % (same level as in 2014), whilst in 'Rural development and other policies' the estimated level of error remains high at 5,3 % but is lower than the 6 % estimated last year;
196. Stresses that errors in direct support area were nearly all due to an overstated number of eligible hectares despite the fact that the reliability of data in the Land Parcel Identification System has been constantly improving over recent years, and points out that in rural development, half of the errors were caused by the ineligibility of the beneficiary or project, 28 % by procurement issues, and 8 % by infringements to agri-environmental commitments;
197. Strongly regrets that for both areas, direct support and rural development, national authorities could have reduced the level of error to a level close to or below materiality ⁽¹⁾ as they either had sufficient information to detect the error or they made the error themselves; urges the Member States to use all available information to prevent, detect and correct any error and to act accordingly;
198. Welcomes the fact that the Commission significantly reduced the number of open conformity procedures: from 192 in 2014 to 34 in 2015, and that following changes in legislation designed to streamline the procedure, the Commission now monitors the audit cycle more closely in order to comply with the internal and external deadlines;

Management authorities

199. Regrets that the Court found deficiencies affecting some of the key control functions of Member States paying agencies and that these related to:
- (a) for the European Agricultural Guarantee Fund:
- the Land Parcel Identification System, the administrative controls,
 - the quality of on-the-spot inspections,
 - the lack of consistency in defining the parameters for maintaining land in Good Agricultural and environmental condition (GAEC), and
 - the recovery procedures for incorrect payments;
- (b) for rural development support:
- deficiencies in administrative checks related to eligibility conditions, in particular those concerning public procurement;
- (c) regarding cross-compliance, to the reliability of control statistics and sampling;

Reliability of the data communicated by the Member States

200. Notes that in 2015, for the first time, the certification bodies were required to ascertain the legality and regularity of the expenditure; regrets that the Commission could use the work of those bodies only to a limited extent due to significant weaknesses in methodology and implementation such as:
- inadequate audit strategies,
 - samples being drawn that were too small;
 - insufficient skills and legal expertise of Certification Bodies' auditors;

⁽¹⁾ Avoiding these errors would have reduced our estimated level of error by 0,9 percentage points for 'Market and direct support' and by 3,2 percentage points for 'Rural development and other policies'.

201. Deeply regrets that there is still a problem as to the reliability of the data communicated by the Member States as:

(a) in Direct payments:

- DG AGRI made adjustments (top-ups) for 12 out of 69 paying agencies with an error rate above 2 % (but none above 5 %) while only one paying agency had initially qualified its declaration,
- DG AGRI has issued reservations for 10 paying agencies: 3 for Spain, one each for France, Bulgaria, Cyprus Italy (Calabria), Romania, and one each for Spain and France as to POSEI (Programme d'Options Spécifiques à l'Eloignement et à l'Insularité for the ultra-peripheral regions);

(b) in rural area:

- DG AGRI made adjustments (top-ups) for 36 out of 72 paying agencies and in 14 cases the adjusted error rate was above 5 %,
- DG AGRI issued a reservation for 24 paying agencies comprising 18 Member States: Austria, Belgium, Bulgaria, the Czech Republic, Denmark, France, Germany, Greece, Hungary, Ireland, Italy (4 paying agencies), Latvia, the Netherlands, Portugal, Romania, Sweden, Spain (3 paying agencies) and the United Kingdom (2 paying agencies),
- in addition DG AGRI issued reservations concerning public procurement for 2 Member States: Germany and Spain;

202. Stresses that for the European Agricultural Guarantee Fund, the error rates established by the DG AGRI and the Court are diverging ⁽¹⁾ whilst for the European Agricultural Fund for Rural Development the adjusted error rate of 4,99 % indicated by DG AGRI is broadly in line with the Court's estimated level of error;

Performance issues

203. Notes that as in 2014, the Court examined performance-related issues for selected rural development transactions and is concerned by the facts that there was insufficient evidence that costs were reasonable in 44 % of projects, and that there were deficiencies in targeting measures and selecting projects, including weak links to Europe 2020 objectives; calls on the Commission to take all possible measures to improve this worrying situation;

Key performance indicators

204. Is concerned about the reliability of the data used by the Commission to measure key performance indicator 1 (KPI 1) as defined by DG AGRI concerning the agricultural factor income; believes that the current trend in part time farming due to low commodity prices is not accurately accounted for, notes in particular that:

- (a) the Commission is unable to give precise figures of farmers who have left their jobs in 2015 due to the dairy and pig meat crises as 'it does not have readily available data on new entrants or on the number of farmers who have left the sector' (written questions 1 and 3 — hearing of Commissioner Hogan f 29 November 2016);
- (b) 2013 is the last year for which figures on the number of farms are available: 10 841 000 farms managed each time by one farmer;
- (c) the number of recipients of the CAP first pillar is in 2015: 7 246 694 Union farmers and 127 268 beneficiaries supported under market measures;

⁽¹⁾ Annual Activity Report of DG AGRI states that the aggregated adjusted error rate has fallen from 2,61 % in 2014 to 1,47 % in 2015.

- (d) the agricultural factor income is calculated per 'annual work unit' which corresponds to the work performed by one person who is occupied on an agricultural holding on a full-time basis, the total farm labour force in the 28 Member States being the equivalent of 9,5 million annual working units in 2013 of which 8,7 million (92 %) were regular workers ⁽¹⁾ ⁽²⁾;
- (e) the Court concluded in its Special Report No 1/2016 that the Commission system for measuring the performance of the CAP in relation to farmers' incomes is not sufficiently well-designed and that the quality and quantity of statistical data used to analyse farmers' incomes have significant limitations;
205. Fears that the Commission is not well-equipped to provide comprehensive yearly data as to KPI 1, nor — as a result — to precisely and comprehensively monitor the evolution of farmer income;
206. Considers that key performance indicator 4 on the employment rate in rural development is not relevant, given that the employment rate in rural development is not solely influenced by the CAP measures, given also that the objective of maintaining and creating rural jobs is shared with many other instruments, notably other European structural and investment funds;

Fair CAP

207. Stresses the large differences between the Member States as to average income by farmers ⁽³⁾ and recalls that last year the Parliament found that 'it was unsustainable that 44,7 % of all Union farms had an income of less than EUR 4 000 per year, that on average 80 % of the beneficiaries of CAP direct support receive around 20 % of the payments and 79 % of the beneficiaries of CAP direct support receive EUR 5 000 or less per year' ⁽⁴⁾;
208. Takes note that the director-general of DG AGRI reported in one page of its annual activity report for 2015 on the 'Trends in the distribution of direct payments' and stressed once again that it is up to the Member States to use the options offered by the 2013 CAP reform to redistribute the CAP subsidies;
209. Considers that direct payments do not fully play their role as a safety net mechanism for stabilising farm income, particularly for smaller farms, given that the current unbalanced distribution of payments leads to 20 % of all farms in the Union receiving 80 % of all direct payments, which does not reflect the level of production and is a legacy of Member States continuing to base payments on historic criteria, although recognising that the size of the farms, big or small, depends on each Member States; is the opinion that larger farms do not necessarily need the same degree of support for stabilising farm incomes as smaller farms in times of income volatility since they may benefit from economies of scale which are likely to make them more resilient; considers that capping the direct payments, as initially proposed by the Commission and endorsed by the Parliament, could deliver sufficient financial resources to make the CAP fairer;

Biofuels

210. Points out that according to the findings reported by the Court in its Special Report No 18/2016 on the Union system for certification of sustainable biofuels, the Union certification system for the sustainability of biofuels is not fully reliable and has been prone to fraud because the Commission granted recognition decisions to voluntary schemes which did not have an appropriate verification procedure to ensure that the origin of biofuels produced from waste was indeed waste;

Simplification

211. Insists that in its Special Report No 25/2016 the Court checked whether the Land Parcel Identification System allowed Member States to reliably check the measurement and eligibility of land claimed by the farmers and whether the systems were being adapted to meet the requirements of the 2014-2020 CAP, in particular those concerning greening obligations;

⁽¹⁾ Full-time means the minimum hours required by the relevant national provisions governing contracts of employment. If the national provisions do not indicate the number of hours, then 1 800 hours are taken to be the minimum annual working hours: equivalent to 225 working days of eight hours each.

⁽²⁾ According to the last Farm Structure Survey (Eurostat) the overall change in the EU-28's farm labour force during the period 2007-2013 was a fall of 2,3 million annual work units (AWU), equivalent to a reduction of 19,8 %.

⁽³⁾ See the reply to written question 3 — hearing of Commissioner Hogan of 29 November 2016.

⁽⁴⁾ See paragraph 317 of the resolution of 28 April 2016.

212. Is concerned by the conclusions of the Court that six major changes potentially affecting the Land Parcel Identification System were introduced in May 2015 and that the complexity of the rules and the procedures required to deal with those changes has further increased the administrative burden for Member States;

Czech paying agency

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

Conformity clearance inquiry

214. Considers that the simplification of the CAP and the reduction of administrative burden for beneficiaries and paying agencies should be priorities for the Commission in the years to come; considers also that whilst the Commission should strive to keep the positive trend in the efficiency of its management of CAP and the CAP error rates by concentrating its attention on maintaining its corrective capacity and on the corrective actions to be taken by Member States, it should consider refraining from starting or pursuing conformity clearance inquiries of minor scope;

Measures to be taken

215. Calls on the Commission to:
- (a) continue its efforts to follow up on cases where national legislation is not compliant with Union legislation, including all legal means at its disposal in particular suspension of payments;
 - (b) monitor annually the results of the Land Parcel Identification System quality assessment performed by Member States and check that all Member States with negative assessments actually take the necessary remedial action;
 - (c) re-examine the current legal framework in order to simplify and streamline the Land Parcel Identification System-related rules for the next CAP period, e.g. by reconsidering the need for the 2 % stability threshold and the 100-tree rule;
 - (d) ensure that all Member States' action plans addressing errors in rural development include effective actions on public procurement;
 - (e) monitor and actively support the certification bodies in improving their work and methodology on the legality and regularity of expenditure and in particular in delivering opinions on the legality and regularity of the CAP expenditure of a quality and scope which enable the Commission to ascertain the reliability of paying agencies' control data or, where appropriate, estimate the necessary adjustment of paying agencies' error rates on the basis of those opinions, with a view to implementing the single audit approach in the area of agricultural spending;
 - (f) update DG AGRI's audit manual by including detailed audit procedures and documentation requirements for the verification of the data supplied by Member States and used for calculating financial corrections;
 - (g) take the necessary measures in order to obtain from the Member States precise and comprehensive data as to the number of EU farmers and regarding the farmer income in order to really measure and monitor KPI 1 mentioned in the annual activity report of the director-general of DG AGRI concerning the agricultural income;
 - (h) redefine key performance indicator 4 relating to employment in rural area in order to stress the specific impact of the CAP measures on the employment in those areas;

- (i) trigger regular debates between the Member States in the Council regarding the implementation of the provisions introduced by the 2013 CAP reform for redistributing the direct payments between beneficiaries and to fully report on the progress made in this regard in the annual activity report of DG AGRI ⁽¹⁾;
- (j) assess in the context of its reflections on a simplified and modernised CAP whether the direct payment scheme is properly designed for stabilising farm income of all farms or whether a different policy design, or model of distribution of direct payments could result in better adjusting public funds to the objectives;
- (k) modify substantially the system of certification of sustainable bio fuels and in particular effectively verify that Union biofuel feedstock producers comply with Union environmental requirements for agriculture, provide sufficient evidence of the origin of waste and residues used for the production of biofuels and assess whether the voluntary schemes' governance reduces the risk of conflicts of interest;
- (l) lift the threshold below which conformity clearance inquiries in accordance with Article 52 of Regulation (EU) No 1306/2013 of the European Parliament and of the Council do not need to be pursued from EUR 50 000 to 100 000 ⁽²⁾;
- (m) reconsider the introduction of a binding cap for the direct payments;

Global Europe

Error rates

- 216. Points out that according to the findings of the Court, spending on 'Global Europe' is affected by a material level of error with an estimated level of error is 2,8 %, (2,7 % in 2014);
- 217. Regrets that when excluding the multi-donor and budget support transactions the error rate for the specific transactions directly managed by the Commission has been quantified at 3,8 % (3,7 % in 2014);
- 218. Notes that if all the information gathered by the Commission — and the auditors appointed by the Commission — had been used to correct errors, the estimated error rate for the chapter Global Europe would have been 1,6 % points lower; urges the Commission to use all available information to prevent, detect and correct any error and to act accordingly;
- 219. Points out that the budget support transactions examined by the Court were free from errors of legality and regularity;
- 220. Points out that the most significant type of error, representing 33 % of the estimated level of error concerns expenditure not incurred: i.e. expenditure not incurred at the moment the Commission accepted and in some cases cleared it;
- 221. Points out that the most frequent type of error, representing 32 % of the estimated level of error, concerns ineligible expenditure, i.e.
 - (a) expenditure related to activities not covered by a contract or incurred outside the eligibility period;
 - (b) non-compliance with the rule of origin;
 - (c) ineligible taxes and indirect costs wrongly charged as direct costs;

⁽¹⁾ Member States must reduce the differences between per-hectare payment levels to beneficiaries on their respective territories (this is referred to as 'internal convergence'). In principle (exceptions apply), they must also reduce by at least 5 % the receipts above EUR 150 000 which any beneficiary obtains from the basic payment scheme or the single area payment scheme. In addition, Member States have the option to redistribute up to 30 % of their direct payments national envelope to the first 30 ha on every farm ('redistributive payment'), as well as to set an absolute upper limit on each beneficiary's receipts from the basic payment scheme or the single area payment scheme ('capping').

⁽²⁾ See Article 35(1) of Commission Implementing Regulation (EU) No 908/2014 of 6 August 2014 laying down rules for the application of Regulation (EU) No 1306/2013 of the European Parliament and of the Council with regard to paying agencies and other bodies, financial management, clearance of accounts, rules on checks, securities and transparency (OJ L 255, 28.8.2014, p. 59) and Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008 (OJ L 347, 20.12.2013, p. 549).

Declaration of assurance

222. Recalls that in his declaration of assurance, the director-general of Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR) considers that for both of the financial instruments managed by DG NEAR — the European Neighbourhood Instrument and the Pre-Accession Instrument — the financial exposure from the amount at risk is below the materiality threshold of 2 % and the average determined error rate for the whole directorate general is 1,12 %;
223. Regrets that this statement is not consistent with the audit work of the Court and notes that DG NEAR recognises in its report that the approach followed needs further improvement;
224. Notes in particular that DG NEAR calculated a residual error rate for 90 % of the expenditure resulting in three rates: a residual error rate for the Instrument Pre Adhesion direct management, a residual error rate for the Pre-Accession Instrument indirect management and a residual error rate for the European Neighbourhood Instrument covering all management modes; for the remaining 10 % of expenditure DG NEAR used other sources of assurance;
225. Stresses that the Court found that the calculation of the residual error rate as to the management mode 'indirect management by beneficiary countries', which combines results from non-statistical sampling by the audit authorities with the historical residual error rate calculated by DG NEAR, is not sufficiently representative and does not provide accurate information on the amount of payments at risk; points out that according to the Court there is a risk that the calculation underestimates the level of error and may potentially impact on the assurance provided by the director-general;
226. Welcomes the fact that the director-general of DG DEVCO put an end to the former practice of overall reservation concerning the legality and regularity of transactions in respect of all DG DEVCO's operations and that following the recommendations of the Parliament made a risk differentiated declaration of assurance in the 2015 annual activity report;
227. Notes that a specific reservation covering the African Peace Facility was issued due to control weaknesses identified by the Commission's Internal Audit Service; considers that such a reservation should have been issued earlier as the deficiencies detected were present since the establishment of the facility in 2004; states that the practice of an overall reservation concerning all DG DEVCO has obviously contributed to a lack of transparency regarding the financial management of DG DEVCO;
228. Notes that DG DEVCO assessed two spending areas as high risk:
- (i) grants in direct management;
 - (ii) indirect management with international organisations;
- but shares the views expressed by the Court that a reservation could have been justified as regards indirect management with beneficiary countries in particular because grants implemented indirectly by beneficiary countries should require a similar level of risk analysis as grants implemented directly;
229. Points out that according to the findings of the Court (see points 48-50 of the 2015 Court's annual report on the EDF), the corrective capacity of DG DEVCO has been overestimated by not excluding recoveries of pre-financing and earned interest and cancellations of recovery orders from the calculation of the average annual amount of recovery order issued for errors and irregularities between 2009 and 2015;

Weaknesses in control and preventing systems

230. Stresses that the Court found weaknesses in the Commission's control systems as:
- the expenditure verifications carried out by auditors appointed by beneficiaries in some cases failed to detect the errors leading to the Commission's acceptance of non-eligible costs,
 - delays were identified in the validation, authorisation and payment of expenditure by the Commission,
 - the specific rules set up by the Commission for the twinning instruments (under the European Neighbourhood and Partnership instrument) concerning lump sum and flat rate costs were drafted in such a way that they created risk that the implementing Member States partner yields a profit;

External assistance management reports

231. Regrets once again that the external assistance management reports issued by the heads of Union delegations are not annexed to the annual activity reports of DG DEVCO and DG NEAR as is foreseen by Article 67(3) of the Financial Regulation; regrets that they are systematically considered as confidential whilst in accordance with Article 67(3) of the Financial Regulation, 'they shall be made available to the European Parliament and the Council having due regard, where appropriate to their confidentiality';
232. Notes that because analysis of key performance indicators had been done in DG NEAR for the first time it is not possible to take any conclusion in terms of 'trends' and that in 2015, five key performance indicators were not calculated for DG NEAR;
233. Points out that:
- (a) overall, the performance of delegations has improved, as measured by the number of benchmarks reached on average per delegation;
 - (b) the total value of the project portfolio managed by delegations has decreased from EUR 30 billion to EUR 27,1 billion and that
 - (c) the share of projects with implementation problems has decreased from 53,5 % to 39,7 %.
234. Stresses that (i) the Instrument for Stability; (ii) the MIDEAST Instrument; and (iii) the European Development Fund are still the programmes with worryingly high levels of implementation difficulties and that an unacceptable 3 of 4 EUR spent with the European Development Fund are at risk of not reaching their objectives or of being delayed;
235. Notes that information on 3 782 projects has been reported by the heads of delegations for EUR 27,41 billion of commitments and that:
- (a) 800 projects (21,2 %) worth EUR 9,76 billion (35,6 % of the entire project portfolio) are exposed to some type of output risk — either *a priori* or current output risk, projects financed from the European Development Fund accounting for 72 % of the total amount at risk (EUR 7 billion);
 - (b) 648 projects (17,1 %) worth EUR 6 billion (22 % of the entire project portfolio) are at risk of being delayed, projects financed from the European Development Fund accounting for two thirds of all delayed projects;
 - (c) 1 125 projects (29,75 %) worth EUR 10,89 billion (39,71 %) are at risk of not reaching their objectives or with delayed implementation, the European Development Fund accounting for 71 % of the EUR 10,8 billion at stake;
236. Welcomes that for the first time the Commission questioned the heads of Union delegations about the *a priori* risk of projects which may offer a first step into a centralised risk management process; recommends that on the basis of the information available regarding the difficult field in which delegation may operate the Commission intensifies its dialogue with the delegations on how to manage this risk during the implementation phase of the project;
237. Notes that the four worst-performing delegations for which DG DEVCO is responsible are Yemen, Central African Republic, Gabon and Mauritania whilst the ranking of the four worst-performing delegations for which DG NEAR is responsible are Syria, Egypt, Albania and Kosovo;
238. Expects that DG DEVCO will progress in the achievement of the following priorities in 2016 and will report on them in its annual activity report for 2016:
- (a) increase the accuracy of financial forecasting on decisions and contracts;
 - (b) increase the percentage of payments made within the 30-day period;
 - (c) increase the effectiveness of controls;
 - (d) improve performance of all delegations with less than 60 % of their key performance indicators marked 'green' in 2015, in particular through the adoption of action plans and information systems;

239. Expects DG NEAR to achieve the following priorities in 2016 and report on them in its annual activity report for 2016:
- (a) introduce the five key performance indicators that were missing in the external assistance management report 2015 exercise;
 - (b) improve the monitoring possibilities for key performance indicators;

Union spending on migration and asylum in neighbourhood countries

240. Recalls that one important aspect of the Union external relations is that the fight against poverty should also aim to create the conditions of preventing the uncontrolled arrival of irregular migrants in Europe;
241. Endorses the main findings reported by the Court in its Special Report No 9/2016 concerning 'EU external migration spending in Southern Mediterranean and Eastern neighbourhood countries until 2014' and stresses in particular that the existing fragmentation of instruments hinders parliamentary oversight of (i) the way funds are implemented; and (ii) the identification of responsibilities, and therefore makes it difficult to assess the financial amounts actually spent to support external action on migration;

World Bank

242. In light of the alarming information provided by Politico on 2 December 2016 regarding 'Conflict of interest fears over Georgieva's World Bank dealings' recalls that Parliament called on the Commission in its last discharge resolution concerning the Commission's budget for 2014 to review the code of conduct for commissioners by the end of 2017, including by defining what constitutes a conflict of interest; stresses that without a detailed definition of what constitutes a conflict of interest, Parliament will not be able to properly evaluate fairly and consistently the existence of actual or potential conflicts of interest;
243. Considers that the new funding arrangement concluded by the Commission with the World Bank ⁽¹⁾ replacing a flat management fee with a more complex formula, and foreseeing in particular that certain projects directly carried out by the World Bank may be subject to a 17 % charge on the cost of personnel and consultants, will probably be detrimental to the budget of the Union and could result in payments exceeding the 7 % cap on management fees forbidden by Article 124(4) of the Financial Regulation;
244. Stresses that the management fee paid to the World Bank will not be used for development and cooperation projects; wonders why the World Bank should be remunerated by the Commission for banking activities that are at the core of its mission of banker,

International Management Group

245. Congratulates the Commission on the outcome of proceedings in Case T-381/15 on 2 February 2017; asks which contracts with International Management Group are still underway at present;

Measures to be taken

246. Calls on:
- DG DEVCO and DG NEAR to enhance the quality of expenditure verifications contracted by beneficiaries, namely by introducing new measures such as the use of a quality grid to check the quality of the work performed by the beneficiary contracted auditors and the revision of the auditors' terms of reference,
 - DG NEAR to take action to ensure that funding channelled through a twinning instrument is in accordance with the non-profit rule and adheres to the principle of sound financial management,
 - DG NEAR to revise the residual error rate methodology in order to provide statistically accurate information on the amount at risk for payments made under the Pre-Accession Instrument indirect management,

⁽¹⁾ Commission Decision C(2016) 2210 of 12 April 2016 amending Commission Decision C(2014) 5434 authorising the use of reimbursement on the basis of unit costs for activities implemented by a World Bank Group entity under the Framework Agreement with the Union.

- DG DEVCO to revise the estimate of its future corrective capacity by excluding from the calculation recoveries of unspent pre-financing and earned interests and cancellation of recovery orders previously issued,
- DG DEVCO and DG NEAR to publish the external assistance and management reports issued by the heads of Union delegations as an annex to their annual activity reports as foreseen by Article 67(3) of the Financial Regulation and to indicate in their annual activity reports the measures taken to redress the situation in delegations with implementation problems, to shorten the delays and to simplify the programmes,
- the Commission to make public the declarations of assurance of the heads of Union delegations,
- the Commission to:
 - (i) clarify objectives;
 - (ii) develop, expand and improve the performance measurement framework of its migration and asylum policies in neighbourhood countries;
 - (iii) focus available financial resources on clearly defined and quantified target priorities; and
 - (iv) further consolidate the link between development and migration,
- the Commission to include in the code of conduct for commissioners the definition of what constitutes a conflict of interest, to fundamentally reconsider the need to foresee in its funding arrangements with international organisations and entrusted entities provisions regarding their remuneration for staff costs linked to activities that are at the core of their mission and to report fully to the Parliament by the end of 2017 on its reflections in this regard but also on the impact of the application of the new cost recovery policy;

Migration and security

247. Welcomes the fact that, given the political sensitivity of the issue, the Court addressed for the first time the migration and security policy in the second part of chapter 8 of its annual report; notes that with EUR 0,8 billion this area represents a small but increasing part of the Union budget;
248. Deplores the fact that the Court did not formulate any error rate regarding this policy area whilst the director-general of DG HOME estimates in his 2015 annual activity report a residual multiannual error rate of 2,88 % for non-research grants directly managed by DG HOME;
249. Shares the concerns expressed by the Court regarding the fact that audits of the solidarity and management of migration flows performed by the Commission did not cover tests of controls on most key processes and that for this reason there is a risk that some annual programmes with ineffective control systems have been considered by the Commission to provide reasonable assurance and consequently will not be the focus of the Commission's *ex post* audits;
250. Recalls that deficiencies were detected by DG HOME in the management and control systems of the European Refugees Fund, Return Fund, European Fund for Integration of Third-Country Nationals and the External Borders Fund for the period 2007-2013 by Czech Republic, Germany, France and Poland;
251. Is of the opinion that KPI 1 included in the DG HOME annual activity report for 2015 is not relevant as the rate of return of irregular migrants to third countries is not significantly influenced by management by DG HOME;
252. Deplores that the Commission considers that it is 'difficult if not impossible to provide an estimated cost paid for migrants/seeker country by country as the management of migratory flows comprises a wide range of activities' ⁽¹⁾;
253. Asks the Court to provide the budgetary control authority with a most likely error rate concerning migration and security policy in its 2016 annual report and to evaluate the corrective capacity of the Commission services in this policy area;

⁽¹⁾ Reply to written question 23 — hearing of Commissioner Avramopoulos of 29 November 2016.

254. Expresses concern over checks carried out on funds for refugees, which are frequently allocated by the Member States in emergencies in ways that do not comply with the rules in force; regards it as essential that the Commission introduce more rigorous checks, including with a view to ensuring that the human rights of refugees and asylum-seekers are upheld;

Measures to be taken

255. Recommends that DG HOME:
- (a) carefully quantify and analyse in its annual activity report the nature of the errors it identifies and provide more information concerning the reliability of its 'corrective capacity';
 - (b) promote the use of simplified cost options, the use of lumps sums and standardised 'unit costs' in the management of its funds;
 - (c) carefully draw lessons from the past regarding the deficiencies detected in the management of the European Refugee Funds, Return Fund, European Fund for Integration of Third-Country Nationals and the External Borders Fund for the period 2007-2013;
 - (d) provide the budget and budgetary control authority with the most precise data possible as to the cost paid for migrants/asylum-seekers in order to solidly justify the amounts of budgetary requests for funding programmes, while acknowledging the unquantifiable value of any and all human life;
 - (e) test the effectiveness of Member States internal control systems used for the SOLID programmes over most key processes: selection and award procedures, award procedures, project monitoring payments and accounting;
 - (f) organise and favour more synergy between all the services in charge if programmes possibly influencing the migration flows;

Administration

256. Notes that an official can be appointed to a senior expert or a senior assistant post which opens the possibility to be promoted to the AD 14 grade or AST 11, and that once an official is appointed to a senior expert post, there is no possibility to move him/her back to an administrator job; regrets the inconsistency between this measure and those aiming to reduce administrative expenses or reinforce the link between grade and function; calls on the Commission to end this practice;
257. Notes with concern that the average number of years in the grade before promotion have decreased for the grades AD 11 and higher; for grade AD 12, for example, in 2008 an official was promoted only every 10,3 years on average while in 2015 he/she was promoted every 3,8 years, which shows that the promotions in the upper salary grades have been speeded up; asks the Commission to slow down promotions in grades higher than AD 11 or AST 9;
258. Emphasises that geographical balance, namely the relationship between staff nationality and the size of Member States, should still remain an important element of resources management particularly with respect to the Member States that have acceded to the Union since 2004, welcomes the fact that the Commission has reached a more balanced composition of officials from the Member States which joined the Union before and since 2004; but points out that the latter Member States are still underrepresented at the higher level of administration and in managerial posts, for which progress is still awaited;
259. Notes with concern the excessively high prices charged for medical services in Luxembourg and the difficulties in ensuring that members of the EU institutions' Joint Sickness Insurance Scheme receive treatment on an equal footing with Luxembourg's citizens; calls on the institutions, and the Commission in particular, to demand and guarantee that Article 4 of Directive 2011/24/EU of the European Parliament and of the Council ⁽¹⁾, under which Member States are required to ensure that healthcare providers on their territory apply the same fees for patients from other Member States as for domestic patients, be enforced in all Member States, and in the Grand Duchy of Luxembourg especially; calls too for it to impose the appropriate sanctions where this directive is not complied with;

⁽¹⁾ Directive 2011/24/EU of the European Parliament and of the Council of 9 March 2011 on the application of patients' rights in cross-border healthcare (OJ L 88, 4.4.2011, p. 45).

OLAF

260. Notes that the College of commissioners lifted the OLAF director-general's immunity, following a request by Belgian authorities, in the context of investigations linked to the 'Dalli case'; is of the opinion that the director-general is confronted with a three-fold conflict of interest:
- while the College was in the process of deciding on lifting his immunity, the director-general considered the possibility of opening OLAF investigations against Members of the Commission,
 - once the College had taken its decision to lift his immunity, the director-general took legal action against the Commission for an alleged irregularity in the adoption of its decision; at the same time the director-general continued to represent the Commission on policy matters related to his portfolio,
 - after the lifting of his immunity had been confirmed, the Belgian public prosecutor opened an investigation into the director-general's role in the case in question, while continuing to serve as the OLAF director-general's interlocutor for fighting fraud against the Union's financial interests in Belgium;
- Considers that these conflicts of interest could damage both OLAF's and the Commission's reputation; asks therefore the Commission to place the OLAF director-general on leave until the end of the investigation conducted by the Belgian authorities, and to appoint a temporary substitute;

261. Is shocked by news reports that, according to OLAF calculations, the United Kingdom customs' 'continuous negligence' deprived the Union of EUR 1 987 billion in revenues in lost duties on Chinese merchandise; and that a highly sophisticated organised crime network also stripped EUR 3,2 billion from the value-added-tax income of major Union countries such as France, Germany, Spain and Italy; asks to be granted access to the complete case file and to be kept regularly informed;

Code of conduct

262. Is of the firm opinion that there is a growing need for strong ethics regulation in order to fulfil Article 17 of the Treaty on European Union and Article 245 of the Treaty on the Functioning of the European Union; insists that well-functioning codes of conduct demand continuous attention; stresses that a code of conduct is only an effective preventative measure if properly applied and if compliance is systematically reviewed, not only in cases of incidents;
263. Notes the Commission proposal to revise the codes of conduct for commissioners; regrets however that the revision is limited to the extension of the cooling-off period to three years only for the former President of the Commission; calls on the Commission to review the code of conduct for commissioners by the end of 2017, including by implementing Parliament's recommendation that the ad hoc ethical committee be reformed to extend its powers and include independent experts, by defining what constitutes a 'conflict of interest', as well as introducing criteria for assessing the compatibility of post-office employment and extending the cooling off period to three years for all commissioners;
264. Points out that an important step with regard to conflicts of interest is to increase the transparency of the Commission President, the ad hoc ethical committee of the Commission and of the Secretariat-General, when reviewing situations of potential conflict; notes that only if the opinions of the ethical committee are published proactively can the public hold the Commission accountable;
265. Calls on the College of commissioners to take a decision now that the recommendation of the ethical ad-hoc committee in the case of the former Commission President has been finalised so as to refer the case to the Court of Justice for it to give an opinion on the matter;

Expert groups

266. Welcomes the Commission decision of 30 May 2016 establishing horizontal rules on the creation and operation of Commission expert groups ⁽¹⁾, but regrets the fact that, despite many non-governmental organisations having expressed their interest, the Commission did not organise a full public consultation; reiterates the importance of reviving forms of involvement of representatives of civil society and the social partners in crucial areas such as the transparency and the functioning of the Union institutions;

⁽¹⁾ C(2016) 3301.

267. Recalls that a lack of transparency has a negative effect on the trust that Union citizens have in the Union institutions; believes that the effective reform of the Commission's expert groups system, based on clear principles of transparency and balanced composition, will improve the availability and reliability of data, which will in turn help increase people's trust in the Union;
268. Takes the view that the Commission should make progress towards a more balanced composition of the expert groups; deplors the fact, however, that as yet no express distinction is drawn between those representing economic and non-economic interests so as to guarantee a maximum of transparency and balance;
269. Recalls that both Parliament and the European Ombudsman have recommended to the Commission to make the agendas, background documents, minutes of meetings and deliberations of expert groups public;

Special advisors

270. Calls on the Commission to publish the names, the function, the grade and the contract (working hours, length of the contract, place of work) of all special advisors; considers that there is a risk of conflicts of interest with the special advisors; is of the firm opinion that conflicts of interest should be avoided as it would undermine the credibility of the institutions; calls on the Commission to publish the declarations of interest of the special advisors;

European Schools

271. Notes that individual schools are responsible for the annual accounts (which make up the 'General Framework'); the appropriations available in the 2015 budget amounted to EUR 288,8 million to which the Commission contributed EUR 168,4 million (58 %);
272. Is shocked that after all these years of alleged reforms, the Court continues to be extremely critical of the European schools' financial management:

II. The Schools did not prepare their annual accounts within the legal deadline. Numerous errors were found, most of which were corrected (as a result of the review) in the final version of the accounts. They constitute systematic weaknesses in the accounting procedures. (...)

IV. The payment systems of the two selected Schools were affected by significant weaknesses: no automatic link between the accounting and payment systems and no strict segregation of duties, payments made outside the accounting system not automatically rejected by the system and a poor level of control generally. These weaknesses represent a significant risk in terms of the legality and regularity of payments.

V. The Court also found several significant weaknesses in procurement procedures, which risked compromising the principles of transparency and equal treatment.

VI. In a few cases, the Court did not find evidence of the qualifications of recruited staff and noted omissions in their personal files.

VII. As a result, the Court was unable to confirm that the financial management was sound';

273. Deplors the fact that '(...) the Court was unable to confirm that the financial management was sound';
274. Deplors also that the Commission, in line with the Court's findings and due to a case of suspected fraud which occurred between 2003 and 2012, issued again a reputational reservation on payments;
275. Notes that the size of the budget allocated to the European Schools system is considerably larger than that received by all but 2 of the 32 agencies; believes that the financial accountability of the European Schools system should be raised to a level comparable to that of the European agencies, including by means of a dedicated discharge process for the EUR 168,4 million put at its disposal;

276. Recalls that the Parliament in its 2010 Commission discharge procedure had already questioned 'the decision-making and financing structures of the Convention on the European Schools'; and had demanded that the Commission 'explore with the Member States a revision of that Convention and (...) report by 31 December 2012 on the progress made' ⁽¹⁾; notes that no progress report was ever received by Parliament;
277. Notes the ongoing financial and organisational crisis in the European Schools system is growing more acute because of the plans to open a fifth school in Brussels and the possible consequences of the withdrawal of one Member State from the European Schools Convention at some point in the future; questions whether the European schools system as currently organised and financed has the resources to cope with the planned expansion to five schools in Brussels; notes that this risks creating even more significant problems in the future by over-stretching some language sections that, under current resourcing models, only have the capacity to cover four Brussels schools (in the case of the German-language sections) or three (in the case of the English-language sections);
278. Finds it unacceptable that Member State representatives continue to grant discharge to the European Schools, although the Commission, which pays 58 % of the annual budget, and the Court advise against it;
279. Fully endorses the Court's 11 recommendations issued in its report of 11 November 2015 on the annual accounts of the European Schools for 2014 comprising accounting, staff, procurement procedure, control standard and payment issues;
280. Welcomes the updated action plan drawn up by DG Human Resources and Security with the view to addressing the Commission's reservation and the Court's observations;
281. Calls on the Commission to prepare a communication to the Parliament and the Council reflecting on how the administrative structure of the European Schools could best be reformed before November 2017;
282. Calls for the Commission to play its full part in all aspects of the process of reform covering managerial, financial, organisational and pedagogical issues; asks that the Commission submit annually a report giving its assessment of the state of progress in these areas to the Parliament, to ensure its relevant committees can scrutinise the management of the schools system and evaluate the use it makes of the resources put at the system's disposal out of the Union budget; asks that the relevant commissioner give the matter his close attention, and specifically calls on him to participate personally in the biannual meetings of the board of governors; reiterates Parliament's view that a 'comprehensive review' of the European Schools system is urgently required; calls for the first draft of the review in question to be provided by 30 June 2017;

Committees Opinions

Foreign Affairs

283. While welcoming the progress achieved, notes that 6 out of 10 civilian missions under the Common Security and Defence Policy (CSDP) have not yet been recognised by the Commission as compliant with Article 60 of the Financial Regulation; urges the Commission to step up work in order to accredit all civilian CSDP missions, in line with the Court's recommendation, allowing them to be entrusted with budget implementation tasks under indirect management;
284. Welcomes the establishment of the Mission Support Platform aimed at reducing the administrative burden and increasing the efficiency of civilian CSDP missions; regrets its limited size and scope and reiterates its call for further progress towards a shared services centre, which would lead to further budgetary and efficiency gains through centralising all mission support services that do not need to be ensured locally;
285. Reiterates its view that the Union's financial rules need to be better adapted to the specificities of external action, including crisis management, and stresses that the current revision of the Financial Regulation needs to deliver greater flexibility;

⁽¹⁾ See paragraph 38 of the Resolution of the European Parliament of 10 May 2012 with observations forming an integral part of its Decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2010, Section III — Commission and executive agencies (OJ L 286, 17.10.2012, p. 31).

286. Is concerned by the lack of direct means of control in regard to the use of macro-financial assistance by recipient third countries; calls on the Commission to tie assistance of this kind more closely to measurable parameters;
287. Welcomes equally the recommendations suggested by the Court in its Special Report No 13/2016 on Union assistance for strengthening the public administration in Moldova and in the Special Report No 32/2016 on Union assistance to Ukraine; considers that the Union should fully use the leverage of conditionality and ensure proper monitoring of the implementation of the reforms undertaken in order to positively contribute to the reinforcement of democratic practices both in Moldova and Ukraine;

Development and Cooperation

288. Welcomes in this context the Court's Special Report No 9/2016 on the Union's external migration spending in Southern Mediterranean and Eastern Neighbourhood countries; highlights that the Court comes to the conclusion that the Union's external migration spending has failed to demonstrate its effectiveness, that it is impossible to measure its results, that the Commission's approach to ensure that migration has a positive development impact is unclear, that return and readmission support is having little impact and that respect for human rights of migrants, which should underpin all actions, remains theoretical and is only rarely translated into practice;
289. Welcomes the Court's Special Report No 15/2016 on humanitarian aid spending in the Great Lakes region; highlights that the Court concludes that humanitarian aid to the population affected by conflict in the African Great Lakes area was, generally, managed effectively by the Commission; stresses the stark contrast with migration spending and sees this as further proof that well-planned development policies deliver much better results than short-term driven migration activism;
290. Is very worried by a noticeable trend in recent Commission proposals to ignore legally binding provisions of Regulation (EU) No 233/2014 of the European Parliament and of the Council ⁽¹⁾ when it comes to official development assistance eligible expenditure and eligible countries for Development Cooperation Instrument spending; recalls that legality of the Union spending is a key principle of sound financial management and that political considerations should not take precedence over clearly spelled out legal provisions if the Commission wants to remain credible on rule of law issues; reminds the Commission in this context about the recent judgment of the Court of Justice ⁽²⁾ on cooperation with Morocco and the Western Sahara issue, in which the Court ruled that the Union has consistently infringed international law;
291. Supports the use of budget support in general, but urges the Commission to more clearly assess and define the development outcomes to be achieved through budget support in each case and above all to enhance control mechanisms concerning recipient states' conduct in the fields of corruption, respect of human rights, rule of law and democracy; expresses deep concern about the potential use of budget support in countries lacking democratic oversight, either due to the lack of a functioning parliamentary democracy, freedoms for civil society and the media, or due to a lack of capacity of oversight bodies;
292. Calls on the Commission to incorporate an incentive-based approach to development by introducing the more-for-more principle, taking as an example the European Neighbourhood Policy; believes that the more and the faster a country progresses in its internal reforms to the building and consolidation of democratic institutions, the eradication of corruption, the respect for human rights and the rule of law, the more support it should receive from the Union; stresses that this 'positive conditionality' approach, accompanied by a strong focus on financing small-scale projects for rural communities, can bring real change and guarantee that Union tax payers' money is spent in a more sustainable manner;
293. Regrets that no prior consultation of Parliament took place when setting up the Union Emergency Trust Fund for Africa; calls for more effective efforts to enhance the transparency of decisions on Emergency Trust Fund projects and underlines the lack of an adequate format for the regular consultation of Parliament; regrets that no action has been taken in this respect;

⁽¹⁾ Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development cooperation for the period 2014-2020 (OJ L 77, 15.3.2014, p. 44).

⁽²⁾ Judgment of the Court of Justice of 21 December 2016, *Council v Front Polisario*, C-104/16 P, ECLI:EU:C:2016:973.

Employment and Social Affairs

294. Notes the Court's recommendation that the Commission use the experience acquired in the 2007 to 2013 programming period and report on a focused analysis of the national eligibility rules for the 2014 to 2020 programming period and that, based on this, it provide guidance to Member States on how to simplify and avoid unnecessary complex or burdensome rules;
295. Calls on the Commission to consider the possibility of including Union funding programmes in its Annual Burden Survey as agreed in the Interinstitutional Agreement on Better Law-making of 13 April 2016 ⁽¹⁾; highlights that the introduction of annual burden reduction targets that include Union funding programmes would increase compliance and therefore contribute to a reduction in the error rate;
296. Welcomes the increased focus on results under the 2014 to 2020 programming period; considers, however, that further developing result indicators and monitoring systems would contribute to sound financial accountability and increase the efficiency of future operating programmes;

Environment, Public Health and Food Safety

297. Is satisfied with the work carried out by the five decentralised agencies which are under its remit and which carry out technical, scientific or managerial tasks that help the Union's institutions to elaborate and implement policies in the area of environment and climate policy, public health and food safety, as well as with the way those agencies' budgets are implemented;
298. Is satisfied with the overall implementation of the LIFE+ operational budget, which amounted to 99,95 % in 2015 for commitment appropriations and 98,93 % for payment appropriations; stresses that LIFE+ has helped to increase public awareness and participation in legislation and the implementation of the environmental policy of the Union, in addition to improving governance in this sector; notes that, in 2015, EUR 225,9 million were committed for action grants, EUR 40 million were used for financial instruments managed by the European Investment Bank and EUR 59,2 million were used for measures intended to support the Commission's role of initiating and monitoring policy and legislation development; notes that EUR 10,2 million were used for administrative support to LIFE and for support to the Executive Agency for Small and Medium-Sized Enterprises;
299. Takes note that DG CLIMA has increased its implementation rate to 99,9 % of EUR 108 747 880 in commitment appropriations and 91,77 % of EUR 47 479 530 in payment appropriations, and that if the administrative expenditure is not taken into account, the rate of payment implementation reaches 96,88 %;
300. Encourages the budgetary authority to focus on pilot projects and preparatory actions with true added value for the Union in the future; acknowledges that ten pilot projects and five preparatory actions amounting in total to EUR 1 400 000 in commitment appropriations and EUR 5 599 888 in payment appropriations have been implemented;
301. Acknowledges that an evaluation of the second Health Programme (2008-2013) was finalised in 2015; welcomes that the third Health Programme was reinforced in 2015 to support and foster exchange of information and good practices in Member States facing challenges linked to significant reception of migrants, asylum-seekers and refugees, in particular in relation to the Directorate-General for Health and Food Safety's preparation of a personal health record for migrants' health assessment to be used at 'Hotspots' and reception areas and an additional budget for projects linked to migrants' health;

Transport and Tourism

302. Notes that in 2015 EUR 12,8 billion was allocated to 263 transport projects through grant agreements signed in 2015 under the 2014 Connecting Europe Facility; calls for proposals; further notes that the Connecting Europe Facility funding has generated EUR 28,3 billion of total investments, combining a Union contribution with regional and Member States budgets, as well as loans from the European Investment Bank;

⁽¹⁾ Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making (OJ L 123, 12.5.2016, p. 1).

303. Notes that for the area of ‘Competitiveness for growth and employment’, to which transport belongs, the Court only audited seven transactions under the responsibility of the Directorate-General for Mobility and Transport (DG MOVE); notes that errors were found in only one of the transactions audited and that those errors concern non-compliance with public procurement rules;
304. Points out that the European Investment Bank’s evaluation report notes geographical imbalances and sectoral concentrations in the Infrastructure and Innovation Window portfolio and that financing under the Infrastructure and Innovation Window is concentrated (63 %) in three Member States; calls on the Commission to urgently assess the impact of the European Fund for Strategic Investments for the Union as a whole; regrets that the European Fund for Strategic Investments is not sufficiently used for the financing of innovative transport projects in all modes of transport, for instance to promote sustainable means of transport or to further encourage the digitalisation process as well as barrier-free accessibility;
305. Regrets that the Commission (DG MOVE) has not yet established a formalised consolidated strategic document for the supervision on the TEN-T core network corridors development; encourages the Commission to adopt such a strategic document regarding supervision activities and transparency; recalls that transparency and consultation with all stakeholders contribute to the success of transport projects;
306. Points out that transport projects in 2014-2020 will be financed from several sources, including the Connecting Europe Facility, the CF, the ERDF and the European Fund for Strategic Investments; calls on the Commission, therefore, to develop synergies that will enable these different sources of funding to allocate the funds available more efficiently, as well as the blending of these resources; calls on the Commission to annually deliver and publish, inter alia, on its websites, easily accessible lists of transport, including modal share percentages, and tourism projects, that are co-financed through the mentioned funds;

Regional Development

307. Calls on the Commission through the high level group ⁽¹⁾ to pay specific attention to national eligibility rules in its audit of national management and control systems, helping Member States to simplify them to allow changes to be made; in this context, underlines the importance of applying the single audit principle; calls on the Commission through simplified and effective guidance to clarify the notion of recoverable VAT to avoid different interpretation of the term ‘non-recoverable’ VAT and avoid a sub-optimal use of Union funds; calls on the Commission, Member States and the regional authorities to ensure that beneficiaries are provided with consistent information about funding conditions, particularly concerning the eligibility of expenditure and the relevant ceilings for reimbursement;
308. Deplores the fact that managing authorities presented a lower level of cost claims for reimbursement in 2015 than in 2014, which led to a fall in the level of unpaid cost claims from EUR 23,2 billion in 2014 to EUR 10,8 billion in 2015, of which EUR 2,8 billion had remained unpaid since the end of 2014; points out that delays in the budgetary execution for the 2014-2020 period should not be greater than those for the previous period and lead to an accumulation of unpaid claims towards the end of the funding period; urges the Commission to monitor the situation closely with Member States and adapt its payment plan accordingly;
309. Regrets that, as of 30 June 2016, not all Member States had transposed the directives on public procurement and urges the Commission to continue to assist Member States to increase their capacity to transpose those directives, as well as to implement all their action plans on *ex ante* conditionalities, which is an essential pre-requisite for prevention of fraudulent and non-fraudulent irregularities; stresses the importance of implementing the action plan on public procurement for European structural and investment funds in 2014-2020 with a view to simplifying, speeding up and harmonising electronic public procurement procedures;
310. Notes that the average disbursement rate for ERDF and ESF financial instruments was 57 % at the end of 2014, which represents only a 10 % increase compared to 2013; regrets the Court’s observation on the extension of the eligibility period of disbursements made to final recipients within financial instruments by means of a Commission decision rather than an amending regulation; expresses concern in the event that the Court were to rule all disbursements after 31 December 2015 as irregular; notes with concern that a significant share of initial endowments of ERDF and ESF financial instruments during 2007-2013 programming period was spent on management costs and fees;

⁽¹⁾ High-Level Group of Independent Experts on Monitoring Simplification for Beneficiaries of the European structural and investment funds.

311. Welcomes the Court's approach in focusing on performance and considers it good practice that managing authorities define relevant result indicators measuring the contribution of the projects to the achievement of the objectives set for the operational programmes in accordance with the additionality criterion; stresses the need to intensify communication; calls on the Commission to identify more efficient channels of communication in order to increase the visibility of investments using European structural and investment funds; calls on the Commission to develop a limited number of relevant indicators which can help measure performance;
312. Urges the Commission and Member States to make the best use of the territorial instruments by ensuring that in due time the integrated urban development strategies are approved for financing, which will allow cities to invest in comprehensive strategies, exploit synergies between policies and ensure a more effective long-term impact on growth and jobs;

Agriculture and Rural Development

313. Asks the Court to continue to provide separate assessments for the European Agricultural Guarantee Fund, the European Agricultural Fund for Rural Development and Heading 2, also beyond the next financial year, as separate assessments allow for targeted action for improvement of the considerably different error rates;
314. Urges both the Commission and Member State authorities to continue to address and reduce the complexities in relation to direct payments, wherever possible, and in particular if there are many different levels involved in the administration of the European Agricultural Guarantee Fund;
315. Welcomes a new generation of additional financial instruments, believes that they must be designed with clearer objectives and a sufficient degree of scrutiny at the end of the period of implementation to demonstrate their impact and ensure that they do not result in an increased error rate;
316. Calls, in relation to national payment agencies in the Member States that have fallen short of expectations in the past three years, for Union officials who are already in post rather than nationals of the Member State concerned, to be responsible in those payment agencies;
317. Draws attention to the multi-annual nature of the agricultural policy management system and emphasises that the final evaluation of irregularities related to the implementation of the regulation ⁽¹⁾ will be possible only at the end of the programming period;
318. Notes that simplification of the CAP should not put viable food production at risk and calls for measures to shift towards a low-carbon economy in the agri-food and forestry sectors;

Fisheries

319. Is satisfied to see that the follow-up to the reservations DG MARE expressed in its 2014 annual report in respect of the management and control system for the European Fisheries Fund programmes (2007-2013) has significantly reduced, to only five, the number of operational programmes and Member States concerned;
320. Is reassured that the internal control system implemented by DG MARE provides sufficient assurance to adequately manage the risk relating to the legality and regularity of the transactions;
321. Welcomes the fact that of the 12 specifically fisheries-related transactions audited by the Court, none shows a quantifiable error;
322. Regards it as regrettable, however, that the vast majority of Member States forwarded details of their operational programmes relating to the European Maritime and Fisheries Fund very late, which causes long delays in the mobilisation of funds;
323. Notes in consequence that no expenditure was declared to the Commission before 30 June 2015 and therefore no expenditure was monitored by that date; points out that Member States are responsible for implementing appropriations under shared management;

⁽¹⁾ Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005 (OJ L 347, 20.12.2013, p. 487).

Culture and Education

324. Reiterates that the incorporation of all mobility programmes for young people in the Union into Erasmus+ is primarily intended to increase their efficacy, and therefore urges the Commission to stick to the agreed aims and programme budget lines in order to avoid the programme losing its focus;
325. Welcomes the responsiveness of both Erasmus+ and Creative Europe in reacting to the emerging challenges of refugee/migrant integration and anti-radicalisation in 2015;
326. Notes that loans under the Student Loan Guarantee Facility (Erasmus+ Master Loan) were made available for the first time in 2015, with two banks in Spain and France launching the scheme; insists that, to become a viable loan facility, it will be vital to ensure broad geographic coverage and for the Commission to monitor closely the lending conditions;
327. Recalls that 2015 was the first year in which the Creative Europe programme was managed across two Commission directorates-general, the Directorate-General for Education and Culture and the Directorate-General for Communications Networks, Content and Technology; insists on the need for a coordinated approach so that internal organisational challenges do not impair the functioning of the programme or public perception of it;

Civil liberties, justice and home affairs

328. Calls on the Commission to draft and submit to the discharge authority a track record of cases of conflicts of interest identified;
329. Regrets that key performance indicators in DG HOME's annual activity report do not cover the numbers of people assisted, resettled, relocated and returned in 2015; regrets the lack of indicators to evaluate the effect of measures adopted to reinforce coordination and cooperation between national law enforcement authorities;
330. Encourages the development of clearer and long-term political priorities with more concrete translation into operational priorities; in this respect stresses the importance of closer cooperation with other bodies, especially the agencies;
331. Regrets the lack of alignment of the Commission's information security governance structures with recognised best practices (as per the Internal Audit Service audit report);

Gender issues

332. Points out that gender equality should be a cross-cutting objective for all policy areas; notes, however, that some of the programmes do not have specific targeted actions with specific budget allocations to fulfil this objective and a better collection of data should result not only in the quantification of appropriations allocated to actions contributing to gender equality but also in an improvement of the evaluation of the impact of those Union funds;
 333. Repeats its calls on the Commission to consider gender budgeting at all stages of the budgetary process, including, inter alia, in the implementation of the budget and the assessment of its execution, including EFSI, ESF, ERDF, Horizon 2020, in order to combat the discrimination taking place in Member States; stresses that a common set of quantifiable result and impact indicators, which would allow for better assessment of the implementation of the budget from the gender perspective, should be incorporated in the planning, implementation and evaluation of the budget, in line with the Budget Focused on Results initiative and the focus on performance;
 334. Calls on the Commission to use gender budgeting analysis of both new and existing budget lines and, where possible, to make necessary policy changes to ensure that gender inequality does not occur indirectly.
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RESOLUTION (EU, Euratom) 2017/1608 OF THE EUROPEAN PARLIAMENT
of 27 April 2017
on the Court of Auditors' special reports in the context of the 2015 Commission discharge

THE EUROPEAN PARLIAMENT,

- having regard to the special reports of the Court of Auditors drawn up pursuant to the second subparagraph of Article 287(4) of the Treaty on the Functioning of the European Union,
 - having regard to the general budget of the European Union for the financial year 2015 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2015 (COM(2016) 475 — C8-0338/2016) ⁽²⁾,
 - having regard to the Court of Auditors' annual report on the implementation of the budget for the financial year 2015, 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 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to its decision of 27 April 2017 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2015, Section III — Commission ⁽⁵⁾, and to its resolution with observations that forms an integral part of that decision,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2015 (05876/2017 — C8-0037/2017),
 - having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾ and in particular Articles 62, 164, 165 and 166 thereof,
 - having regard to Rule 93 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0160/2017),
- A. whereas, under Article 17(1) of the Treaty on European Union, the Commission is to execute the budget and manage programmes and, pursuant to Article 317 of the Treaty on the Functioning of the European Union, is to implement the budget in cooperation with the Member States, on its own responsibility, having regard to the principles of sound financial management;
- B. whereas the special reports of the Court of Auditors provide information on issues of concern related to the implementation of funds, and are thus useful for Parliament in its role as discharge authority;
- C. whereas its observations on the special reports of the Court of Auditors form an integral part of Parliament's aforementioned decision of 27 April 2017 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2015, Section III — Commission;

Part I — Special Report No 18/2015 of the Court of Auditors entitled 'Financial assistance provided to Member States in difficulties'

1. Takes note of the findings and recommendations of the Court of Auditor's (the 'Court') Special Report;
2. Welcomes the first special report of the Court on economic governance in the Union and looks forward to the upcoming reports that will be published in the coming year;

⁽¹⁾ OJ L 69, 13.3.2015.

⁽²⁾ OJ C 380, 14.10.2016, p. 1.

⁽³⁾ OJ C 375, 13.10.2016, p. 1.

⁽⁴⁾ OJ C 380, 14.10.2016, p. 147.

⁽⁵⁾ Texts adopted of that date, P8_TA(2017)0143 (see page 26 of this Official Journal).

⁽⁶⁾ OJ L 298, 26.10.2012, p. 1.

3. Regrets that the Court has not included in this report all the Member States that received financial assistance since the beginning of the financial crisis, including the programme for Greece in order to facilitate a comparison;
4. Welcomes however that the Court will produce a separate special report on Greece; calls on the Court to compare the results of both special reports and in particular to address the suggestions of the Parliament to the report on Greece, including medium and long term results (i.e. present debate on possible debt-relief);
5. Encourages the Court to further reinforce its own human resources and expertise in this area to improve the quality of its work; calls on the Court in the meanwhile to take fully into consideration the external expertise reports requested by the Court as a background basis for the audit;
6. Draws attention to the fact that the Court limited the audit to the very short term and concrete scenario of financial assistance as decided by the Council without taking into consideration other potential solutions to the fiscal imbalances that were already part of public and academic debate, such as the mutualisation of sovereign debt or debt relief;
7. Regrets that the report limits its focus to the management of the assistance but does not analyse, nor question, the programme's content and the conditions negotiated for financial assistance;
8. Takes note that the specific measures taken at the Union political level and the main features of the programmes have only been described in the special report; encourages the Court to analyse if the measures adopted were appropriate to the objectives of the programmes and the way they have interacted with the wider policy framework and long term objectives, including the Europe 2020 Strategy;
9. Takes note that the objectives of the financial assistance programmes were for the assisted countries to return to financial markets, achieve sustainable public finances, and return to growth and reduce unemployment; regrets that the Court's findings have not fully analysed the results of the programme against these objectives;
10. Notes that the Court primarily focused its conclusions on the Commission as the manager of the financial assistance, but considers that for a better understanding, further attention should have been paid to the International Monetary Fund and the European Central Bank which initially supported the Commission in the preparation and monitoring of the programmes;
11. Shares the view of the Commission that the role of the Council and other partners has been underestimated in the establishment and management of the programme; asks the Court and Commission to analyse the relevance of the measures adopted by the Council, the role of the European Central Bank and whether these were appropriate to meet the objectives of the programme and contributed to the Union's objectives, including phasing out the economic crisis, more jobs and growth;
12. Regrets that the partners did not always share all available information with the Commission, which led to inconsistent approaches by the negotiating team; urges the Commission to set up formal agreements with its partners in order to have full access to all information available in due time and thus avoid such problems in the future;
13. Highlights that some of the reforms indicated in the programmes (i.e. reform of labour markets) can only lead to results in competitiveness in the very long term, while assistance programmes seek mainly more immediate, short-term results;
14. Notes that the programmes have been mainly based on the side of expenditure (reforms on labour markets, pension and unemployment schemes, reduction of local entities etc.) as well as cuts to public programmes; understands that these cuts have been made in order to reform the financial markets of the assisted countries;
15. Urges the Council to carefully review the toolbox and set of measures available for financial assistance in future programmes in order to reduce the impact on the population, the non-desired effect on internal demand and the socialisation of the costs of the crisis;

16. Highlights that financial assistance provided to the Member States in difficulties took the form of loans borrowed on the capital markets using the Union budget as a guarantee; considers that the role of the Parliament as budgetary authority in these programmes has been undermined, thus further reducing the democratic legitimacy of the financial assistance provided;
17. Urges the Commission to increase the level of Parliament's involvement in the framework of financial assistance when the Union budget it is at stake;
18. Considers it important to study the role of the European Central Bank in indirectly helping Member States to meet their objectives and on the wider support to the financial architecture of the Union during the time of the financial programmes;
19. Considers that at the onset of the crisis it was difficult to have predicted some abrupt imbalances with devastating effects in some Member States; highlights the difficulty of predicting the magnitude and nature of the 2007-2008 global financial crises which was unprecedented;
20. Shares the Court's view that the attention paid to the pre-crisis surveillance legal framework was not adequate in identifying the risk in the underlying fiscal positions in times of severe economic crisis;
21. Welcomes the approval by the legislators of the 'six' and 'two' pack introduced as a result of the financial crisis which addressed the surveillance weakness that the crisis revealed; considers however that the reform of the Union economic governance framework in the past years has not lead to a complete phase-out of the crisis and calls on the Commission to further analyse the strengths and weaknesses of the new framework compared to other similar economies (i.e. US, Japan and other OECD countries) and to propose new reforms, if necessary;
22. Calls on the Commission to follow the Court's recommendation to further improve the quality of its macro-economic and fiscal forecasts;
23. Takes note of the Court's conclusion that the Commission achieved in difficult time constraints and limited experience ex novo duties to manage the financial assistance programmes; highlights the Court's conclusion that this was an achievement taking into consideration the circumstances;
24. Welcomes the decision to allow the management of financial assistance to be the responsibility of the Commission instead of other financial partners, allowing tailored assistance that takes into consideration particularities and ownership of the Member States;
25. Is of the opinion that while Member States should be treated equally, the flexibility to tailor and adjust programmes and reforms to particular national circumstances is also necessary; considers that for future programmes of the Commission and reports of the Court, it should be necessary to identify and differentiate the implementation of strictly Union measures from the national conjunctural agendas;
26. Takes note of the Court's comment as regards the Commission's difficulties in keeping track of the information and that its processes were not geared towards retrospective evaluation of the decisions taken;
27. Underlines that in the early phase of the programmes, the Commission was operating under severe time and political pressure in the face of uncertain risks that challenged the stability of the whole financial system with unpredictable consequences in the economy;
28. Considers that, whilst not having prior experience on financial assistance, the Commission 'learnt by doing' and managed to properly put in place relatively quickly those programmes and improved its management for the later ones;
29. Shares the Court's recommendations that the Commission should further analyse the key aspects of the countries' adjustments, but also should compare economic forecasts including housing market, public and private national debts; urges all Member States to provide systematically and regularly the appropriate data to the Commission;

30. Considers that the timeframe since the launch of the first Union programme until the end of the Court's analysis should give the opportunity to include improved recommendations both on the improvements and the results of the programme to future programmes, as a result of the inter-institutional and adversarial dialogue between the Court and the Commission;
31. Considers that, on grounds of transparency, better information and communication to citizens, the replies of the Commission and the opinion of the Court should be presented in a double column to allow comparison of views as is done for the annual report of the Court;
32. Taking into account the sensitivity of these new reports on Union financial governance, recommends that the press releases and other communication documents should reflect thoroughly the findings and recommendations of the Court;

Part II — Special Report No 19/2015 of the Court of Auditors entitled 'More attention to results needed to improve the delivery of technical assistance to Greece'

33. Notes that at the time this resolution was being drafted, the Commission had already presented its proposal for the establishment of the Structural Reform Support Programme (SRSP); welcomes the fact that the Commission has evidently taken the recommendations from the Court into consideration and hopes the SRSP will emerge as a strong tool for technical assistance based on the lessons learned from the Task Force on Greece;
34. Is concerned that the ad-hoc, rapid set-up of the task force caused some of its operational problems; calls for a thorough assessment of the situation on the ground and formulation of a concise step-by-step action plan as mandatory preliminary exercise of any technical assistance project; requests that in its subsequent technical assistance programmes the Commission applies a more planned approach, including a timeline with start and end date for mandates;
35. Underlines that a dedicated budget is an essential pre-requisite to a successful technical assistance programme, both for planning and streamlining expenses, thus avoiding different levels of control and rules to be observed, related to separate budget lines;
36. Notes that the task force managed an impressive number of projects involving multiple partner organisations; believes that the impact of technical assistance could have been improved by streamlining programmes, limiting the number of partner organisations and scope of projects to minimise administrative coordination efforts and increase efficiency;
37. Regrets that the beneficiary Member State as well as the task force did not provide the Commission with regular activity reports; points out that the Commission should insist on receiving quarterly activity reports without excessive delay and a comprehensive final report in the form of an *ex post* evaluation within a reasonable timeframe after the conclusion of the work of the Task Force on Greece; requests that the Commission monitor the implementation of technical assistance systematically in order to focus on results-oriented technical assistance; requests further that the technical assistance and the Task Force on Greece should include in their various reports an accounting of how and where exactly the so-called 'bailout' funds for Greece were disbursed;
38. Calls on the Commission, Parliament and Council to use the discussion on the SRSP for the period 2017 to 2020 as an opportunity to revise the good practice of domain leaders; encourages the Commission to find a system together with the Member States to hire experts directly from the Member States, thus avoiding another layer of complexity and administrative burden by circumventing national agencies;
39. Demands the Member States to show stronger commitment: a performance-based approach would allow the Parliament as well as national parliaments to play a more supportive role through their respective budget oversight committees;

Part III — Special Report No 21/2015 of the Court of Auditors entitled 'Review of the risks related to a results-oriented approach for Union development and cooperation action'

40. Welcomes the Court's report and sets out its observations and recommendations below;

41. Acknowledges the fact that the Commission has integrated risk analysis into the management of its external operations, which are carried out in complex and fragile environments with numerous types of risks, partner countries having differing levels of development and governance frameworks;
42. Especially welcomes the Court's recommendation to the Commission to improve the use of terminology regarding long-term results (outputs, outcomes and impacts) and stresses the importance of formulating true SMART objectives before any decision on financing different projects is taken;
43. Highlights the need to put extra focus on formulating 'attainable and realistic' goals to avoid the cases where the initial objectives were met by partner countries but without significant results in terms of development;
44. Considers it necessary to refrain from focusing on budgetary outturn as the sole management objective, as this can be detrimental to the principle of sound financial management and the achievement of results;
45. Recalls that the regular monitoring and mapping of high risk factors (external, financial and operational) and their quantification, from identification to implementation phases, is a prerequisite not only for a good financial management and quality expenditure but also to ensure the credibility, sustainability and reputation of the Union interventions; takes the view that setting-up activities and countries' risk profiles also facilitate the design of a rapid risk mitigation strategy in case of deterioration of the situation in a partner country;
46. Highlights the need to regularly adapt the control environment and risk management functions to take into account the emergence of new forms of assistance instruments and facilities like the blended finance, trust funds and financial partnerships with other international institutions;
47. Reiterates the view that a new balance between absorption, compliance and performance is needed and to be reflected in the management of operations;
48. Believes that developing partner countries' capacity building, governance frameworks and ownership is also an important way to mitigate systemic risks in order to favour a conducive environment allowing funds to reach their intended purposes and respond to the 3 Es requirements (economy, efficiency and effectiveness);
49. Also considers necessary the strengthening of political and policy dialogue, aid conditionality and the logical chain framework in order to ensure both the coherence between decision and preconditions of payments or disbursements in financing agreements by clearly linking payments to the achievement of actions and results as well as the relevance of selected objectives and indicators;
50. Encourages, particularly in the case of co-funded and multi-donor initiatives, international institutions to:
 - assess and plan the future benefits of a project and the way each partner contributes towards the final outcomes and broader impacts so as to avoid the questions about the results ownership, i.e. which part of the results was attributable to the Union funding or to other donors' interventions,
 - combine their governance frameworks with the Union one, notably by improving their risk management methods; considers that the fungibility of funds should be closely monitored for its high level of fiduciary risk;
51. Calls on the Commission to ensure that the connection between evaluations and policy formulation is effective by taking into account all lessons learned in the decision-making process;
52. Recalls that undermining performance monitoring and results evaluation is detrimental to public accountability and to comprehensive information for policymakers;

Part IV — Special Report No 23/2015 of the Court of Auditors entitled 'Water quality in the Danube river basin: progress in implementing the Water Framework Directive but still some way to go'

53. Believes that the guidelines for a more differentiated reporting on progress with regard to water quality should be provided by the Commission;

54. Agrees with the Court that the Commission should foster comparability of data, for example, by reducing the discrepancies in the number of physicochemical substances that are assessed for the ecological status;
55. Highlights the need for the Commission to continue its follow-up of Member States' progress in reaching good water quality, the objective of the water framework directive;
56. Invites the Member States to ensure good-quality water monitoring in order to have accurate information on the situation and origin of pollution by water body, to allow better targeting and increase cost-effectiveness of the remedial measures;
57. Encourages the Member States to ensure coordination between those bodies defining measures in the river basin management plans and those approving projects for funding;
58. Encourages the Member States to assess and ensure the effectiveness of the enforcement mechanisms, in particular the coverage to be achieved and the deterrent effect of the penalties applied;
59. Invites the Member States to assess the potential of using the water pollution charge as an economic instrument and as a way to apply the 'polluter pays' principle at least for the main substances which negatively affect water quality;
60. Calls on the Commission to consider systematically assessing not only the existence, but also the adequacy of the good agricultural and environmental condition standards and minimum requirements adopted by the Member States;
61. Notes that the Commission should provide guidance on the possible methods for cost recovery in the field of diffuse pollution;
62. Calls on the Member States to assess the potential of using economic instruments, such as environmental taxes, as an incentive to reduce pollution and as a way to apply the 'polluter pays' principle;
63. Invites the Commission and the Member States to identify ways for simplifying the set-up and implementation of the checks and for ensuring their effectiveness, on the basis of an inventory of the enforcement of both Union and national mechanisms;

Part V — Special Report No 24/2015 of the Court of Auditors entitled 'Tackling intra-Community VAT fraud: More action needed'

64. Is of the opinion that the Commission should initiate the establishment of a common system of estimating the size of intra-Community VAT fraud, which would allow Member States to evaluate their performance against adequate indicators; considers that the performance should be in terms of reducing the intra-Community VAT fraud, increasing detection of fraud and increasing tax recovery following the detection of fraud;
65. Believes that, in order to improve the performance of Eurofisc as an efficient early warning system, the Commission should recommend to Member States to: (a) introduce a common risk analysis to ensure that the information exchanged through Eurofisc is well targeted to fraud; (b) improve the speed and frequency of these information exchanges; (c) use a reliable and user-friendly IT environment; (d) set up relevant indicators and targets to measure the performance of the different working fields; (e) participate in all Eurofisc working fields;
66. Calls on the Commission in the context of its evaluation of the administrative cooperation arrangements among the Member States for exchanging information between their tax authorities to fight against intra-Community VAT fraud, to carry out monitoring visits selected on a risk basis; believes that these monitoring visits should focus on improving the timeliness of Member States' replies to information requests, the reliability of the VAT Information Exchange System, the speed of Multilateral Controls, and the follow-up of the findings of its previous reports on administrative cooperation;
67. Bearing in mind that Member States need information from non-Union countries to enforce VAT collection of e-commerce business-to-consumer services and intangibles supplied via the internet, calls on the Commission to support the Member States in negotiating mutual assistance arrangements with the countries where most of the digital service providers are established and in signing these arrangements, in order to strengthen cooperation with non-Union countries and enforce VAT collection;

68. Is of the opinion that while intra-Community VAT fraud is often linked with organised criminal structures, the Commission and Member States should remove legal obstacles preventing the exchange of information between administrative, judicial and law enforcement authorities at national and Union level; considers, in particular, that the European Anti-Fraud Office (OLAF) and Europol should have access to the VAT Information Exchange System and Eurofisc data and that Member States should benefit from intelligence information supplied by them;
69. Believes that the Commission should provide sufficient financial resources in order to ensure the viability and sustainability of the operational action plans set up by Member States and ratified by the Council under the umbrella of the European Multidisciplinary Platform Against Crime Threats initiative;

Part VI — Special Report No 25/2015 of the Court of Auditors entitled ‘EU support for rural infrastructure: potential to achieve significantly greater value for money’

70. Recognises the importance of rural infrastructure investments supported by Union funds, especially by the European Agricultural Fund for Rural Development for needs, whose benefits go beyond agriculture, which otherwise may have not been funded given significant economic challenges and scarcity of financing faced by rural areas;
71. Notes that European Agricultural Fund for Rural Development funding to infrastructure projects is based on shared management where Member States are responsible for management, monitoring and control as well as for selection and implementation of projects, while the role of the Commission is to supervise the proper functioning of the management and control systems in Member States; believes that these roles should be more clearly defined so that beneficiaries are clear as to which areas monitoring bodies have competence over; underlines that both the Commission and Member States must respect the principles of sound financial management;
72. Considers the Court’s findings and recommendations, included in the Special Report No 25/2015, useful for further improvement of the performance-based utilisation of Union funded investments in rural infrastructure and for achievement of better results and value for money; requests that the Commission implement them;
73. Strongly recommends that the Union investments in rural infrastructure be targeted at projects that allow improvement of public services and/or contribute to the creation of jobs and economic development in rural areas, and for which there is a demonstrable need for public support and which deliver added value, while also ensuring that these funds are additional investments, and are not used as a replacement of national funding to essential services;
74. Recommends that Member States use a coordinated approach which quantifies needs, where applicable, and funding gaps and justifies the use of the Rural Development Programme (RDP) measures, and which considers not only Union funds and programmes, but also national, regional and local programmes and public and private funds that could address — or are already addressing — the same needs as the RDP;
75. Calls on the Commission to build upon the first steps taken to ensure effective coordination and complementarity between the different funds of the Union, undertaken through the checklist used by it to ensure the consistency of the 2014-2020 RDPs, and to provide further guidance to Member States during the implementation of the programmes on how to achieve not only better complementarity, but also on how to avoid the risk of substitution of funds and to mitigate the risk of deadweight; in this regard, asks the Commission also to intervene by promoting good practices;
76. Recommends to the Member States, in order to mitigate the risk of deadweight, before setting aid rates for infrastructure measures to assess the appropriate level of public funding needed to encourage investments, as well as during the project selection process to check, where appropriate before approving applications for support, whether the applicant has sufficient capital or access to capital to finance all or part of the project; encourages better use of management information systems by the Member States;
77. Calls for the principle of additionality to be respected at all levels and insists therefore on a proper set-up of monitoring committees and their active participation in the process of coordination; asks the Commission to properly utilise its advisory role in the monitoring committees;

78. Welcomes the Commission's guidance issued in March 2014 encouraging Member States to ensure that eligibility and selection criteria are applied in a transparent and consistent way throughout the programming period, that selection criteria are applied even in cases when the budget available is sufficient to fund all eligible projects and that projects with a total score that is below a certain threshold are excluded from support; calls on the Member States to strictly follow this guidance for Union-funded rural infrastructure projects;
79. Request that the Member States establish and consistently apply criteria to ensure the selection of the most cost-effective projects, that is to say the projects with the potential to make the greatest contribution to the RDP objectives per unit of cost; asks them to ensure that project cost estimations are based on up-to-date price information that reflects actual market prices and that public procurement procedures are fair and transparent and promote genuine competition; notes the guidelines on how to avoid common errors in the Union co-funded project, developed by the Commission at the end of 2014, and encourages all Member States to fulfil the *ex ante* conditionality for public procurement requirements by the end of 2016;
80. Calls also for greater transparency in the selection process; considers that public opinion on local problems in rural areas should be taken into consideration by managing authorities when approving grant applications; recognises that local action groups may play an important role in this process;
81. Recommends that the Commission include in the scope of its future audits an examination of performance aspects concerning rural infrastructure projects; expects the changes made for the 2014-2020 programming period by the Commission, based on the identified past problems, to bring the intended improvement;
82. Requests that the Commission and the Member States introduce requirements that oblige beneficiaries to ensure long-term sustainability and proper maintenance of the infrastructure financed by Union investments, and to check implementation of respective requirements;
83. Requests that Member States set a reasonable timeframe for processing grant and payment applications and respect it, as in most cases beneficiaries have already drawn down bridging loans to complete works;
84. Recommends that for the 2014-2020 period, the Commission and the Member States collect timely, relevant and reliable data that provides useful information on the achievements of the projects and measures financed; expects that this information will allow conclusions to be drawn on the efficiency and effectiveness of the funds spent, identify the measures and types of infrastructure projects delivering the greatest contribution to the Union objectives and provide a sound basis for improving the management of the measures;
85. Encourages the Member States to ensure that clear, specific and where possible quantified objectives are set for the projects to which funds are committed, and thus to facilitate the execution and monitoring of the projects, and useful feedback for the managing authorities;
86. Acknowledges that 'community-led local development' is an important tool for overcoming the deficiencies identified by the Court;

Part VII — Special Report No 1/2016 of the Court of Auditors entitled 'Is the Commission's system for performance measurement in relation to farmers' incomes well designed and based on sound data?'

87. Recommends that the Commission develop a more comprehensive statistical framework to provide information on the disposable income of farm households and to better capture the standard of living of farmers; believes that for this purpose the Commission should, in cooperation with the Member States and based on a common methodology, consider how best to develop and combine existing Union statistical instruments;
88. Recommends that the Commission improve the framework for the comparison of farmers' incomes with incomes in other sectors of the economy;
89. Calls on the Commission to further develop the Economic Accounts for Agriculture so that their potential could be better used in order to:
 - provide more detailed information on the factors impacting agricultural income,
 - ensure transmission of regional-level data based on formal arrangements with the Member States.

90. Is of the opinion that the Commission should examine whether the Economic Accounts for Agriculture can be further developed to provide a reasonable estimate of the economic value of the public goods that are produced by farmers and ensure that Economic Accounts for Agriculture information is used appropriately in income indicators;
91. Recommends that the Commission base its analysis of farmers' incomes on indicators taking account of the current situation of agriculture and on sufficient and consistent data for all beneficiaries of CAP measures; considers that this could be done by developing synergies between existing administrative data or by developing the Farm Accountancy Data Network or other suitable statistical tools;
92. Is of the opinion, in view of the importance of the Economic Accounts for Agriculture for monitoring the CAP, that the Commission should introduce regular quality reporting on the Economic Accounts for Agriculture and obtain reasonable assurances that Member States set up a quality assurance framework to ensure that data provided by Member States are comparable and compiled in line with the quality criteria applying to European statistics;
93. Recommends that the Commission address weaknesses identified in the implementation of the Farm Accountancy Data Network by agreeing a clear timetable with the Member States concerned and encouraging better use of the system's potential;
94. Urges the Commission further to develop the present quality arrangements for the establishment of the Farm Accountancy Data Network statistics by the Member States to ensure that, in all Member States, sectors and size classes of holdings that are of interest for the CAP are adequately represented, reflecting also the choices made by Member States in terms of CAP options;
95. Recommends, taking into consideration the weaknesses identified by the Court, that the Commission improve the reliability and completeness of performance information of the CAP measures in relation to farmers' incomes by:
 - defining from the outset appropriate operational objectives and baselines against which the performance of the CAP measures can be compared for the next programming period,
 - in the context of its evaluations, complementing the current framework of performance indicators with other relevant and good-quality data to measure the results achieved,
 - also in the context of its evaluations, assessing the effectiveness and efficiency of the measures designed to support farmers' incomes;

Part VIII — Special Report No 3/2016 of the Court of Auditors entitled 'Combating eutrophication in the Baltic Sea: further and more effective action needed'

96. Welcomes the Court's report and endorses its recommendations;
97. Deeply regrets that even though between 2007 and 2013, the Union contributed EUR 14,5 billion to waste water treatment and water protection measures in Union Member States in the Baltic Sea region, in addition to EUR 44 million to water quality improvement in Russia and Belarus in 2001-2014, limited progress has been achieved to reduce nutrient emissions; asks the Commission to pay special attention to the cost-effectiveness of the above-mentioned measures;
98. Highlights that eutrophication is one of the key threats to reaching a good ecological status for the Baltic Sea; emphasises the importance of combatting the eutrophication of one of the world's most polluted seas; therefore, regrets that limited progress has been made on nutrient reduction in the frame of the Baltic Marine Environment Protection Commission's (HELCOM's) nutrient reduction scheme which allocates nutrient reduction targets to each Baltic country; regrets that the Union directive has been only partially applied by some Members States;
99. Stresses that the Member States should create their nitrates programme procedures based on the most recent scientific indication and advice;
100. Asks the Commission to request that Member States collect information on the cost-effectiveness of nutrient load reduction measures in order to have a robust analysis for establishing future programmes of measures;
101. Urges the Commission to improve the reliability of monitoring data on nutrients in the Baltic Sea as the reliability is not assured;

102. Urges the Commission to promote effective designation of nitrate vulnerable areas to Member States in order to put in place sufficient measures in highly vulnerable areas and on the other hand avoid putting an unnecessary burden on farmers operating in areas that are not nitrate vulnerable; emphasises that the Member States in the Baltic Sea region should re-evaluate their designation of nitrate vulnerable areas;
103. Notes with concern the lack of effectiveness of actions to reduce nutrient pollution of urban waste water; asks the Commission to ensure effective follow-up of the implementation of the Urban Waste Water Directive⁽¹⁾ and ensure that Member States comply fully with the directive;
104. Regrets that the HELCOM recommendations have been only partly achieved and implemented under the Union directive for specific activities;
105. Notes that the leverage effect has been high in financing the projects in Russia and Belarus; is worried however about the delays in projects which might result in significant losses of resources; asks the Commission to continue its efforts in this regard and to focus more closely on key polluters identified by HELCOM; also believes that in regard to the cooperation among Union and non-Union states best practices should be identified and applied widely;

Part IX — Special Report No 4/2016 of the Court of Auditors entitled ‘The European Institute of Innovation and Technology must modify its delivery mechanism and elements of its design to achieve the expected impact’

106. Welcomes the report dedicated to the European Institute of Innovation and Technology (EIT) and sets out its observations and recommendations below;
107. Welcomes the Court’s findings and recommendations;
108. Notes that the Court has identified several weaknesses in key concepts and operational processes and has given four recommendations if the EIT wants to become the ground-breaking innovative institute;
109. Recalls the discharge 2012 and 2013 on the EIT in which the decision on granting the EIT discharge was postponed, based on the lack of assurance on the legality and regularity of the EIT’s grant transactions, inappropriate evidence not surpassing the ceiling of 25 % of the knowledge and innovation communities’ (KICs) global expenditure, the high level of carry-overs not being implemented and the delays in the implementations of the recommendations of the Commission’s Internal Audit Service;
110. Considers that the current report of the Court gives rise to serious concerns about the basis, funding model and the operation of the EIT;
111. Notes the reply of the Commission on the report, whereby the Commission gives its point of view on the facts and findings; observes that the Commission agrees with the majority of the recommendations of the Court;
112. Notes that the report states that in 2015 several improvements were made by the EIT that seem to reflect the findings and recommendations of the Court; notes that close monitoring and evaluation is needed to verify the effects of these improvements;
113. Emphasises that a multiannual grant agreement between the EIT and the KICs and the multiannual strategy of the KICs should not stand in the way of the KICs’ annual reporting;
114. Emphasises that performance monitoring and results evaluation is essential to public accountability and to comprehensive information for policymakers; highlights that this must also apply in the case of the EIT and KICs;
115. Notes that the Commissioner for Research, Science and Innovation introduced in 2015 the concept of ‘Open Innovation’ as the key policy concept to frame innovation policy at Union level; considers that it is not clear which role the EIT plays in this concept; emphasises that this concept does not provide a clear framework for the development of a coherent and coordinated action by the Commission, given the number of policies and instruments in the mix and number of directorate generals involved in supporting the innovation;

⁽¹⁾ Council Directive 91/271/EEC of 21 May 1991 concerning urban waste water treatment (OJ L 135, 30.5.1991, p. 40).

116. Calls on the Commission to ensure a coordinated and efficient innovation policy, in which the responsible directorates-general tune up the activities and instruments, and to inform the Parliament on these efforts;
117. Is concerned by the fact that in the KICs the involvement of businesses in the choice of research projects could lead to situations where researchers are financially and otherwise linked to the industry and may no longer be seen as independent; expresses this concern in the light of developments in which the influence of businesses in science and fundamental research has grown;
118. Understands the EIT's mission to promote cooperation among higher education, research and innovation; notes that companies may often be the main beneficiary, being the legal owners of innovative products brought to the market and receiving financial profits; stresses the need in this situation to consider the possibility of incorporating a structure in the cooperation-model in which given funds could, at least partially, flow back to the EIT;
119. Believes that the improvements mentioned and the agreement of the Commission on the recommendations are reason to await further developments within the EIT;
120. Calls on the EIT to give the discharge authority in its 2016 annual report an in-depth analysis of the implementation of the Court's recommendations;
121. Calls on the Commission to provide Parliament with a follow-up report on the implementation and monitoring of and actions taken regarding the Court's recommendations;

Part X — Special Report No 5/2016 of the Court of Auditors entitled 'Has the Commission ensured effective implementation of the Services Directive?'

122. Welcomes the Court's report, endorses its recommendations and is pleased that the Commission accepts these and will take them into account in future;
123. Notes that despite the limitation of its scope by the exclusion of provision of some services, the Service Directive ⁽¹⁾ has a very broad field of application, which required the Commission to have a set of measures to ensure its correct implementation;
124. Stresses that the services market has not achieved its full potential and that the impact on growth and jobs of successful implementation of the Services Directive is high; while the potential economic benefit of full implementation of the directive is still not known, considers that the Commission should develop a study in order to estimate the output gains in the most reliable quantitative terms possible;
125. Encourages subsequent inclusion of more sectors in order to achieve a broader removal of sectorial obstacles to market integration with a final goal of removing of barriers in the internal market for services and developing full Union potential for growth, competitiveness and job creation;
126. Considers that Member States could have made better use of the measures provided by the Commission to support transposition, implementation and enforcement, especially by sharing the problems faced in the different stages of the procedure, discussing possible common solutions and exchanging best practices;
127. Agrees that the Commission should reduce the length of infringement procedures as much as possible;
128. Regrets that tools such as the points of single contact, the Internal Market Information System and the European Consumer Centres (ECC-net) were not sufficiently known and used by businesses and consumers when having an issue related to the application of the Services Directive;
129. Notes that the provision of services online continue to be limited due to uncertainties for providers and recipients;

⁽¹⁾ Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on services in the internal market (OJ L 376, 27.12.2006, p. 36).

Part XI — Special Report No 6/2016 of the Court entitled ‘Eradication, control and monitoring programmes to contain animal diseases’

130. Welcomes the recommendations of the Court and welcomes the Commission’s acceptance;
131. Welcomes that the animal disease programmes were evaluated as successful by the audit and that the technical advice, risk analysis and supporting mechanisms were graded as good; welcomes the positive results of these programmes on the animal health in the Union; encourages the Commission and the Member States to apply the successful approach also in the future;
132. Believes that the extensive output indicators for national programmes for the eradication, control and monitoring of certain animal diseases and zoonoses should be further improved, particularly relating to the technical implementation and economic indicators, which would allow for an analysis of the cost-effectiveness of the programmes;
133. Notes the Commission’s view that establishing of the cost-effectiveness of the programmes is difficult, especially as there are no models available even on the international level; further notes that the cost-benefit of the programmes has been proven by avoiding the spread of disease and human infection and by saving lives;
134. Notes that the exchange of epidemiological information and the ready access to historic results could be better supported by the relevant information systems, allowing for better coordination of control activities between Member States; notes that according to the Commission, existing IT tools are being developed to better support the Member States; encourages the Commission to ensure an added value of the developed IT tools for the exchange of necessary information;
135. Considers that the Commission should support the availability of vaccines for use by the Member States when epidemically justified; welcomes the fact that the vaccine/antigen banks have already been put in place for two diseases; encourages the Commission to continue with a risk analysis that might determine a potential need for other vaccine/antigen banks;
136. Notes that the Commission accepts to ensure that Member States systematically include, when relevant, the wildlife aspect in their veterinary programmes;
137. Notes that the programmes in certain countries were not as successful in eradication of the animal diseases and that progress was rather slow; invites the Commission in cooperation with the Member States to prioritise these specific cases and to prepare a detailed strategy that would help to streamline the eradication of the diseases, in particular of the bovine tuberculosis in the UK and Ireland and ovine and caprine brucellosis in the south of Italy;
138. Notes with concern that the underlying legislation covering the topic of animal disease remains overly complex and fragmented; welcomes the adoption of an umbrella piece of legislation — the regulation on transmissible animal diseases (the ‘Animal Health Law’) ⁽¹⁾ in March 2016; notes that the new regulation will be applicable 5 years following the adoption; welcomes the fact that the new regulation will offer streamlined, simpler and clearer rules;

Part XII — Special Report No 7/2016 of the Court of Auditors entitled ‘The European External Action Service’s management of its buildings around the world’

139. Welcomes the Court’s report and sets out its observations and recommendations below;
140. Emphasises that the EEAS and the Member States have a shared interest in further developing local cooperation in the area of management of buildings with a specific and continuous attention to be devoted to security issues, best value for money and the Union’s image;
141. Welcomes the increase in co-location projects of Union delegations with Member States with the signature of 17 co-location memoranda of understanding; encourages the EEAS to further seek ways to extend this good practice; considers that this policy should include innovative approaches aiming at defining both a coordinated strategy of co-location with Member States eager to do so and appropriate cost-sharing arrangements related to buildings and logistics;

⁽¹⁾ Regulation (EU) 2016/429 of the European Parliament and of the Council of 9 March 2016 on transmissible animal diseases and amending and repealing certain acts in the area of animal health (‘Animal Health Law’) (OJ L 84, 31.3.2016, p. 1).

142. Regrets the insufficient recording and inaccuracies in the information system for managing delegations office buildings and residences; asks for a regular review of the completeness and reliability of data encoded by Union delegations;
143. Urges the EEAS to reinforce its management control and monitoring tools of all the costs incurred in the building policy in order to ensure an accurate overview and follow-up of all the expenditure; considers that emphasis should be put on the respect of the ceilings defined in the building policy to decrease the total annual rent of delegations' offices, the adequacy of contributions paid by co-located entities, the coverage of the running costs involved in co-location situations and the correctness of costs with local market conditions;
144. Believes that legal and technical expertise in real estate management should be swiftly developed while considering any cost-effective alternative options, such as hiring external expertise, like local brokers, to prospect the market or possibly negotiate with landlords;
145. Supports the implementation of a medium-long term strategy identifying all options from investment priorities or possibilities of purchases, renting renewals to the sharing of premises with Member States, taking account also of staff projections and policy planning and development;

Part XIII — Special Report No 8/2016 of the Court of Auditors entitled 'Rail freight transport performance in the EU: still not on the right track'

146. Welcomes the Court's report, endorses its recommendations and is pleased that the Commission accepts these and will take them into account;
147. Draws attention to the areas where action by Member States and Commission is most needed: market liberalisation, traffic management procedures, administrative and technical constraints, monitoring and transparency of the performance of the rail freight sector, fair competition between different modes of transport, a consistent approach between policy objectives and funds allocation, and improved coordination between the Member States and the Commission in the selection, planning and management of projects and rail network maintenance;
148. Notes that the Commission has not properly assessed the impact of the legislative packages that it has launched since 2000 in the rail sector, in particular concerning rail freight transport; regrets that the Union funds invested in several projects cannot be considered cost-effective;
149. Considers that a continuation of the current state of play in the rail sector will mean that the shifting targets for 2030 are not met;
150. Finds that it is in the interest of Member States to have a common and mandatory impact assessment of future rail freight transport legislation to ensure that the shortcomings related to network incompatibilities are effectively overcome;
151. Notes that the railway sector is generally very corporative which may affect the perception of market liberalisation more as a threat than as an advantage;
152. Considers rail freight transport one of the key aspects of the single market for goods and given its massive positive potential in terms of climate change targets and reducing road transport usage, urges the Commission to give it a new impetus within the single market strategy; asks for a rail freight transport strategy to be put in place;
153. Asks for a comprehensive evaluation of the Union's rail freight transport with particular emphasis on the implementation of Regulation (EU) No 913/2010 ⁽¹⁾ including one-stop-shop activity and paths allocation, and an evaluation, in parallel, of freight corridors and of the Connecting Europe Facility corridors including the projects already approved under the Connecting Europe Facility;
154. Asks for a comprehensive evaluation of the national rail systems interoperability;

⁽¹⁾ Regulation (EU) No 913/2010 of the European Parliament and of the Council of 22 September 2010 concerning a European rail network for competitive freight (OJ L 276, 20.10.2010, p. 22).

155. Asks for an evaluation of the Member States' transport strategies drawn up following conclusion of the partnership agreements as regards the cross-border harmonisation and operability of TEN-T corridors;
156. Asks for an action plan to support the full and swift implementation of the 4th Railway Package;
157. Regrets that several of the obstacles to developing a strong and competitive European rail transport that were identified by the Court in Special Report No 8/2010 continue to obstruct progress in the sector;

Part XIV — Special Report No 9/2016 of the Court of Auditors entitled 'Union external migration spending in Southern Mediterranean and Eastern Neighbourhood countries until 2014'

158. Welcomes the Court's report and sets out its observations and recommendations below;
159. Notes the Court's critical approach and the large number of shortcomings presented by the Court, particularly the lack of effectiveness in using the allocated funds;
160. Calls on the Commission to evaluate all of the Court's observations and to take the requested measures to avoid making the same mistakes during 2014-2020 migration policy; calls for application of all the Court's recommendations;
161. Believes that the use of funds should be guided by improved monitoring and evaluation systems based on baseline indicators, progressive benchmarks and measurable and realistic objectives; calls on the Commission to review all indicators, benchmarks and objectives provided by the actual migration programmes;
162. Is of the opinion that a comprehensive and coordinated response has to be constantly sought to the extent that the migration crisis poses many challenges that cross various sectors and institutional boundaries;
163. Calls for continuous refinement of the strategic understanding and framework of the Union's external migration policies and policy options with key actors to ensure clarity as well as a coordinated and coherent mobilisation of external migration mechanisms in the short, medium and long term, within or outside the budgetary framework of the Union;
164. Calls on the Commission to engage constructively for a better coordination between instruments, mechanisms and relevant stakeholders to achieve migration crisis prevention;
165. Invites all major stakeholders to reflect and respond adequately on the balance between the flexibility in interventions, the complementarity of the funds, their level and necessary leveraging as well as potential synergies and the overall additionality of Union's interventions;
166. Believes, in this context, that due care should be given to the appropriate targeting of aid to different and evolving external migration issues, while also ensuring the adequacy of oversight of disbursed funds in order to avoid the risk of misappropriation of funds and double financing;
167. Considers that there is a crucial need to reconcile the demand for better results with the availability of sufficient funds to ensure a high level of ambition in the design of the Union's comprehensive and sustainable response to current and future challenges induced by the migration crisis; believes that the negotiations on the Multiannual Financial Framework mid-term revision are the appropriate forum to address these challenges, with a view to increasing the budget for those funds;
168. Believes that, in addition to the funding gap, the existing fragmentation of instruments with their own specific objectives that are not interlinked hinders parliamentary oversight of the way funds are implemented and identification of where responsibilities lie, making it difficult to clearly assess the financial amounts actually spent to support external action on migration; regrets that this leads to a lack of effectiveness, transparency and accountability; considers it necessary to refocus ways of using existing policy instruments with a clear and renewed architecture of objectives to increase their overall effectiveness and visibility;

169. Is of the opinion that Union external migration spending needs to be disbursed more efficiently and that it needs to fulfil 'added value' criteria in order to provide people with adequate living conditions in the countries of their origin and to avoid an increase in flows of economic migration;
170. Calls on the Commission to follow, assess and review constructively the activities of the European Border and Coast Guard Agency, which were to begin in October 2016;
171. Welcomes the creation of Union trust funds and the intention to disburse funds more quickly and flexibly in emergency situations, and to bring together various sources of funding in order to address all aspects of any crises;
172. Notes that trust funds are part of an ad hoc response which shows that the Union budget and the Multiannual Financial Framework lack the resources and flexibility needed for a rapid and comprehensive approach to major crises; deplores the fact that they result in a bypassing of the budgetary authority, which undermines the unity of the budget;
173. Welcomes the Commission's proposal as part of the Multiannual Financial Framework mid-term revision, to establish a new European Union Crisis Reserve, to be financed from de-committed appropriations, as an additional instrument to react rapidly to urgent Union issues; calls on the Council to fully endorse this proposal;
174. Emphasises the importance of sufficient control mechanisms to ensure political scrutiny of budget implementation in the context of the discharge procedure; urges the Commission to take immediate steps to increase the involvement of the budgetary and budgetary control authority and to better align the trust funds and other mechanisms with the budgetary norm, in particular by making them appear in the Union budget;
175. Regrets that the Commission did not provide details of actual payments and calls on the Commission to take adequate measures to strengthen and simplify the encoding in the financial information system in order to better track and monitor the amounts targeted for external action on migration;
176. Asks the Commission to launch a comprehensive repository tool for Union migration-related spending, including all completed, ongoing and planned projects; considers that the interactive database should provide stakeholders and citizens with the results visualised on the world map, and enabling a search filtered by country, type of project and the corresponding amounts;
177. Is of the opinion that management by foresight would be more effective than a merely responsive policy such as crisis management in the long term;
178. Recalls Parliament's stance towards a holistic approach to migration based on a new policy mix including strengthening of the nexus between migration and development by addressing the root causes of migration while also advocating a shift in the ways of funding the migration crisis;

Part XV — Special Report No 10/2016 of the Court of Auditors entitled 'Further improvements needed to ensure effective implementation of the excessive deficit procedure'

179. Welcomes the findings and recommendations of the Court's report;
180. Recommends that the Commission improve transparency of the excessive deficit procedure (EDP) through regular communication of its country assessments on compliance with structural reforms proposed under EDP and through greater transparency in the application of the rules;
181. Believes that following consultation with Member States, the Commission should regularly report to the Parliament on the progress of country-specific EDPs;
182. Recommends that the Commission continue its progress in involving national fiscal councils and ensure that the European Fiscal Board takes a formal role under the EDP; notes that transparency under the EDP has improved in recent years and recognises that certain information of a politically sensitive nature cannot always be put into the public domain;
183. Recommends that the EDP focus more closely on the reduction of government debt; notes that as of end-2014 only 13 Member States had debt-to-gross domestic product levels below 60 %; points out that several Member States now find themselves heavily indebted, despite the fact that the Union is benefiting from a modest recovery and public debt levels are higher now than they were in 2010;

184. Acknowledges that the debt ceiling rule was only made operational under the EDP in 2011; considers that reducing government debt levels, particularly in heavily indebted Member States, will improve economic growth substantially in the long-term;
185. Recommends ensuring that sufficient flexibility is maintained in the application of EDP rules under the Stability and Growth Pact; emphasises that because unanticipated events can occur in macroeconomic policy, a sound economic governance framework needs to be adaptable in order to take account of economic developments;
186. Considers that the Commission should ensure that the application of EDP rules are closely coordinated with structural reform measures agreed through the European semester;

Part XVI — Special Report No 11/2016 of the Court of Auditors entitled ‘Strengthening administrative capacity in the former Yugoslav Republic of Macedonia: limited progress in a difficult context’

187. Welcomes the Court’s report, endorses its recommendations and encourages the Commission to take these recommendations into account when working on strengthening the administrative capacity of the former Yugoslav Republic of Macedonia;
188. Is concerned that limited progress was made in strengthening administrative capacities with no significant progress in implementation of legislation in some key areas such as the development of a professional and independent civil service;
189. Notes that only partial progress has been made in tackling corruption and improving transparency;
190. Notes however that the Commission has to operate in a difficult political context and meets with lack of political will and commitment of national authorities to tackle the remaining issues; notes that the constraints of the ongoing political crisis played a role in the success of the financed projects;
191. Notes and supports the key role which the Commission plays in resolving the political crisis in the country and welcomes the involvement of the commissioner in mediating the political dialogue between opposing political forces;
192. Calls on the Commission to continue working on the dialogue with the political leaders across the political spectre, national authorities and experts on judiciary and law enforcement in order to find an agreement on an active fight against corruption and organised crime and on implementation of strict measures and mechanisms to prevent corruption and economic crime in line with the country’s criminal law;
193. Strongly recommends that the Commission use political dialogue and contacts with national authorities in order to improve the efficiency of the public procurement system and the transparency of public spending;
194. Calls on the Commission to prioritise the fight against corruption and regrets the absence of an effective government strategy in the fight against corruption; reiterates the need for greater political commitment by the national authorities in order to ensure sustainable results in this respect;
195. Calls on the Commission to build on the achievements of successful projects, which are sustainable, have a quantifiable added value and were implemented and used in accordance with the regulations, when pursuing the Instrument for Pre-Accession Assistance (IPA II);
196. Welcomes the Commission’s establishment of projects focused on civil society organisations; calls on the Commission to continue this practice and to establish strong relationships with local NGOs;
197. Encourages the Commission to design projects that strengthen the rights and position of whistleblowers who bring public attention to corruption cases and fraud;
198. Notes that although many of the projects were well-managed, the results were not always sustainable or even achieved; further notes that the projects did not always fall into a coherent approach towards strengthening administrative capacity building; calls on the Commission to improve strategic planning and to secure sustainability and viability of the projects by setting it as a pre-condition of the projects;

199. Calls on the Commission to continue to follow the principles of sound financial management; invites the Commission to help design projects that serve also as a stepping stone for further investments in the country; encourages the Commission to prioritise projects with high potential in key areas such as public procurement or selection procedures, and to avoid financing projects with limited prospects of sustainability;
200. Encourages the Commission to react in a flexible manner to unexpected developments either through the timely release of relevant resources or by their decrease in order to address emerging issues;

Part XVII — Special report No 12/2016 of the Court of Auditors entitled ‘Agencies use of grants: not always appropriate or demonstrably effective’

201. Welcomes the Court’s report and sets out its observations and recommendations below;
202. Welcomes the Court’s findings and recommendations;
203. Notes the reply of the Commission and the agencies involved, which, inter alia, contains important information on measures taken since the audits took place;
204. Emphasises that the agencies are responsible for the multi-annual and annual programming as well as for the implementation (operational and financial) of their grant actions; finds therefore, that the agencies’ effective management of grant activities is crucial for the achievement of the Union’s objectives and policies;
205. Notes that the Court has concluded that the agencies audited in general awarded and paid grants in compliance with the rules;
206. Observes nevertheless that the Court has identified certain shortcomings regarding funding options, award procedures, control systems and performance measurement and has given five recommendations to improve these shortcomings;
207. Notes that an agency’s strategic justification and choice of a funding tool could strengthen the effectiveness and efficiency of the tool and thereby the implementation of its tasks; highlights that inadequate follow-up of *ex ante* evaluation could lead to agencies choosing inappropriate funding tools and poor grant design;
208. Regrets the common broad descriptions of the agencies’ grant activities and the vague output descriptions which lead to incomplete annual working plans;
209. Notes the importance of aligning the agencies’ grant actions with their mandate and strategic objectives; encourages therefore all agencies to have specific guidelines and criteria to assist their choice of the specific funding tool, based on an analysis of the agencies’ needs, its resources, the objectives to be achieved, the potential beneficiaries to be targeted as well as the level of competition necessary and lessons learned from previous choices;
210. Notes that agencies’ work programmes should indicate which activities are to be implemented by grants, the specific objectives and expected results to be achieved by the grant actions, as well as the planned financial and human resources needed to implement grant actions;
211. Considers that the setting of strategic objectives, targeted results and impacts, is of the utmost importance to achieving well-defined annual programming;
212. Highlights that the regulatory framework of some agencies forces them to use grant procedures; notes with concern, however, that agencies did not systematically consider all funding options available to them and that grants were not always the most appropriate tool; further notes the Court’s observation that grant procedures use more restrictive eligibility criteria and weaker financial award criteria than procurement and should therefore not be the default funding option; considers, however, that a careful balance should be maintained between the weaknesses of grant procedures versus the administrative costs involved in public procurement procedures, and does not therefore agree with the Court’s observation that public procurement should be the default option;
213. Is concerned by the Court’s observation that the agencies involved failed to set up adequate monitoring systems and *ex post* evaluations; calls upon agencies to develop *ex post* evaluations to improve their monitoring and reporting on grant-funded activities;

214. Emphasises that performance monitoring and results evaluation is essential to public accountability and to comprehensive information for policymakers; highlights that due to their decentralised character, this is even more relevant for agencies; calls upon agencies to set up grant monitoring and reporting systems based on results and impact-oriented key performance indicators as well as *ex post*-evaluation results; considers the role of key performance indicators crucial for monitoring and evaluating progress, impact and results;
215. Notes with concern that key performance indicators continue to focus on inputs and outputs rather than results and impacts; calls upon agencies to develop their key performance indicators more strategically and to base them on results and impacts;
216. Calls on agencies to develop and undertake a risk assessment evaluation of their annual working plans to improve efficiency through more accurate implementation, monitoring and evaluation;
217. Recommends strategic allocation of financial tools for short-term objectives to improve accuracy of financing decisions;
218. Calls upon the Union Agency Network to assist agencies in improving their funding procedures and, in particular, their procedures for performance monitoring in this respect;
219. Highlights in particular the Court's findings regarding the grant procedures and the need of transparency, equal treatment and avoidance of potential conflicts of interest; calls on the agencies concerned to implement the Court's recommendation as soon as possible;
220. Calls upon agencies to apply specific grant procedures to establish formal internal procedures governing the principles of transparency and equal treatment, and safeguarding against the potential conflicts of interest; highlights that for this reason, agencies should strengthen their verification system regarding grant project implementation;
221. Calls on the Commission and the agencies who were subject of the audits in this special report to provide the Parliament with an update of the implementation of the recommendations;

Part XVIII — Special Report No 13/2016 of the Court of Auditors entitled 'Union assistance for strengthening the public administration in Moldova'

222. Welcomes the Court's report, endorses its recommendations and encourages the Commission to take these recommendations into account when working on strengthening the administrative capacity of the Republic of Moldova;
223. Notes with concern that the Union has only partially contributed to strengthening the public administration and that the Court registered a number of shortcomings, including weaknesses in the design and implementation of the audited programmes and projects;
224. Notes however that the Commission has to operate in a difficult political context and meets with widespread corruption and many weaknesses of public institutions such as excessive bureaucracy, a lack of focus on core functions, a high staff turnover, low efficiency and lack of accountability; further notes that Moldova is hard hit by political instability, economic turmoil, deep poverty and massive emigration;
225. Notes that although the particular political circumstances and external factors played an important role in the success of the budgeted programmes and indeed went in many instances beyond the control of the Commission, there were concrete weaknesses that could have been addressed by the Commission;
226. Notes that the weaknesses observed by Court included the slow response time of the Commission to sudden developments, weak alignment of the programmes with Moldovan national strategies, a lack of ambitious targets, vague and unclear conditions, and a lack of justification for granting additional incentive-based funds;
227. Calls on the Commission to encourage their Moldavian counterparts to develop systematic, clearly formulated national strategies that would include clear, measurable objectives and to better link designing of the programmes in the country to these strategies;

228. Encourages the Commission to make use of *ex ante* evaluations to clearly assess the financing needs and to create focused and justified budgetary planning;
229. Calls on the Commission to prioritise the fight against corruption and regrets the absence of a truly effective government strategy in the fight against corruption; welcomes the appointment of the high level advisor on anti-corruption to the Prime Minister's office; however reiterates the need for a more ambitious and effective strategy and greater political commitment by the national authorities in order to ensure sustainable results in this respect; calls on the national authorities to focus on the fight against corruption and for a greater transparency and integrity of the public administration as a matter of priority;
230. Calls on the Commission to continue the dialogue with the political leaders across the political spectre, national authorities and experts on judiciary and law enforcement in order to find an agreement on an active fight against corruption and organised crime and on implementation of strict measures and mechanisms to prevent corruption and economic crime in line with the country's criminal law;
231. Encourages the Commission to design projects that would strengthen the rights and position of whistle-blowers who bring public attention to corruption cases and fraud;
232. Notes that the main aid delivery methods are sector budget support (74 % of aid) and projects; notes with regret that the budget support had a limited effect in strengthening the public administration;
233. Notes with concern that the method of sector budget support is a highly risky means of budget distribution, especially in the Moldovan context, in which the public administration is paralysed by massive corruption and dominated by a local oligarchy; invites the Commission to reconsider the methods utilised based on an in-depth risk analysis;
234. Invites the Commission to utilise methods that would bring visible and tangible results for the Moldovan citizens;
235. Notes that the projects designs were generally relevant, although they lacked coordination with regard to scope and timing and the technical assistance for the development of administrative capacity came later than needed;
236. Regrets that although projects generally delivered the expected outputs, the results were not always sustainable, for which the political will and external factors are partly responsible; calls on the Commission to build on the achievements of successful projects, which are sustainable, have a quantifiable added value and were implemented and used in accordance with the regulations; calls on the Commission to improve strategic planning and to secure sustainability and viability of the projects by setting it as a pre-condition of the projects;
237. Notes that the projects partially contributed towards strengthening public administration, however they were not always in line with the Moldovan administration's needs or objectives; calls on the Commission to focus the projects more specifically on concrete national needs;
238. Calls on the Commission to continue to follow the principles of sound financial management; invites the Commission to help design projects that would serve as a stepping stone for further investments in the country and to establish cooperation with international financial institutions in this regard; encourages the Commission to prioritise projects with high potential in key areas such as public procurement or selection procedures, and to avoid financing projects with limited prospects of sustainability;
239. Notes with concern that although in 2012 the Commission developed a more systematic analysis of risk, high-level steering committees for budget support operations and an early warning system for newly materialised risks, it was not able to detect in a timely manner 'the theft of the century', during which USD 1 billion of depositors funds, potentially even including contributions from the Union finances, were embezzled during a massive corruption scandal; notes that the budget support payments were finally put on hold in July 2015 and their resumption made conditional upon an improvement of the macroeconomic and fiscal situation and the conclusion of an IMF agreement;
240. Calls on the Commission to improve the early warning system and the risk analysis in order to react in a faster and more flexible manner to potential risks;

241. Observes that building an administrative capacity in Moldova is a key issue as the country does not have a full control over its entire territory, which gives an incentive to separatist tendencies of pro-Russian minded forces; recalls that Moldova has a European perspective and is therefore a strategic partner for the Union;
242. Regrets that Moldova's ongoing political instability inflicts long-lasting harm on the credibility of the country's democratic institutions, leading to limited progress towards democracy, a decrease in support of Union integration and an increase in pro-Russian political initiatives;
243. Calls on the Commission to continue its engagement in Moldova, with a view to strengthening the political association and economic integration between the Union and Moldova; stresses the importance of Union support, guidance, and monitoring on priority reforms aimed addressing the politicisation of state institutions, systemic corruption and public administration reform in order to achieve these objectives;

Part XIX — Special Report No 14/2016 of the Court of Auditors entitled 'EU policy initiatives and financial support for Roma integration: significant progress made over the last decade, but additional efforts needed on the ground'

244. Is mindful of Article 2 of the Treaty on European Union, the EU Charter of Fundamental Rights of the European Union, Council Directive 2000/43/EC ⁽¹⁾ on racial equality, Council Directive 2000/78/EC ⁽²⁾ on equal treatment in employment and occupation, and Directive 2004/38/EC of the European Parliament and of the Council ⁽³⁾ on freedom of movement and residence within the Union;
245. Welcomes the 2008 Council framework decision on combating racism and xenophobia ⁽⁴⁾, the Parliament resolution of 9 March 2011 on the EU strategy on Roma inclusion ⁽⁵⁾, the Commission communication of 5 April 2011 on 'An EU Framework for National Roma Integration Strategies up to 2020' (COM(2011) 173), the Council recommendation of 9 December 2013 on effective Roma integration measures in the Member States ⁽⁶⁾, and the Commission communication of 17 June 2015 entitled 'Report on the implementation of the EU Framework for National Roma Integration Strategies 2015'(COM(2015) 299);
246. Points out that the integration of Roma depends on their inclusion and the extent to which they can enjoy the same rights as the entire body of European citizens, of which Roma fully form part;
247. Draws attention to the common basic principles on Roma inclusion ⁽⁷⁾, that is to say, the 10 common basic principles discussed at the first meeting of the European Platform for Roma inclusion, held in Prague in 2009, which were subsequently reproduced as an annex to the conclusions issued by the Employment, Social Policy, Health and Consumer Affairs Council following its meeting of 8 June 2009;
248. Endorses the recommendations of the Court and urges the Commission and the Member States to implement them as quickly as possible;
249. Considers it disappointing that Roma inclusion and integration did not receive the necessary attention during the 2007-2013 programming period; calls, when the future Union strategic framework is drawn up, for greater account to be taken of the difficulties as regards inclusion and the discrimination with which Roma and other marginalised communities have to contend;

⁽¹⁾ Council Directive 2000/43/EC of 29 June 2000 implementing the principle of equal treatment between persons irrespective of racial or ethnic origin (OJ L 180, 19.7.2000, p. 22).

⁽²⁾ Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment occupation (OJ L 303, 2.12.2000, p. 16).

⁽³⁾ Directive 2004/38/EC of the European Parliament and of the Council of 29 April 2004 on the right of citizens of the Union and their family members to move and reside freely within the territory of the Member States amending Regulation (EEC)à No 1612/68 and repealing Directives 64/221/EEC, 68/360/EEC, 72/194/EEC, 73/148/EEC, 75/34/EEC, 75/35/EEC, 90/364/EEC, 90/365/EEC and 93/96/EEC (OJ L 158, 30.4.2004, p. 77).

⁽⁴⁾ Council Framework Decision 2008/913/JHA of 28 November 2008 on combating certain forms and expressions of racism and xenophobia by means of criminal law (OJ L 328, 6.12.2008, p. 55).

⁽⁵⁾ European Parliament Resolution of 9 March 2011 on the EU strategy on Roma inclusion (OJ C 199 E, 7.7.2012, p. 112).

⁽⁶⁾ OJ C 378, 24.12.2013, p. 1.

⁽⁷⁾ See Annex III to Special Report No 14/2016, pp. 74-76.

250. Considers it unfortunate that the Court's investigation failed to cover a wider range of countries where Roma make up a sizeable population, Slovakia, Greece, and France being examples in that category;
251. Calls on the Member States to determine which disadvantaged persons they wish to target, taking into account the needs of those persons and the challenges facing them, and to devote specific attention to Roma populations when allocating European funding;
252. Deplores the fact that, because of its complexity, cohesion policy funding, the only source of financing for Roma inclusion and integration projects and projects to combat discrimination, cannot play its proper role in promoting the inclusion of Roma and affording them access to rights;
253. Considers that each Member State should therefore adopt a road map with a view to gauging the real impact of the laws, regulations, administrative provisions, and funds intended to support Roma and pinpoint areas in which resources and administrative capacity need to be strengthened at national, regional, and local level in order to help set up and manage Roma inclusion and integration projects and projects to combat discrimination against them;
254. Calls on the Commission to provide detailed information about the funding available for Roma and to study the existing obstacles and take them into account for the purposes of simplifying funds;
255. Recognises the importance of making a selection, through the use of European structural and investment funds, among long-term projects for marginalised Roma communities;
256. Points to the need to establish more flexible selection criteria for projects to promote the inclusion of Roma and other marginalised communities;
257. Calls on the Commission to ensure, in the next programming period or when revising the operational programmes, that Roma integration goals charted in the national Roma integration strategies are reflected in the European structural and investment funds framework at every operational level;
258. Urges the Member States and the Commission to produce meaningful harmonised statistics on Roma so as to enable their social, administrative, and economic inclusion to be assessed more accurately;
259. Maintains that exclusion as regards housing, homelessness, exclusion in terms of education, unemployment, and discrimination in access to employment are often the key factors in marginalisation; points, therefore, to the importance of integrated initiatives, encompassing housing, education, and access to employment, to aid Roma and other marginalised communities;
260. Points out that one major obstacle to combating discrimination against Roma lies in the fact that very few discrimination cases are reported to organisations or authorities such as the police or social services; calls on the Member States, therefore, to adopt a strategy to remedy institutional discrimination and overcome Roma distrust of the authorities;
261. Calls on the Commission, in partnership with representatives of marginalised communities, and Roma in particular, and with 'specialised institutions', to set up training courses within Member State authorities in order to combat discriminatory practices and set a better example conducive to inclusion through healthy, constructive, and effective dialogue;
262. Points out that the Union has a programme for employment and social innovation, which is backed by EUR 900 million in funding for the period from 2014 to 2020 and focuses on vulnerable people and on combating poverty and social exclusion;
263. Asks the Commission to consider setting up a European fund specifically to foster the inclusion of Roma and other marginalised communities, and calls on the Commission to ensure that expenditure under such a fund would be properly supervised;

264. Calls on the Commission to establish a genuine European strategy for Roma inclusion, that is to say, a European action plan devised and implemented at every political and administrative level, involving representatives of the Roma community, and based on the core values of equality, access to rights, and non-discrimination; maintains that such a strategy must help to promote genuine inclusion of Roma and their access to education, employment, housing, culture, health care, participation in public affairs, training, and free movement within the Union;
265. Points out, however, that Member States have a responsibility to take every measure necessary to support Roma and ensure that national law and rights as a whole are enforced uniformly on their territory, with no discrimination whatsoever;

Part XX — Special report No 15/2016 of the Court of Auditors entitled ‘Did the Commission affectively manage the Humanitarian aid provided to populations effected by conflicts in the African Great Lakes Region?’

266. Welcomes the special report dedicated to the review of the risks related to a results-oriented approach for Union development and cooperation action and sets out its observations and recommendations below;
267. Welcomes the findings according to which the humanitarian aid was managed effectively especially in a difficult working environment characterised by insecurity and unpredictability making efficient implementation a real challenge;
268. Calls on the Commission to continue its effort towards the linking of Relief Rehabilitation and Development, when local conditions permit; considers that this could potentially be supported through a permanent interservices platform linking relief, rehabilitation and development;. believes that such a platform could serve, among other purposes, for the identification of potential programmes to be combined; considers that integrated approaches with a clearly stated coordination of objectives and a coherent country/region strategy among all stakeholders should be set up wherever possible;
269. Calls furthermore on the Commission services to deliver a better transition from short-term humanitarian activities to long-term development interventions and for a coherent coordination not only among different Union actors but also with national priorities and other international organisations through a common strategy by means of a joint humanitarian and development framework;
270. Considers that a systemic appraisal of the real delivery of humanitarian interventions with an assessment of administrative costs in the region to be performed by focusing more on efficiency and with the development of possible benchmarks for common and regular costs items;
271. Encourages, wherever possible, a better adaptation of timeframes to the intervention environment to avoid long and costly extensions;
272. Calls on the relevant Union and UN institutions to fully respect and implement the Financial and Administrative Framework Agreement; asks the Commission to report to Parliament on the implementation of the agreement and related guidelines, and to identify areas needing improvement and make relevant proposals in this regard;
273. Recalls that the reporting from UN and International Organisations should ensure the most accurate traceability of funding possible and comparisons with operational aspects of the aid delivery agreed on at the beginning of the intervention, as well as also providing useful feedback to the Commission services; stresses the importance of partner organisations delivering timely reports to the Commission, to allow a swift management or adjustment of the humanitarian response and funding modalities;
274. Emphasises the need to improve the UN’s accountability and transparency in relation to the use of Union resources and performance in implementing internationally agreed humanitarian and development strategic orientations and goals;

275. Asks the Commission to introduce results assessments at the level of humanitarian implementation plans to enable benchmarking of such plans and sharing best practices;
276. Regrets the prevalence of incomplete or insufficiently results-oriented information, which prevents the Commission from properly exercising its monitoring function;
277. Insists on the need to achieve the highest level of transparency and institutional accountability at all levels by ensuring access to exhaustive and sound budgetary information and financial data related to projects with Union funding, in order to allow Parliament's scrutiny;

Part XXI — Special report No 16/2016 of the Court entitled 'EU education objectives: programmes aligned but shortcomings in performance measurement'

278. Welcomes the Court's report, endorses its recommendations and is pleased that the Commission accepts these and will consider them;
279. Welcomes the fact that the Commission has implemented previous Court recommendations in its 2014-2020 European structural and investment funds legal framework, thus ensuring better value for money, i.e. via a performance framework and reserve, *ex ante* conditionalities, common output and result indicators;
280. Stresses that a focus on performance and results is needed and is pleased that the new regulatory framework for the 2014-2020 programming period includes provisions for reporting on results from Member States;
281. Notes the shortcomings in performance measurement particularly in the setting of targets and output/result indicators at projects implemented in the 2007-2013 period; regrets that the result indicators are still not fully reliable and expects the weakness to be corrected for the second half of the 2014-2020 programming period;
282. Welcomes the trend in the reduction of the number of early school leavers and in tertiary education attainment; invites the Member States to align their specific national targets to the Union target for better achievement of the education objectives;
283. Notes that the target employment rate of recent graduates in the Union has been set at 82 % by 2020 and four of the five visited Member States have still not attained this target; points out that those four Member States faced a serious economic crisis from which they are now starting to recover; believes it is still possible for those Member States to attain and even surpass this target;
284. Emphasises the importance of maintaining a sufficient level of Union investment in education, given the strong link between educational attainment and employability;

Part XXII — Special Report No 17/2016 of the Court of Auditors entitled 'The EU institutions can do more to facilitate access to their public procurement'

285. Welcomes the findings and recommendations of the Court's report;
286. Calls for increased transparency of public procurement within Union institutions, as well as at national level, through public availability of documents and data on public procurement; considers that the visibility of the Union institutions' procurement activities on the internet is poor, the information is insufficient, unclear and spread over many different websites;
287. Strongly supports the recommendation of the Court for the Union institutions to create a common electronic one-stop shop for their procurement activities, allowing economic operators to find all relevant information in a single online location and to interact with the Union institutions through this website; believes that procurement procedures, including communication on applicable rules, business opportunities, relevant procurement documents, submission of tenders and all other communication between institutions and economic operators should all be managed via such a one-stop shop;

288. Requests that the Commission's website on European funds paid to all Member States should be published in one of the three working languages of the institutions and include the same data for all Member States, at least the value, the object of the contract, the name of the contractor, the name of subcontractors (if any), the length of the contract and if any additional documents exist; points out that this will enable NGOs from all Member States and the citizens to observe how the money is spent and the cost efficiency of the projects;
289. Insists that it is the role of the contracting authorities to ensure a public procurement which is market-based, generating a sufficient amount of tenders and providing balanced access to all economic operators; agrees with the Court that for the ongoing 2016 revision of the Financial Regulation the Commission should propose a single rulebook for public procurement; emphasises that participation of small and medium sized enterprises should be explicitly encouraged, contrary to the current situation where only large operators are in advantage; considers that rules on market prospection prior to building contracts and on the language regime for procurement procedures should be included in the single rule book and deviations from the Procurement Directive ⁽¹⁾ should be justified;
290. Recalls that the use of restricted procurement procedures by the contracting authorities discourages potential tenderers, blocks transparency and information on how the taxpayers' money is used; emphasises that the Council used restricted procedures for the vast majority of its tenders and that all Union institutions taken together awarded 25 % or more of their contracts following a restricted procedure between 2010 and 2014; requires that such procedures be used in a very limited number of cases, with proper justification;
291. Takes note that the Parliament publishes a complete annual list on its website of all its contractors who obtained contracts with a value of more than EUR 15 000, but that it does not publish all its contracts; encourages all institutions to make available full information on all contractors and contracts awarded through public procurement, including cases of direct awarding or restricted procedures;
292. Stresses the need for wider publicity and contract notices transparently published for all operators; recalls that, according to the findings of the Court, 'the European Parliament used a negotiated procedure to conclude a "building contract" for EUR 133,6 million for a building in Brussels although the building did not exist when the contract was signed on 27 June 2012', ignoring the rule that only existing buildings are covered by the exception from tendering on the broadest possible basis provided in Article 134(1) of the Rules of Application; strongly underlines that all unfinished buildings or buildings not yet constructed have to be subject to open and competitive award methods and believes that this policy should extend to all building contracts, given the complexity of contracts and the large amounts of funds involved;
293. Agrees with the Court that the Union institutions should divide contracts into lots wherever possible to increase participation in their procurement procedures; underlines that in 2014 the Council awarded a framework contract for 10 years, with a value of over EUR 93 million, for management, maintenance, repair and adaptation of technical installations in its present or future buildings to a single company without splitting it into lots; mentions that the Commission proceeded in the same way in 2015 for its 5-year contract 'Your Europe Advice' — the Union's free legal service, with a value of nearly EUR 9 million; emphasises that a lack of division along with an excessively long duration of framework contracts (10 or 7 years, with a record of 17 years on a contract awarded by the Council for the Justus Lipsus building) crushes competition, encourages opacity and potential corruption; asks therefore all institutions to put an end to these practices, which are fully opposed to the spirit of transparency and good practice that the Union should promote;
294. Requires that all Union institutions develop and implement adequate tools and methods for audits and evaluations, in order to acknowledge and signal the presence of irregularities; reiterates that better monitoring, detection, analysis, and reporting technology are needed in order to fight fraud and corruption; insists that this knowledge has to be made available to Member States as well; emphasises the central role of the whistleblowers in revealing wrongdoing and recalls that all European institutions and agencies must adopt internal binding rules for the protection of whistle-blowers, according to Article 22c of the Staff Regulations, entered into force on 1 January 2014;

⁽¹⁾ 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).

295. Agrees with the Court that the Commission should propose amendments to the Union Financial Regulation to allow for a rapid review of complaints from economic operators who consider that they have been unfairly treated; notes that such a review should take place before economic operators turn to the European Ombudsman or to the Union courts;
296. Considers that law enforcement in public procurement can be ensured first and foremost by establishing competent and independent investigative bodies and agencies focusing on the investigation of corruption in public procurement; points out that Union institutions and Member States should share information and intelligence on public procurement among themselves as well as with OLAF, Europol, Eurojust and other investigative bodies; strongly recommends that the institutions with investigative powers, particularly OLAF, improve their case management systems to produce reports and statistics on the different types of allegations under investigation and the outcome of these investigations;
297. Welcomes the Court's conclusion that the Union institutions need to set up a single public repository of information related to their procurement contracts in order to allow effective *ex post* monitoring of their procurement activities;
298. Stresses that central collection of public procurement data helps build meaningful, accurate and detailed statistics with the objective of preventing, detecting and investigating corruption in public procurement and taking the appropriate countermeasures; stresses that adding data fields in the central procurement databases (including TED) could hint at red flag situations with respect to irregularities in public procurement; calls on the Union institutions to ensure that such databases are filled out in a timely and complete way;
299. Underlines the role of investigative journalists and NGOs in ensuring transparency in the public procurement process and detecting fraud or potential conflicts of interest; strongly believes that the above-mentioned categories should have full access to ARACHNE, ORBIS and other related instruments and databases allowing to detect any suspicions of conflict of interest or corruption in public procurement in Union institutions as well as in all Member States, particularly with regard to acquisitions made using European funds;
300. Urges all institutions and agencies to always publish CVs and declarations of interest for middle and high management, members, experts and any type of leading bodies or structures, even in cases of experts detached from Member States, as the CVs of such experts should be publicly available at all times; underlines that a declaration of absence of conflict of interest which some institutions and agencies still use is not the appropriate document to publish, given that assessment of presence or absence of conflict of interest should always belong to an independent third-party organisation or body;
301. Calls on the Court to regularly publish track records of all abuses related to whistleblowing cases as well as all situations of conflict of interest or revolving doors detected during monitoring or auditing processes and requests the Court to publish at least annually special reports on policy and cases of conflict of interest found in all European agencies and joint undertakings, in particular those related to industries;
302. Welcomes the recommendation of the Court for the Union institutions to use peer reviews for mutual learning and exchange of best public procurement practice;

Part XXIII — Special Report No 18/2016 of the Court of Auditors entitled 'The EU system for the certification of sustainable biofuels'

303. Welcomes the Court's report, especially the comments and recommendations issued by the Court; notes that the Commission accepted four out of five recommendations in full, and one in part; invites the Commission to reconsider full acceptance of the recommendation on the reliability of data provided by the Member States;

304. Notes that the Union is considered to be a leader in global environmental policy, setting environmental standards at international level and providing best practice on protecting the environment and maintaining a competitive presence in the global market; notes that in its 7th Environment Action Programme the Union makes it an objective for 2050 to 'live well, within the limits of our planet'; notes that one of the priorities is to ensure that 'prosperity and healthy environment stem from an innovative, circular economy where nothing is wasted and where natural resources are managed sustainably, and biodiversity is protected, valued and restored in ways that enhance our society's resilience';
305. Notes that the Union made a commitment in the Renewable Energy Directive ⁽¹⁾ to ensuring that by 2020 the share of energy from renewable sources used in all forms of transport is at least 10 %, which can be achieved only through substantial use of biofuels; notes, however, that production of biofuels may itself be linked to certain risks in relation to land use and that it is therefore necessary to ensure its sustainability;
306. Stresses that the establishment of an effective and reliable system for certification of sustainable biofuels constitutes one of the important steps towards fulfilment of the policy priorities stated in the 7th Environment Action Programme; notes that the sustainability of biofuels is certified by voluntary schemes recognised by the Commission; regrets that the Court did not find the Union certification system for the sustainability of biofuels to be fully reliable;
307. Notes with regret that the Commission's recognition procedure does not take account of some of the key aspects of sustainability and fair trade, such as land tenure conflicts, forced or child labour, poor working conditions for farmers, dangers to health and safety and the impact of indirect land-use changes, which in different contexts are considered extremely relevant; considers this to represent an inconsistency in the Commission's policies; calls on the Commission to redevelop its assessment procedures in a more comprehensive manner and to include these aspects in its verification procedure for the voluntary schemes; calls on the Commission to require voluntary schemes to report once a year on the basis of their certification activities and relevant information concerning the abovementioned risks;
308. Notes that to date the Commission has submitted two reports on the impact of Union biofuel policy on social sustainability in the Union and third countries and on the availability of foodstuffs at affordable prices; notes with regret that the information contained in the reports was rather limited and provided only unclear conclusions; calls on the Commission to improve the reporting system and to provide the Parliament with a detailed analysis in order to inform the public about these important issues;
309. Notes with great concern that the production of biofuels can compete with cultivation of food crops and that massive dissemination of crops grown for biofuel production can have an immense impact on environmental and health standards in developing countries, for example in South America and South Asia, and that this can lead to massive deforestation and a decline in traditional agriculture, which has long-term socioeconomic impacts on local communities; regrets that the Commission's reports do not address wider development issues in developing countries; calls on the Commission to adopt a more consistent and coherent approach towards its policies on environment, energy, development and other related issues; calls on the Commission to pay particular attention to the impact of indirect land-use changes;
310. Notes with regret that the Commission has granted recognition to voluntary schemes that do not have appropriate verification procedures to ensure that the origin of biofuels produced from waste was indeed waste or that the biofuel feedstock cultivated in the Union in fact fulfilled the Union's environmental requirements for agriculture; calls on the Commission to verify that Union biofuel feedstock producers actually comply with the Union's environmental requirements for agriculture; calls on the Commission to provide sufficient evidence of the origin of waste and residues used for the production of biofuels;
311. Notes with concern that some recognised schemes were insufficiently transparent or had governance structures comprising only representatives of a few economic operators; calls on the Commission to ensure that the voluntary schemes are free of conflicts of interest and to provide for effective communication with other stakeholders;

⁽¹⁾ Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC (OJ L 140, 5.6.2009, p. 16).

312. Calls on the Commission to further ensure transparency of the voluntary schemes and economic operators by requiring the schemes to set up an official website providing publicly available detailed information on the voluntary schemes, their certification procedures, staff employed, certificates issued, audit reports, complaints, and the economic operators they cooperate with;
313. Notes with concern that the Commission does not supervise the functioning of recognised voluntary schemes and thus cannot obtain assurances about the quality of certifications; notes with regret that a specific complaint system is lacking, which prevents the Commission from verifying that the complaints are dealt with correctly; calls on the Commission to introduce a supervision system that will ascertain whether the voluntary schemes' certification complies with the standards laid down for recognition; calls on the Commission to request that the voluntary schemes set up transparent, user-friendly, informative and accessible complaints systems on their websites; calls on the Commission to supervise the complaints systems and to take action if necessary;
314. Welcomes the fact that the Commission issues guidance notes to the voluntary schemes which contribute to promoting best practice and to increased effectiveness; notes, however, that the notes are not binding and are not fully implemented; invites the Commission to make the guidance notes binding for the voluntary schemes in order to ensure that the requirements are fulfilled;
315. Notes that the Member States are responsible for ensuring that the statistics concerning sustainability of biofuels reported to the Commission are reliable, but that there is a risk of overestimation of the statistics; calls on the Commission to introduce a requirement for the Member States to support their statistics with appropriate evidence in the form of, for example, a certificate or declaration issued by the entity in charge of collecting data on sustainable biofuels and transmitting them to the national authority, which sends them to Eurostat;
316. Reiterates that the data submitted by the Member States are often not comparable, because of varying definitions, basically making it impossible to ascertain the real situation; invites the Commission to harmonise the definition of waste substances not previously included in the Renewable Energy Directive list used for the production of advanced biofuels in installations existing before the adoption of Directive (EU) 2015/1513 of the European Parliament and of the Council ⁽¹⁾ amending the Renewable Energy Directive;
317. Notes with concern that the specific value (double counting) of biofuels produced from waste and residues increases the risk of fraud; points out that there is a need for dialogue between the Commission and the Member States on monitoring and fraud prevention; invites the Commission to initiate such a dialogue;
318. Welcomes the example of a voluntary scheme mentioned in the Court's report which sets high standards for sustainable production aimed not only at preventing ecological damage, including by protection of soil, water and air, but also at safeguarding appropriate working conditions and protection of employees' health on farms, as well as respect for human, labour and land rights; considers this to be an example of best practice; invites the Commission to consider creating a platform for the voluntary schemes where best practices could be exchanged;

Part XXIV — Special report No 19/2016 of the Court entitled 'Implementing the EU budget through financial instruments — Lessons to be learnt from the 2007-2013 programme'

319. Welcomes the findings and recommendations in the Court's Special Report;
320. Regrets that the overall view of the financial instruments could not describe a successful action to improve the investments in Union; notes that the Commission, in primis, and Member States have assumed higher risks and regrets that there was no significant private-sector contribution to them;
321. Stresses the high levels of management costs and fees compared to the actual financial support to final recipients; suggests setting tax ceilings for financial intermediaries; points out that specific European Regional Development Fund and European Social Fund sizes should be revised to take advantage of the significant economies in the cost of operating funds wherever possible;

⁽¹⁾ Directive (EU) 2015/1513 of the European Parliament and of the Council of 9 September 2015 amending Directive 98/70/EC relating to the quality of petrol and diesel fuels and amending Directive 2009/28/EC on the promotion of the use of energy from renewable sources (OJ L 239, 15.9.2015, p. 1).

322. Considers that the Commission is in a privileged position to provide additional guidance to Member States on how to set up such financial instruments within Member States or at Union level (which are managed directly or indirectly by the Commission); stresses the importance of ensuring that financial instruments are not subject to unacceptable tax avoidance schemes;
323. Is concerned that tax rulings were used in some cases to make financial instruments more attractive for private-sector investors; regrets that the Commission considers that advance tax agreements cannot be considered per se as going against its own policy; calls the Commission to prevent any form of tax ruling concerning the use of a Union financial instrument;
324. Shares the view that lessons learned from the audited programming period (2007-2013) should be reflected when setting up the financial instruments for European structural and investment funds; considers in particular that proposals should be oriented towards performance and results rather than mere compliance; considers the need for the projects to add more value to regional specialisation and economic development of European regions;
325. Regrets that the legal basis in the previous period made it possible for Member States to freeze part of the contribution in the accounts of the banks and financial intermediaries managing the funds, without it being actually used for its intended purposes; notes the modifications introduced by the Commission in its closure guidelines; calls the Commission to actively monitor the situation in order to avoid such practice;
326. Considers that the leverage effect should illustrate the extent to which private funding has been attracted by both the Union's and Member States' initial financial contributions; regrets that the findings from Court's special report show that the financial instruments in both shared and central management were not successful in attracting private capital; considers that Member States' co-financing of financial instruments should be seen, together with the Union contribution, as a part of public funding;
327. Requests that the Commission provide a definition for the leverage of financial instruments applicable across all areas of the Union budget, which clearly distinguishes between the leverage of private and national public contributions under the operational programme and/or of additional private or public capital contributions, and takes into account the type of instrument involved; recommends further efforts by the Member States on data gathering, management and sharing on the financial instruments' revolving effect;
328. Draws attention to the need to provide ab initio clear and concrete estimated leverage for future financial instruments funds; expects the Commission to ensure, for the European Regional Development Fund and European Social Fund financial instruments under the 2007-2013 programme period, that Member States provide complete and reliable data on private contributions on capital endowments, both through the operational programmes and in addition to them;
329. Is of the opinion that before taking a decision for financial engineering measures of relevant infrastructural projects, the managing authorities should make sure that their proposal is duly justified by an independent *ex ante* evaluation of high quality, based on a standardised and commonly agreed methodology; supports the view that before approving the operational programmes, which include relevant infrastructural projects, the Commission should verify their consistency with an independent *ex ante* evaluation and ensure the quality of the latter;
330. Recommends to managing authorities that fund managers' remuneration be linked to the quality of investments actually made, as measured by their contribution to the achievement of the strategic operational programme objectives and to the value of the resources returned to the operation from investments undertaken by the instrument;
331. Recommends a pro-active approach and technical assistance on the ground by the managing authorities and the Union institutions on the better use of financial instruments in the regions;
332. Strongly supports that the Commission should carry out a comparative analysis of the implementation costs of grants and financial instruments (in central and shared management) for the 2014-2020 programme period with a view to establishing their actual levels and impact on the achievement of Europe 2020 goals and the 11th thematic objectives of the cohesion policy; notes that such information would be particularly relevant in view of preparing the legislative proposals for the post-2020 period; asks for a complete performance evaluation before the end of 2019 in order to consider the future of such instruments;

Part XXV — Special report No 20/2016 of the Court of Auditors entitled ‘Strengthening capacity in Montenegro: progress but better needed in many key areas’

333. Welcomes the Court’s report, endorses its recommendations and encourages the Commission to take these recommendations into account when working on strengthening administrative capacity in Montenegro;
334. Welcomes the fact that the Union pre-accession assistance has helped to strengthen administrative capacity; notes however that progress in several key areas has been only very slow;
335. Regrets that although projects generally delivered the expected outputs, the results were not always sustainable, for which the political will of national authorities and external factors are partly responsible; calls on the Commission to build on the achievements of successful projects, which are sustainable, have a quantifiable added value and were implemented and used in accordance with the regulations; calls on the Commission to improve strategic planning and to secure sustainability and viability of the projects by setting it as a clear requirement;
336. Regrets the low commitment of the national authorities, which negatively influences the progress of administrative capacity strengthening; calls on the national authorities to follow up on the project outputs delivered in order to increase the effectiveness; stresses that strong political will is needed to effectively address the de-politicisation and taming of the state administration;
337. Welcomes the fact that the projects were coordinated well with other IPA projects or donor interventions in most cases; nevertheless stresses that there were also cases of weaker coordination leading up to overlapping of some of the efforts; invites the Commission to better align its activities aimed at Montenegro with other projects involving multiple beneficiaries;
338. Regrets that there was insufficient information that could show progress over time in strengthening administrative capacity in the Commission’s reports; notes that the reports did not always assess the same parts of the public administration and the criteria for assessing the administrative capacity were not always clear, which made the comparison over time more difficult;
339. Welcomes however the new reporting methodology for an annual assessment in the 2015 progress reports that has shown better harmonisation of assessment scales and better comparability; invites the Commission to build upon this reporting system also in the future;
340. Notes that the Commission has used non-financial means of support for the reform process in a form of a political dialogue well, however stresses that major issues remain unresolved;
341. Regrets that despite certain results achieved in the past year in terms of implementing anti-corruption legislation, the progress in the fight against corruption remains slow; stresses that the entire rule of law system needs to deliver more results with a special focus on strengthening the fight against corruption and organised crime; calls on the Commission to encourage the national authorities to strengthen the capacity in the area of financial investigation and whistle-blower protection;
342. Welcomes the fact that the Anti-Corruption Agency started its work in 2016; notes however that corruption remains prevalent in many areas and continues to be a serious problem;
343. Notes that the decentralisation of the project management can deliver valuable capacity building in the operating structures due to detailed *ex ante* checks; further notes that spreading good practice on project management accumulated in the IPA structures to the rest of the public administration operating in the same area can provide a potentially effective results; calls on the Commission to exploit these option in order to boost the effectiveness of the capacity building in Montenegro; calls on the Commission to encourage the national authorities to consider using good practice for capacity building;
344. Notes that Montenegro is considered to be the most advanced country in the region in its accession process; stresses that the Union has played an irreplaceable role in the country; however notes with regret that Montenegro has been recently torn by political instability and polarisation, and by an increasingly tense battle for influence between Russia and NATO, whose forces the country will join in 2017; invites the Commission to continue the political dialogue with the national authorities in order to help reaching compromises between government and opposition;

Part XXVI — Special Report No 22/2016 of the Court of Auditors entitled ‘EU nuclear decommissioning assistance programmes in Lithuania, Bulgaria and Slovakia: some progress made since 2011 but critical challenges ahead’

345. Welcomes the Court’s dedicated work on the decommissioning of nuclear power plants as demonstrated in the current and 2011 special report ⁽¹⁾;
346. Supports the recommendations of the Court, of which the Commission fully accepted the majority;
347. Recalls that since 2012 the Committee on Budgetary Control took a particular interest in the question of nuclear decommissioning, and therefore organised fact-finding missions to the three nuclear power plants in 2012, 2013 and 2014;
348. Underlines that nuclear safety is of prime importance, not only for the Member States concerned but for the population in the whole Union and its neighbourhood;
349. Emphasises that, in Lithuania, the removal and safe interim storage of nuclear rods from Unit 2 must be a priority;
350. Recalls that, in Lithuania, one of the main reasons for delays was that technical and commercial disputes between national authorities and external contractors remained unsolved for years; considers that to avoid such a problem interfering with the decommissioning process, dedicated project management teams should be designated; asks the Commission if such project management teams are in place in all three Member States concerned;
351. Reminds the Commission that the Slovakian Supreme Audit Office had scheduled an audit of JAVYS ⁽²⁾ for 2015; asks to be informed about the findings of this audit; in this context, calls on the competent Bulgarian and Lithuanian authorities to audit the decommissioning processes in Ignalina and Kozloduy;
352. Is worried about delays in works on facilities for the storage of low and intermediate-level radioactive waste; calls on the Commission to update Parliament’s competent committee on progress made;
353. Calls on the Commission to inform its competent committee about the efforts to close the financing gap, in particular in Lithuania;
354. Recalls that the Court estimated the decommissioning costs in the three Member States, including high-level waste and spent nuclear fuel disposal at EUR 11 388 million; considers that the costs of decommissioning should not include the costs for high-level waste and spent fuel disposal, which falls within the responsibility of Member States and should be covered by national funds;
355. Calls on the Commission to present, together with the three Member States concerned, a report regarding the actual status of the management of the spent fuel and radioactive waste generated by the decommissioning of the three nuclear power plants;
356. Calls on the Commission to work together with the Member States in order to explore options for identifying geological repositories of high-level radioactive waste;
357. Underlines that closure of the Ignalina nuclear power plant was a condition placed by the Union on the accession of Lithuania in exchange for Union support for its closure, decommissioning and mitigation of the social and economic impact, as defined in Protocol No 4 to the 2003 Act of accession; notes that Lithuania has kept its obligations as regards the closure of Ignalina’s nuclear reactors on the agreed schedule; is, however, concerned about delays in its decommissioning and therefore suggests a more thorough scrutiny of the process by Union authorities;

⁽¹⁾ Special Report No 16/2011, EU financial assistance for the decommissioning of nuclear plants in Bulgaria, Lithuania and Slovakia: achievements and future challenges.

⁽²⁾ Jadrové vyrad ‘ovacia spoločnosť’ (JAVYS): The owner of the nuclear power plant and responsible for the decommissioning of the Bohunice nuclear power plant.

358. Recalls that nuclear safety is of prime importance for the population of the whole Union and taking note of the Court's recommendations regarding the continuation of funding, calls upon the Commission to perform a thorough assessment of the needs for continuation of the dedicated funding programmes for nuclear decommissioning in Lithuania, Bulgaria and Slovakia beyond 2020; highlights that any potential new Union funding beyond 2020 proposed by the Commission for nuclear decommissioning in the three Member States should include clear rules and the right incentives to pursue decommissioning with more efficient control mechanisms, with regards to both financing and timing, while underscoring the need for the effective use of Union financial resources;
359. Calls on the Commission to ensure that all future costs associated with nuclear decommissioning and the final disposal of spent fuel are accounted for properly and calculated in accordance with international standards and Union legislation;
360. Calls on the Commission to evaluate action plans in the three countries with a view to suggesting common tenders for similar projects, especially for consultancy and the design of waste storage facilities;
361. Calls on the Commission to evaluate the decommissioning process in Lithuania, Bulgaria and Slovakia, including the cost-effective use of Union financial assistance, during the financial period 2007-2013;
362. Calls on the European Bank for Reconstruction and Development to audit the functioning of the decommissioning support funds between 2007 and 2013;
363. Is concerned at the Court's finding that the Commission's assessment of the financing plans and detailed decommissioning plans for the 2014-2020 financing period, i.e. of the second and third *ex ante* conditionalities respectively ⁽¹⁾, was inadequate; asks who shoulders the financial responsibility for this failure in the Commission; in this context, wants to be informed about the completed action plan which remedied the discovered weaknesses;

Part XXVII — Special Report No 23/2016 of the Court of Auditors entitled 'Maritime transport in the EU: in troubled waters — much ineffective and unsustainable investment'

364. Welcomes the Court's report and endorses its recommendations;
365. Welcomes the fact that the maritime transport has been growing in the Union in the last decade despite the considerable differences of utilisation between Member State ports;
366. Underlines that Member States' ports' investment policy is established in accordance with political decisions taken at national level which can diverge from the Union strategy, also defined by those same Member States; is of the opinion that the Commission's primary role ought to be ensuring that national operations to finance infrastructure in the Union are consistent with the Union's transport policy and align them with Union-level strategies; regrets that the Commission does not have all the instruments at its disposal to ensure such consistency;
367. Acknowledges that port infrastructure investments are long-term investments; regrets that in most cases the return on investment is however low and slow;
368. Regrets that national port development strategies were mostly developed but that robust implementation plans and coordination remain issues;
369. Is greatly concerned that the Court found a lack of reporting on aggregated capacity data as well as unreliable reporting on available capacity;
370. Regrets that Member States do not provide data on the capacity of core ports, which hinders the Commission's capacity monitoring; stresses the importance of an improvement of the situation so that the Commission can put forward a Union-wide port development plan; calls on the Commission to lay down a clear reporting system for data from Member States;

⁽¹⁾ See COM(2011) 783, Council Regulations (Euratom) No 1368/2013 (OJ L 346, 20.12.2013, p. 1) and (Euratom) No 1369/2013 (OJ L 346, 20.12.2013, p. 7) and Commission Implementing Decision C(2014) 5449.

371. Considers that the coordination between European Investment Bank and Commission services' can be improved with better cooperation and more transparent procedures;

Part XXVIII — Special Report No 25/2016 of the Court of Auditors entitled 'The Land Parcel Identification System: a useful tool to determine the eligibility of agricultural land — but its management could be further improved'

372. Recommends that, based on a quantified cost-benefit analysis and an assessment of risks, the Member States, in the current CAP period, strengthen their efforts to increase Land Parcel Identification System (LPIS) data reliability based on timely and thoroughly conducted updates of the system; considers that given the complexity of pro-rata assessment, the Member States using this option should, in the current CAP period, make further efforts to develop a pro-rata catalogue with clear description and assessment criteria and use complementary technical tools in order to increase the objectivity of ortho-imagery analysis and ensure reproducibility; recommends that Member States also consider the possibility of recording data on ownership and lease rights in their LPIS whenever feasible and cost-effective;
373. Recommends that with the support of the Commission, in the current CAP period the Member States develop and set up a framework for assessing the cost of running and updating their LPISs; considers that this should enable the Member States to measure the performance of their LPISs and the cost-effectiveness of system improvements;
374. Recommends that the Member States ensure that using their LPISs, they reliably identify, register and effectively monitor ecological focus areas, permanent grassland and new categories of land; recommends that they also do a cost/benefit analysis, including in their LPISs all landscape elements protected under cross-compliance or agri-environmental schemes, in order to further enhance the monitoring and protection of such elements beneficial for the environment and for biodiversity;
375. Recommends that the Commission re-examine the current legal framework in order to simplify and streamline the LPIS-related rules for the next CAP period, e.g. by re-considering the need for the 2 % stability threshold and the 100-tree rule;
376. Recommends that the Commission, before the start of the quality assessment exercise 2017, carry out a cost-benefit analysis to determine whether the representativeness of quality assessment samples could be improved so that a better coverage of the population of parcels in the LPIS can be achieved;
377. Recommends that starting in 2016, the Commission improve the monitoring of quality assessment results by analysing any inconsistencies in quality assessment reporting, following them up, providing feedback to the Member States, and ensuring that remedial action plans are prepared and executed when needed; calls on the Commission also to carry out a detailed annual trend analysis for each Member State and reference parcel type so that potential problems can be identified in good time.

Part XXIX — Special Report No 26/2016 of the Court of Auditors entitled 'Making cross-compliance more effective and achieving simplification remains challenging'

378. Recommends that the Commission examine as part of the impact assessment for the CAP post 2020 how to further develop its set of indicators to assess the performance of cross-compliance; recommends also that it examine how to take into account farmers' levels of compliance with the cross-compliance rules in its indicators, with the purpose of strengthening the application and enforcing environmental standards in agriculture to ensure the consistency of the CAP;
379. Recommends that to ensure that the problems encountered are not repeated, the Commission take different requirements according to local territorial needs into consideration; considers, furthermore, that payment levels should be linked more closely to the demands placed on farmers, so as to make it possible to address specific environmental problems and also compensate farmers for the restrictions that have been put on them at the same time;
380. Recommends that the Commission from now on improve the sharing of information on cross-compliance related infringements between concerned services in order to help them to identify the reasons for breaches and to take appropriate measures to address them;

381. Asks for the CAP post-2020 that the Commission envisage improving the rules regarding cross-compliance on-the-spot checks and call on the Member States to carry out their existing administrative checks in an efficient way by using all relevant information available; considers that this would allow a more effective targeting of key control points;
382. Recommends that the Commission analyse as part of the impact assessment for the CAP post-2020 the experience of having two systems operating with similar environmental objectives (good agricultural and environmental condition standards and greening) with a view to promoting further synergy between them; considers that this analysis should take into consideration criteria such as the environmental impact of the standards and the historical level of compliance by farmers;
383. Encourages the Commission to develop a methodology to measure the costs of cross-compliance after the report on the performance of the CAP due by the end of 2018;
384. Suggests inclusion of qualitative indicators and more concrete goals to be set for cross-compliance measures; recommends an easy, fast and simplified application method for the beneficiaries;
385. Recommends that for the CAP post-2020, the Commission encourage a more harmonised application of penalties at Union level by further clarifying the concepts of severity, extent, permanence, reoccurrence and intentionality, but also taking into account the specific conditions in the different Member States; considers that to achieve this objective, minimum conditions should be introduced at Union level;
386. Is of the opinion that as a lesson to be learned from the 2007-2013 period, for the period 2014-2020 and after, the indicators should assess the actual results of the implementation of cross-compliance;

Part XXX — Special Report No 27/2016 of the Court of Auditors entitled ‘Governance at the European Commission — best practice?’

387. Recommends that the Commission, as required of European public interest entities, explain its reasons for not following best practice when it decides not to do so; recommends also that it strongly focus on results while well capturing the lessons from experience;
388. Recommends that the Commission:
 - (a) invite the Internal Audit Service to carry out more audit work on high level governance issues;
 - (b) complete the process of aligning its internal control framework with the COSO 2013 principles;
 - (c) further bring forward the publication of the annual accounts;
 - (d) bring together information already presented in a variety of existing reports so as to form a single accountability report or suite of reports under the authority of its president, containing the accounts but also incorporating the following elements:
 - a governance statement,
 - a discussion of operational and strategic risks,
 - a report on non-financial performance,
 - information on activities during the year and the achievement of policy objectives,
 - a report on the role and conclusions of the audit committee, and
 - a mid- and long-term fiscal sustainability statement, together with, where appropriate, links to information contained in other reports;
 - (e) present this single accountability report or suite of reports for audit of the accounts: considers that the latter report(s) must be analytical, compact, easily understandable and accessible to auditors, employees and Union citizens, while strictly following the International Accounting Standards and the use of best practice;
 - (f) publish as part of the annual accounts or accompanying information an estimate of the level of error based on a sound methodology, and engage stakeholders, including the Parliament, at every step while choosing the statistical method for error estimation; considers that the methodology should be clear and consistent;

- (g) update and publish its governance arrangements on a regular basis and explain its choice of structures and processes in relation to the framework it chooses;
- (h) turn the Audit Progress Committee into an audit committee with a majority of independent external members, and expand its mandate to cover risk management, financial reporting and the work and results of *ex post* verification units and audit directorates.

389. Insists that:

- (a) high-level governance of international organisations must follow a business model and should be transparent, accountable, responsible and, most importantly, efficient;
- (b) high-level governance must adapt to a fast-changing world, and must evolve and detect potential challenges before they become problems;
- (c) horizontal and vertical relationships between the Commission's different structures need to be clear and traceable; continuing the process of cutting red tape is a must; stronger coordination between the different structures is also recommended;
- (d) more visibility of the results in the Member States from the annual governance is needed; sound data made public and presented effectively can support important decisions;
- (e) solid *ex ante*, *ex post* and mid-term evaluation should ensure the value of every euro spent; to facilitate engagement the document should provide information on the relevant costs and benefits of all expenditure;
- (f) strategic use of public procurement should be promoted: every year Member States spend around 14 % of their budget on purchase of services, works and supplies; public procurement should and must be used as an important tool for achieving the Europe 2020 objectives;

Part XXXI — Special Report No 28/2016 of the Court of Auditors entitled 'Dealing with serious cross-border threats to health in the EU: important steps taken but more needs to be done'

- 390. Welcomes the Court's report, endorses its recommendations, and encourages the Commission to take these recommendations into account when implementing further steps to deal with serious cross border threats to health in the Union;
- 391. Reiterates the Court's recommendation that lessons learned from the first reporting cycle need to be adequately applied ahead of the next report; considers that to ensure that future reporting is adequate, the process needs to be consistent across all Member States;
- 392. Recognises the progress made since the 2008-2013 health strategy but stresses the need for better and more strategic monitoring;
- 393. Supports the Court's recommendation that the Health Security Committee develop a strategic plan to address the operational and strategic challenges it faces;
- 394. Notes that the European Centre for Disease Prevention and Control has no formal process to respond effectively to requests for assistance; believes such a situation to be intolerable;
- 395. Recommends that the various Commission services which have functions related to health and the Directorate-General for Health & Food Safety develop a structured approach to improve cooperation;
- 396. Regrets that Member States have not acted collectively to speed up the joint procurement of the pandemic influenza vaccine and recognises that influenza is an issue that affects health services in individual Member States on an annual basis; considers that a coordinated approach across Member States would benefit the health of Union citizens and reduce costs;

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397. Calls on the Commission, Member States and the European Centre for Disease Prevention and Control to work together to further develop the Early Warning and Response System; stresses the need for such a system, which has been used extensively, to be upgraded to reflect changes in technology to ensure optimum use;
398. Instructs its President to forward this resolution to the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).
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DECISION (EU, Euratom) 2017/1609 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the Education, Audiovisual and Culture Executive Agency for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2015 ⁽¹⁾,
- having regard to the consolidated annual accounts of the European Union for the financial year 2015 (COM(2016) 475 — C8-0269/2016) ⁽²⁾,
- having regard to the final annual accounts of the Education, Audiovisual and Culture Executive Agency for the financial year 2015 ⁽³⁾,
- having regard to the Commission's report on the follow-up to the discharge for the 2014 financial year (COM(2016) 674), and to the accompanying Commission staff working documents (SWD(2016) 338, SWD(2016) 339),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2015 (COM(2016) 628), and to the accompanying Commission staff working document (SWD(2016) 322),
- having regard to the Court of Auditors' report on the annual accounts of the Education, Audiovisual and Culture Executive Agency for the financial year 2015, together with the Agency's reply ⁽⁴⁾,
- having regard to the statement of assurance ⁽⁵⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2015 (05874/2017–C8-0038/2017),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾ and in particular Articles 62, 164, 165 and 166 thereof,
- having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽⁷⁾, and in particular Article 14(3) thereof,
- having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽⁸⁾, and in particular the first and second paragraphs of Article 66 thereof,

⁽¹⁾ OJ L 69, 13.3.2015.

⁽²⁾ OJ C 380, 14.10.2016, p. 1.

⁽³⁾ OJ C 417, 11.11.2016, p. 2.

⁽⁴⁾ OJ C 449, 1.12.2016, p. 51.

⁽⁵⁾ OJ C 380, 14.10.2016, p. 147.

⁽⁶⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁷⁾ OJ L 11, 16.1.2003, p. 1.

⁽⁸⁾ OJ L 297, 22.9.2004, p. 6.

- having regard to Commission Implementing Decision 2013/776/EU of 18 December 2013 establishing the Education, Audiovisual and Culture Executive Agency and repealing Decision 2009/336/EC ⁽¹⁾,
 - having regard to Rule 93 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A8-0150/2017),
- A. whereas, under Article 17(1) of the Treaty on European Union, the Commission is to execute the budget and manage programmes and, pursuant to Article 317 of the Treaty on the Functioning of the European Union, is to implement the budget in cooperation with the Member States, on its own responsibility, having regard to the principles of sound financial management;
1. Grants the Director of the Education, Audiovisual and Culture Executive Agency discharge in respect of the implementation of the Agency's budget for the financial year 2015;
 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 2015, Section III — Commission and executive agencies and in its resolution of 27 April 2017 on the Court of Auditors' special reports in the context of the Commission discharge for the financial year 2015 ⁽²⁾;
 3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2015, Section III — Commission and the resolution forming an integral part of those decisions, to the Director of the Education, Audiovisual and Culture Executive Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 343, 19.12.2013, p. 46.

⁽²⁾ Texts adopted of that date, P8_TA(2017)0144 (see page 66 of this Official Journal).

DECISION (EU, Euratom) 2017/1610 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the Executive Agency for Small and Medium-sized Enterprises for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2015 ⁽¹⁾,
- having regard to the consolidated annual accounts of the European Union for the financial year 2015 (COM(2016) 475 — C8-0269/2016) ⁽²⁾,
- having regard to the final annual accounts of the Executive Agency for Small and Medium-sized Enterprises for the financial year 2015 ⁽³⁾,
- having regard to the Commission's report on the follow-up to the discharge for the 2014 financial year (COM(2016) 674), and to the accompanying Commission staff working documents (SWD(2016) 338, SWD(2016) 339),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2015 (COM(2016) 628) and to the accompanying Commission staff working document (SWD(2016) 322),
- having regard to the Court of Auditors' report on the annual accounts of the Executive Agency for Small and Medium-sized Enterprises for the financial year 2015, together with the Agency's reply ⁽⁴⁾,
- having regard to the statement of assurance ⁽⁵⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2015 (05874/2017 — C8-0038/2017),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾ and in particular Articles 62, 164, 165 and 166 thereof,
- having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽⁷⁾, and in particular Article 14(3) thereof,
- having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽⁸⁾, and in particular the first and second paragraphs of Article 66 thereof,
- having regard to Commission Implementing Decision 2013/771/EU of 17 December 2013 establishing the Executive Agency for Small and Medium-sized Enterprises and repealing Decisions 2004/20/EC and 2007/372/EC ⁽⁹⁾,

⁽¹⁾ OJ L 69, 13.3.2015.

⁽²⁾ OJ C 380, 14.10.2016, p. 1.

⁽³⁾ OJ C 417, 11.11.2016, p. 10.

⁽⁴⁾ OJ C 449, 1.12.2016, p. 61.

⁽⁵⁾ OJ C 380, 14.10.2016, p. 147.

⁽⁶⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁷⁾ OJ L 11, 16.1.2003, p. 1.

⁽⁸⁾ OJ L 297, 22.9.2004, p. 6.

⁽⁹⁾ OJ L 341, 18.12.2013, p. 73.

- having regard to Rule 93 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A8-0150/2017),
- A. whereas, under Article 17(1) of the Treaty on European Union, the Commission is to execute the budget and manage programmes and, pursuant to Article 317 of the Treaty on the Functioning of the European Union, is to implement the budget in cooperation with the Member States, on its own responsibility, having regard to the principles of sound financial management;
1. Grants the Director of the Executive Agency for Small and Medium-sized Enterprises discharge in respect of the implementation of the Agency's budget for the financial year 2015;
 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 2015, Section III — Commission and executive agencies, and in its resolution of 27 April 2017 on the Court of Auditors' special reports in the context of the Commission discharge for the financial year 2015 ⁽¹⁾;
 3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2015, Section III — Commission and the resolution forming an integral part of those decisions, to the Director of the Executive Agency for Small and Medium-sized Enterprises, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ Texts adopted of that date, P8_TA(2017)0144 (see page 66 of this Official Journal).

DECISION (EU, Euratom) 2017/1611 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the Consumers, Health, Agriculture and Food Executive Agency for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2015 ⁽¹⁾,
- having regard to the consolidated annual accounts of the European Union for the financial year 2015 (COM(2016)475 — C8-0269/2016) ⁽²⁾,
- having regard to the final annual accounts of the Consumers, Health, Agriculture and Food Executive Agency for the financial year 2015 ⁽³⁾,
- having regard to the Commission's report on the follow-up to the discharge for the 2014 financial year (COM(2016)674), and to the accompanying Commission staff working documents (SWD(2016)338, SWD(2016)339),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2015 (COM(2016)628), and to the accompanying Commission staff working document (SWD(2016)322),
- having regard to the Court of Auditors' report on the annual accounts of the Consumers, Health, Agriculture and Food Executive Agency for the financial year 2015, together with the Agency's reply ⁽⁴⁾,
- having regard to the statement of assurance ⁽⁵⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2015 (05874/2017 — C8-0038/2017),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾ and in particular Articles 62, 164, 165 and 166 thereof,
- having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽⁷⁾, and in particular Article 14(3) thereof,
- having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽⁸⁾, and in particular the first and second paragraphs of Article 66 thereof,
- having regard to Commission Implementing Decision 2013/770/EU of 17 December 2013 establishing the Consumers, Health and Food Executive Agency and repealing Decision 2004/858/EC ⁽⁹⁾,

⁽¹⁾ OJ L 69, 13.3.2015.

⁽²⁾ OJ C 380, 14.10.2016, p. 1.

⁽³⁾ OJ C 417, 11.11.2016, p. 2.

⁽⁴⁾ OJ C 449, 1.12.2016, p. 41.

⁽⁵⁾ OJ C 380, 14.10.2016, p. 147.

⁽⁶⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁷⁾ OJ L 11, 16.1.2003, p. 1.

⁽⁸⁾ OJ L 297, 22.9.2004, p. 6.

⁽⁹⁾ OJ L 341, 18.12.2013, p. 69.

- 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 ⁽¹⁾,
 - having regard to Rule 93 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A8-0150/2017),
- A. whereas, under Article 17(1) of the Treaty on European Union, the Commission is to execute the budget and manage programmes and, pursuant to Article 317 of the Treaty on the Functioning of the European Union, is to implement the budget in cooperation with the Member States, on its own responsibility, having regard to the principles of sound financial management;
1. Grants the Director of the Consumers, Health, Agriculture and Food Executive Agency discharge in respect of the implementation of the Agency's budget for the financial year 2015;
 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 2015, Section III — Commission and executive agencies, and in its resolution of 27 April 2017 on the Court of Auditors' special reports in the context of the Commission discharge for the financial year 2015 ⁽²⁾;
 3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2015, Section III — Commission and the resolution forming an integral part of those decisions, to the Director of the Consumers, Health, Agriculture and Food Executive Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 363, 18.12.2014, p. 183.

⁽²⁾ Texts adopted of that date, P8_TA(2017)0144 (see page 66 of this Official Journal).

DECISION (EU, Euratom) 2017/1612 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the European Research Council Executive Agency for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2015 ⁽¹⁾,
- having regard to the consolidated annual accounts of the European Union for the financial year 2015 (COM(2016)475 — C8-0269/2016) ⁽²⁾,
- having regard to the final annual accounts of the European Research Council Executive Agency for the financial year 2015 ⁽³⁾
- having regard to the Commission's report on the follow-up to the discharge for the 2014 financial year (COM(2016)674), and to the accompanying Commission staff working documents (SWD(2016)338, SWD(2016)339),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2015 (COM(2016)628), and to the accompanying Commission staff working document (SWD(2016)322),
- having regard to the Court of Auditors' report on the annual accounts of the European Research Council Executive Agency for the financial year 2015, together with the Agency's reply ⁽⁴⁾,
- having regard to the statement of assurance ⁽⁵⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2015 (05874/2017 — C8-0038/2017),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾ and in particular Articles 62, 164, 165 and 166 thereof,
- having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽⁷⁾, and in particular Article 14(3) thereof,
- having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽⁸⁾, and in particular the first and second paragraphs of Article 66 thereof,
- having regard to Commission Implementing Decision 2013/779/EU of 17 December 2013 establishing the European Research Council Executive Agency and repealing Decision 2008/37/EC ⁽⁹⁾,

⁽¹⁾ OJ L 69, 13.3.2015.

⁽²⁾ OJ C 380, 14.10.2016, p. 1.

⁽³⁾ OJ C 417, 11.11.2016, p. 9.

⁽⁴⁾ OJ C 449, 1.12.2016, p. 157.

⁽⁵⁾ OJ C 380, 14.10.2016, p. 147.

⁽⁶⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁷⁾ OJ L 11, 16.1.2003, p. 1.

⁽⁸⁾ OJ L 297, 22.9.2004, p. 6.

⁽⁹⁾ OJ L 346, 20.12.2013, p. 58.

- having regard to Rule 93 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A8-0150/2017),
- A. whereas, under Article 17(1) of the Treaty on European Union, the Commission is to execute the budget and manage programmes and, pursuant to Article 317 of the Treaty on the Functioning of the European Union, is to implement the budget in cooperation with the Member States, on its own responsibility, having regard to the principles of sound financial management;
1. Grants the Director of the European Research Council Executive Agency discharge in respect of the implementation of the Agency's budget for the financial year 2015;
 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 2015, Section III — Commission and executive agencies, and in its resolution of 27 April 2017 on the Court of Auditors' special reports in the context of the Commission discharge for the financial year 2015 ⁽¹⁾;
 3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2015, 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
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ Texts adopted of that date, P8_TA(2017)0144 (see page 66 of this Official Journal).

DECISION (EU, Euratom) 2017/1613 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the Research Executive Agency for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2015 ⁽¹⁾,
- having regard to the consolidated annual accounts of the European Union for the financial year 2015 (COM(2016) 475 — C8-0269/2016) ⁽²⁾,
- having regard to the final annual accounts of the Research Executive Agency for the financial year 2015 ⁽³⁾,
- having regard to the Commission's report on the follow-up to the discharge for the 2014 financial year (COM(2016) 674), and to the accompanying Commission staff working documents (SWD(2016) 338, SWD(2016) 339),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2015 (COM(2016) 628), and to the accompanying Commission staff working document (SWD(2016) 322),
- having regard to the Court of Auditors' report on the annual accounts of the Research Executive Agency for the financial year 2015, together with the Agency's reply ⁽⁴⁾,
- having regard to the statement of assurance ⁽⁵⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2015 (05874/2017 — C8-0038/2017),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾ and in particular Articles 62, 164, 165 and 166 thereof,
- having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽⁷⁾, and in particular Article 14(3) thereof,
- having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽⁸⁾, and in particular the first and second paragraphs of Article 66 thereof,
- having regard to Commission Implementing Decision 2013/778/EU of 13 December 2013 establishing the Research Executive Agency and repealing Decision 2008/46/EC ⁽⁹⁾,

⁽¹⁾ OJ L 69, 13.3.2015.

⁽²⁾ OJ C 380, 14.10.2016, p. 1.

⁽³⁾ OJ C 417, 11.11.2016, p. 11.

⁽⁴⁾ OJ C 449, 1.12.2016, p. 230.

⁽⁵⁾ OJ C 380, 14.10.2016, p. 147.

⁽⁶⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁷⁾ OJ L 11, 16.1.2003, p. 1.

⁽⁸⁾ OJ L 297, 22.9.2004, p. 6.

⁽⁹⁾ OJ L 346, 20.12.2013, p. 54.

- having regard to Rule 93 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A8-0150/2017),
- A. whereas, under Article 17(1) of the Treaty on European Union, the Commission is to execute the budget and manage programmes and, pursuant to Article 317 of the Treaty on the Functioning of the European Union, is to implement the budget in cooperation with the Member States, on its own responsibility, having regard to the principles of sound financial management;
1. Grants the Director of the Research Executive Agency discharge in respect of the implementation of the Agency's budget for the financial year 2015;
 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 2015, Section III — Commission and executive agencies, and in its resolution of 27 April 2017 on the Court of auditors' special reports in the context of the Commission discharge for the financial year 2015 ⁽¹⁾.
 3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2015, Section III — Commission and the resolution forming an integral part of those decisions, to the Director of the Research Executive Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ Texts adopted of that date, P8_TA(2017)0144 (see page 66 of this Official Journal).

DECISION (EU, Euratom) 2017/1614 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the Innovation and Networks Executive Agency for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2015 ⁽¹⁾,
- having regard to the consolidated annual accounts of the European Union for the financial year 2015 (COM(2016) 475 — C8-0269/2016) ⁽²⁾,
- having regard to the final annual accounts of the Innovation and Networks Executive Agency for the financial year 2015 ⁽³⁾,
- having regard to the Commission's report on the follow-up to the discharge for the 2014 financial year (COM(2016) 674), and to the accompanying Commission staff working documents (SWD(2016) 338, SWD(2016) 339),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2015 (COM(2016) 628), and to the accompanying Commission staff working document (SWD(2016) 322),
- having regard to the Court of Auditors' report on the annual accounts of the Innovation and Networks Executive Agency for the financial year 2015, together with the Agency's reply ⁽⁴⁾,
- having regard to the statement of assurance ⁽⁵⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2015 (05874/2017–C8-0038/2017),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾ and in particular Articles 62, 164, 165 and 166 thereof,
- having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽⁷⁾, and in particular Article 14(3) thereof,
- having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽⁸⁾, and in particular the first and second paragraphs of Article 66 thereof,
- having regard to Commission Implementing Decision 2013/801/EU of 23 December 2013 establishing the Innovation and Networks Executive Agency and repealing Decision 2007/60/EC as amended by Decision 2008/593/EC ⁽⁹⁾,

⁽¹⁾ OJ L 69, 13.3.2015.

⁽²⁾ OJ C 380, 14.10.2016, p. 1.

⁽³⁾ OJ C 417, 11.11.2016, p. 11.

⁽⁴⁾ OJ C 449, 1.12.2016, p. 219.

⁽⁵⁾ OJ C 380, 14.10.2016, p. 147.

⁽⁶⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁷⁾ OJ L 11, 16.1.2003, p. 1.

⁽⁸⁾ OJ L 297, 22.9.2004, p. 6.

⁽⁹⁾ OJ L 352, 24.12.2013, p. 65.

- having regard to Rule 93 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A8-0150/2017),
- A. whereas, under Article 17(1) of the Treaty on European Union, the Commission is to execute the budget and manage programmes and, pursuant to Article 317 of the Treaty on the Functioning of the European Union, is to implement the budget in cooperation with the Member States, on its own responsibility, having regard to the principles of sound financial management;
1. Grants the Director of the Innovation and Networks Executive Agency discharge in respect of the implementation of the Agency's budget for the financial year 2015;
 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 2015, Section III — Commission and executive agencies, and in its resolution of 27 April 2017 on the Court of auditors' special reports in the context of the Commission discharge for the financial year 2015 ⁽¹⁾;
 3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2015, Section III — Commission and the resolution forming an integral part of those decisions, to the Director of the Innovation and Networks Executive Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ Texts adopted of that date, P8_TA(2017)0144 (see page 66 of this Official Journal).

DECISION (EU, Euratom) 2017/1615 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the general budget of the European Union for the financial year 2015, Section III — Commission**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2015 ⁽¹⁾,
- having regard to the consolidated annual accounts of the European Union for the financial year 2015 (COM(2016) 475 — C8-0269/2016) ⁽²⁾,
- having regard to the Commission's report on the follow-up to the discharge for the 2014 financial year (COM(2016) 674), and to the accompanying Commission staff working documents (SWD(2016) 338, SWD(2016) 339),
- having regard to the Commission's 2015 Annual Management and Performance Report for the EU Budget (COM(2016) 446),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2015 (COM(2016) 628), and to the accompanying Commission staff working document (SWD(2016) 322),
- having regard to the Court of Auditors' annual report on the implementation of the budget for the financial year 2015, together with the institutions' replies ⁽³⁾, and to the Court of Auditors' special reports,
- having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2015 (05876/2017 — C8-0037/2017),
- having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2015 (05874/2017 — C8-0038/2017),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾ and in particular Articles 62, 164, 165 and 166 thereof,
- having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽⁶⁾, and in particular Article 14(2) and (3) thereof,
- having regard to Rule 93 of and Annex IV to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A8-0150/2017),

⁽¹⁾ OJ L 69, 13.3.2015.⁽²⁾ OJ C 380, 14.10.2016, p. 1.⁽³⁾ OJ C 375, 13.10.2016, p. 1.⁽⁴⁾ OJ C 380, 14.10.2016, p. 147.⁽⁵⁾ OJ L 298, 26.10.2012, p. 1.⁽⁶⁾ OJ L 11, 16.1.2003, p. 1.

1. Approves the closure of the accounts of the general budget of the European Union for the financial year 2015;
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 2015, Section III — Commission and executive agencies, and in its resolution of 27 April 2017 on the Court of auditors' special reports in the context of the Commission discharge for the financial year 2015 ⁽¹⁾;
3. Instructs its President to forward this decision to the Council, the Commission, and the Court of Auditors, and to the national parliaments and the national and regional audit institutions of the Member States, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ Texts adopted of that date, P8_TA(2017)0144 (see page 66 of this Official Journal).

DECISION (EU) 2017/1616 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the general budget of the European Union for the financial year 2015, Section IV — Court of Justice**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2015 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2015 (COM(2016) 475 — C8-0272/2016) ⁽²⁾,
 - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2015, 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 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Articles 55, 99, 164, 165 and 166 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Legal Affairs (A8-0136/2017),
1. Grants the Registrar of the Court of Justice discharge in respect of the implementation of the budget of the Court of Justice for the financial year 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Court of Justice, the European Council, the Council, the Commission, the Court of Auditors, the European Ombudsman, the European Data Protection Supervisor and the European External Action Service, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 69, 13.3.2015.

⁽²⁾ OJ C 380, 14.10.2016, p. 1.

⁽³⁾ OJ C 375, 13.10.2016, p. 1.

⁽⁴⁾ OJ C 380, 14.10.2016, p. 147.

⁽⁵⁾ OJ L 298, 26.10.2012, p. 1.

RESOLUTION (EU) 2017/1617 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015, Section IV — Court of Justice**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2015, Section IV — Court of Justice,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Legal Affairs (A8-0136/2017),
- A.
- whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, implementing the concept of performance-based budgeting and good governance of human resources,
1. Notes with satisfaction that, in its annual report for 2015, 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 'Court of Justice');
 2. Welcomes the fact that, on the basis of its audit work, the Court of Auditors concluded that the payments as a whole for the year ended on 31 December 2015 for administrative and other expenditure of the Court of Justice were free from material error;
 3. Notes that in 2015, the Court of Justice had appropriations amounting to EUR 357 062 000 (EUR 355 367 500 in 2014) and that the implementation rate was 99 %; welcomes the very high utilisation rate in 2015, identical to the rate in 2014;
 4. Notes that the estimated revenue of the Court of Justice for the financial year 2015 was EUR 44 856 000; asks the Court of Justice to explain why the established entitlements in the financial year 2015 are EUR 49 510 442, which is 10,4 % higher than estimated;
 5. Notes that revenue from entitlements carried over from 2014 to 2015 amounts EUR 84 620,37 and that 84,28 % represents revenue from persons working with the institutions and other Union bodies;
 6. Notes that the Court of Justice's budget is mostly administrative, with around 75 % being used for expenditure concerning persons working within the Court of Justice and the remaining amount relating to buildings, furniture, equipment and special functions carried out by it; stresses, however, that introducing performance-based budgeting should not apply only to the Court of Justice's budget as a whole but should include the setting of specific, measurable, attainable, realistic and time-based (SMART) targets to individual departments, units and staffs' annual plans; in this respect, calls on the Court of Justice to introduce the principle of performance-based budgeting more widely in its daily operations;
 7. Welcomes the productivity of the judicial activity of the Court of Justice in 2015, with 1 711 cases brought before the three courts and 1 755 cases completed; notes that this is the highest annual number of the cases in the Court of Justice's history;
 8. Notes that the Court of Justice completed 616 cases in 2015, which represents a decrease compared to 2014 (719 cases were completed in 2014), and had 713 new cases brought before it (compared to 622 in 2014);
 9. Notes that in 2015 the General Court received 831 new cases and dealt with 987 cases, which constitutes a general increase when compared with previous years;
 10. Notes that in 2015 the Civil Service Tribunal completed 152 cases, as in 2014, and had 167 new cases; stresses that 10 years after its establishment, 2015 was the last year of existence of the Tribunal; believes that an in-depth assessment of those 10 years of activity should be made by the Court of Justice;

11. Notes that the 2015 statistics for the three courts confirm the trend seen in recent years as regards the average duration of proceedings, which remains satisfactory (for the Court of Justice, 15,3 months requests for a preliminary ruling (compared with 15 months in 2014), 1,9 months for urgent requests for a preliminary ruling (compared with 2,2 months in 2014), 17,6 months for direct actions (compared with 20 months in 2014) and 14 months for appeals (compared with 14,5 months in 2014); for the General Court and Civil Service Tribunal, respectively 20,6 months (compared with 23,4 months in 2014) and 12,1 months (compared with 12,7 months in 2014) for all types of case; considers that the amendments to the Statute of the Court of Justice adopted in 2015 can only further enhance that streamlining;
12. Welcomes the fact that the number of cases concluded increased by 57 % during the period 2007 to 2015, largely owing to the coordinated efforts of the courts and auxiliary staff, despite the extremely limited increase in auxiliary staff capacity over that period;
13. Notes that 2015 was the year of adoption of the judicial architectural reform of the Court of Justice, which was accompanied by the development of new rules of procedure for the General Court; understands that, by virtue of the number of judges of the General Court being doubled in a three-stage process extending until 2019, that reform will enable the Court of Justice to continue to deal with the increase in the number of cases; looks forward to analysing the achievements of that reform in the Court of Justice's capacity to deal with cases within a reasonable period and in compliance with the requirements of a fair hearing;
14. Believes that that reform will allow the Court of Justice to deal with its increasing caseload more quickly and efficiently and serve the interests of those seeking justice, respecting their right to due process within a reasonable time, in line with the objectives of an effective, high-quality service;
15. Notes the upcoming recast of the Code of Conduct for Members where the conditions for carrying out external activities and the publication of their financial interests will be clarified; calls for a greater level of transparency on the external activities of each judge; requests that the Court of Justice provide information regarding other posts and paid external activities of the judges on its website and its annual activity reports;
16. Notes that out of the commitments of missions of EUR 295 500 only EUR 41 209 were used; points out that this under-investment could be avoided; requests the Court of Justice to improve its budgeting and accountability in regard to the mission budget and emphasises the need for the principle of missions to be cost-effective;
17. Considers that the Court of Justice should make available a general overview of the participants and the contents of its meetings with external parties other than the ones related to its judicial activity;
18. Asks the Court of Justice to provide the discharge authority with a list of meetings with lobbyists, professional associations and civil society by June 2017; asks the Court of Justice to present the minutes of those meetings by June 2017;
19. Notes with satisfaction the improvements made in the e-Curia application and the fact that all Member States used it in 2015; considers that alongside the dematerialisation of documents, data security should be improved;
20. Notes that, according to its annual management report for 2015, the Court of Justice works closely with the Court of Auditors' team designated to carry out its performance review; in this regard notes that, at the beginning of the audit process, the Court of Justice raised obstacles to the work of the audit team; notes with satisfaction that the Court of Justice has improved its cooperation with the auditors and provided further documents to Court of Auditors; is aware that the principle of secrecy of deliberations is necessary to help preserve the independence of decision-makers, to promote consistency and finality of decisions and to prevent decision-makers from having to spend more time testifying about their decisions than making them; points out, however, that the secrecy of deliberations as principle *ab ovo* prevents any external control; invites the Court of Justice, therefore, to develop an internal control/remedy mechanism in order to provide in such cases a certain level of control;
21. Notes that the Court of Justice has complied with the interinstitutional agreement to reduce staff by 5 % over a period of five years;
22. Notes the high proportion of posts occupied (98 %) despite the high staff turnover rate in the Court of Justice and supports its active recruitment policy; calls on the Court of Justice to set up rules on revolving doors;
23. Welcomes the exchange of staff made by the Court of Justice with the European Central Bank in 2015 and expects that cooperation to continue in the years to come;

24. Welcomes the initiative of the Court of Justice to improve the gender balance in management posts and the fact that the gender balance in middle and senior management posts reached a level of 35 % to 65 % in 2015; believes, nevertheless, that there is further room for improvement in this area in the institution; notes, furthermore, that Parliament and the Council have stated that it is their objective to ensure an equal representation of women and men when appointing new judges to the General Court ⁽¹⁾;
25. Emphasises that geographical balance, namely the relationship between staff nationality and the size of Member States, must remain an important element of resources management, particularly with respect to the Member States that acceded to the Union in 2004 or thereafter;
26. Welcomes the fact that the Court of Justice has reached a more balanced composition of officials from the Member States which joined the Union before 2004 and from the Member States which acceded to it in 2004 or thereafter; is deeply concerned, however, at the considerable geographic imbalance in middle and senior management level, to the disadvantage of the Member States which acceded to the Union in 2004 or thereafter; calls on the Court of Justice to endeavour to correct that situation and to report to Parliament on the improvements achieved in that regard;
27. Regrets the fact that the Court of Justice's internal whistleblowing rules were adopted only in the beginning of 2016; recommends that the Court of Justice disseminate those rules among its staff so that all employees are aware of them; asks the Court of Justice to provide, by June 2017, details of the whistleblower cases in 2015, if any, and of how they were handled and finalised;
28. Urges the Court of Justice to enact the submission of declarations of interests, instead of declarations of the absence of conflicts of interests, as self-evaluation of conflicts of interests is, in itself, a conflict of interests; considers that the evaluation of a situation of conflicts of interests must be done by an independent party; asks the Court of Justice to report by June 2017 on the changes introduced and to indicate who is checking the situations of conflicts of interests; reiterates that transparency is a key element to the public trust; calls on the Court of Justice to establish clear rules regarding 'revolving doors' and to put in place measures and dissuasive penalties, such as the reduction of pensions or the prohibition to work at least three years in similar bodies, to prevent 'revolving doors';
29. Notes the cooperation of the Court of Justice with the Commission and Parliament's interpretation services within the Interinstitutional Committee for Translation and Interpretation, particularly in the area of interpretation; expects that that cooperation will be extended to the translation area and supports it, where possible and without undermining the Court of Justice's responsibilities;
30. Calls on the Court of Justice to provide Parliament with the costs of translation according to the harmonised methodology agreed within the Interinstitutional Working Group on key interinstitutional activity and performance indicators;
31. Notes that the translation directorate of the Court of Justice had a workload increase of 1,4 % and that its productivity increased by 7 % in 2015 due to the outsourcing of workload control and the implementation of new translation supporting tools;
32. Supports the review of expenditure and of the conditions for use of official cars jointly conducted by the internal audit services of the Court of Justice and of the Court of Auditors; calls on the Court of Justice to consider, within the frame of that review, the possibility of reducing the number of official cars at the disposal of its members and staff; calls on the Court of Justice, moreover, to improve its checks against the use of official cars for private purposes;
33. Welcomes the commitment of the Court of Justice to ambitious environmental targets; encourages the institution to apply the principles of green public procurement and calls for the establishment of rules and a sufficient budget for carbon offsetting;
34. Notes the detailed information on the Court of Justice's buildings policy, particularly with regard to the construction of a fifth extension of the current buildings complex;
35. Welcomes the opening of the Court of Justice's historical archive at the Historical Archives of the Union in Florence;
36. Welcomes the Court of Justice's initiative to publish its annual activity report in a new format; calls on the Court of Justice to publish the Court of Auditors annual report, in particular the parts referring to the Court of Justice;

⁽¹⁾ See Annex to Parliament's legislative resolution of 28 October 2015 — Joint statement by the European Parliament and the Council — Texts adopted, P8_TA(2015)0377.

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37. Calls on the Court of Justice to improve its communications policy towards the citizens of the Union;
 38. Considers the answer given by the Court of Justice to Parliament's question (Question 26) on allowances to be incomplete; asks the Court of Justice for clarification and for a clear and detailed answer.
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DECISION (EU) 2017/1618 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the general budget of the European Union for the financial year 2015, Section V — Court of Auditors**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2015 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2015 (COM(2016) 475 — C8-0273/2016) ⁽²⁾,
 - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2015, 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 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Articles 55, 99, 164, 165 and 166 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0151/2017),
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 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Court of Auditors, the European Council, the Council, the Commission, the Court of Justice of the European Union, the European Ombudsman, the European Data Protection Supervisor and the European External Action Service, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 69, 13.3.2015.

⁽²⁾ OJ C 380, 14.10.2016, p. 1.

⁽³⁾ OJ C 375, 13.10.2016, p. 1.

⁽⁴⁾ OJ C 380, 14.10.2016, p. 147.

⁽⁵⁾ OJ L 298, 26.10.2012, p. 1.

RESOLUTION (EU) 2017/1619 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015, 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 2015, Section V — Court of Auditors,
 - having regard to the Special Report No 15/2012 of the European Court of Auditors: 'Management of conflict of interest in selected EU Agencies',
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0151/2017),
- A.
1. Appreciates the cooperation between the Court of Auditors (the 'Court') and Parliament's Committee on Budgetary Control and welcomes regular feedback based on Parliament's demands; welcomes the recent practice that allows Parliament to present its suggestions to the Court for its annual work programme; calls for an even more structured annual debate between the Court's president and Parliament's Conference of Committee Chairs;
 2. Notes that the Court's annual accounts are audited by an independent external auditor in order to apply the same principles of transparency and accountability that the auditor applies to its auditees; takes note of the auditor's opinion that the Court's financial statements give a true and fair view of the financial position of the Court;
 3. Notes that in 2015, the Court's final appropriations amounted to a total of EUR 132 906 000 (compared to EUR 133 498 000 in 2014) and that the overall rate of implementation for the budget was 98,68 %; emphasises that the implementation rate was less than in 2014 (98,8 %);
 4. Stresses that the Court's budget is purely administrative, with a large amount being used for expenditure concerning persons working within the institution; stresses, however, that introducing performance-based budgeting should not apply only to the institution's budget as a whole but should also include the setting of specific, measurable, attainable, realistic and time-based (SMART) targets to individual departments, units and the annual plans of members of staff; in this respect, welcomes the Court's implementation of the performance-based budgeting principle in its daily operations;
 5. Reminds the Court that, according to the Common Approach on decentralised agencies adopted in July 2012 by Parliament, the Council and the Commission (at paragraph 54), the audit of the decentralised agencies remains 'under the full responsibility of [the Court], which manages all administrative and procurement procedures required'; encourages the Court to put forward proposals to resolve the issue of the audit of the agencies within the context of the ongoing revision of the Financial Regulation, and the subsequent revision of the Framework Financial Regulation; considers that this matter should be clarified so as to reduce any excessive administrative burden on the decentralised agencies, without impairing the necessity and effectiveness of the Court's work;
 6. Notes that the Court's reform was implemented in 2015 and was considered to be a success by the Court; looks forward to receiving a mid-term assessment of the Court's 2013 to 2017 strategy, including an analysis of the achievements of the main objectives of the reform;
 7. Welcomes the Union's added value approach of the Court in its reports; calls for further work with the other institutions of the Union to develop the performance indicators and priorities for a good financial governance;

8. Notes that the revision of Article 163 of the Financial Regulation provides that 'special reports are drawn up and adopted within [...] 13 months' ⁽¹⁾; observes that this time frame was not complied with in 2015; urges the Court to comply with that time-limit without compromising the quality of the reports; in that regard, encourages the Court to improve the recommendations in its special reports to be even more targeted;
9. Takes the view that the special reports of the Court should be given more prominence by the recipient institutions and should include annual, dedicated reports; emphasises that the effectiveness of separate special reports could be enlarged if they were grouped together in time in relation to specific policy areas, thus making it possible for Parliament to devote *ad hoc* reports to those special reports of the Court outside the discharge cycle;
10. Deplores the fact that the Court has, to date, failed to present a special report on conflicts of interests in all agencies, in particular in those related to industries, despite the reiterated requests made by Parliament in its discharge resolutions since 2012; urges the Court to produce and publish a first special report on conflicts of interests by the end of June 2017 and to publish subsequent reports annually thereafter; considers the production of annual reports on conflicts of interests by the Court to be vital for the integrity of the Union institutions, bodies and agencies, and to avoid conflicts of interests between the Union agencies, in particular those relating to industry, and lobbying groups;
11. Observes that the Court complies with the interinstitutional agreement to reduce staff by 5 % over a period of five years; asks to be informed, by June 2017, about how that reduction matches the new recruitments made by the Court in 2015 and of the percentage of the 2015 new recruitments;
12. Regrets that within the members of the Court there was a gender imbalance of five women compared to 23 men in 2015 and that the number of women went down to three in 2016; regrets, furthermore, that the Court has an ongoing gender imbalance in senior and middle management posts (30,4 % women compared to 69,6 % men); calls on the Court to promote gender balance, in particular in management posts; calls, furthermore, on the Court to report back to the discharge authority on the measures taken and on the results achieved in that regard, without undermining its mission;
13. Emphasises that geographical balance, namely a proportional relationship between the members of staff of a particular nationality and the size of the relevant Member State, must remain an important element of resources management, particularly with respect to the Member States that have acceded to the Union in or after 2004; welcomes the fact that the Court has reached an overall balanced composition of officials from the Member States which acceded to the Union before 2004 and from the Member States which acceded in or after 2004; points out that, nevertheless, the Member States which joined the Union in or after 2004 remain underrepresented at the higher level of administration and in managerial posts, for which progress is still needed;
14. Is concerned about the high number of days of sick leave among the staff; calls on the Court to target its well-being activities to ensure the well-being of its staff, in order to better perform its core mission;
15. Notes the method used by the Court to calculate staff sick leave; is of the opinion that that method is not appropriate to calculate absences for sickness effectively; calls on the Court to apply a calculation system based on working days of absence per individual employee, as practised by other institutions;
16. Notes that the Court organised five away days, mainly in preparation of the reform of the Court, with a low proportion of members of staff (only 107) participating; calls on the Court to target its well-being activities better in order to include proactive and positive human resources development, with the participation of as many members of staff as possible;
17. Notes the Court's reinforced ethical framework to prevent conflicts of interests, as well as misconduct by members of staff; calls on the Court to report to Parliament on the revision of its internal anti-harassment rules;
18. Urges the Court to enforce the submission of declarations of interests, instead of declarations of absence of conflicts of interests, as the self-evaluation of conflicts of interests is a conflict of interests in itself; considers that the evaluation of a situation of conflicts of interests must be made by a third party that is independent; asks the Court to report by June 2017 on the changes introduced and to indicate who is checking the situations

⁽¹⁾ See Article 251(1) in Commission proposal COM(2016) 605.

of conflicts of interests; reiterates that integrity and transparency are key elements to public confidence; calls on the Court to establish clear rules regarding 'revolving doors' and to put in place measures and dissuasive penalties, such as the reduction of pensions or the prohibition to work at least three years in similar bodies, to prevent 'revolving doors';

19. Reminds the Court that the Union's decentralised agencies must adopt codes of good administrative behaviour and be encouraged to use the transparency register as a reference instrument for their interaction with the relevant representatives;
 20. Calls on the Court to be party to the interinstitutional agreement on a mandatory transparency register;
 21. Welcomes the creation of a transparency portal on the Court's website as well as the fact that the Court has already in place rules on whistleblowing; recommends that the Court disseminate those rules among its staff so that all employees are aware of them; asks the Court to provide, by June 2017, details on whistleblower cases in 2015, if any, and on how they were handled and resolved;
 22. Notes that in 2015 the Court owned three buildings, K1, K2 and K3; asks the Court to include the planning for the upgrade works of those buildings in its annual activity report and to ensure the implementation of the highest possible standards of energy efficiency during the upgrades;
 23. Notes the summary of the Court's building policy included in its annual activity report and calls for more detailed information on this matter to be provided in the future;
 24. Notes the increased volume of translation work in 2015, which was almost 3 % more than in 2014; notes that under the Court's reform, the structure of the translation directorate was optimised; calls on the Court to clarify how that directorate improved its work;
 25. Notes the negotiations between the Court and the European Anti-Fraud Office (OLAF) to consider the possibility of an administrative arrangement; calls on the Court to report on the progress in negotiations on that matter;
 26. Reiterates its calls on the Court to include in its annual activity reports, in compliance with the existing rules on confidentiality and data protection, the results and consequences of closed OLAF cases, where the Court or any member of its staff were the subject of the investigation;
 27. Notes the internal auditor service recommendation to consider a more rational use of the Court's official vehicles; invites the Court to address this matter in cooperation with the Court of Justice of the European Union and to inform Parliament of the actions taken to rationalise the management of the fleet;
 28. Welcomes the Court's efforts and its achievements in lowering its environment footprint; notes that the Court launched an Eco-Management and Audit Scheme (EMAS) project in 2013, which aims to obtain the EMAS certification by the end of 2016; welcomes the fact that, on 13 November 2015, the Court adopted an environmental policy formalising its participation in a high-quality environmental management initiative; expresses concern for the delay of the EMAS certification;
 29. Stresses the importance of widening cooperation with universities in the Union for the creation of specialised courses on European auditing; calls on the Court to keep Parliament informed of the developments and of the results of that future enlarged cooperation;
 30. Calls on the Court to envisage the possibility of making recommendations on better communication about the budget of the Union, its functions and its mission, and on how to explain it more effectively to Union citizens.
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DECISION (EU) 2017/1620 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the general budget of the European Union for the financial year 2015, Section X — European External Action Service**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2015 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2015 (COM(2016) 475 — C8-0278/2016) ⁽²⁾,
 - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2015, 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 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Articles 55, 99 and 164 to 167 thereof,
 - having regard to the Special Report No 7/2016 of the Court of Auditors: 'The European External Action Service's management of its buildings around the world',
 - having regard to Rule 94 of and Annex IV of its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Foreign Affairs (A8-0122/2017),
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 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision and the resolution forming an integral part of it to the European External Action Service, the European Council, the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 69, 13.3.2015.

⁽²⁾ OJ C 380, 14.10.2016, p. 1.

⁽³⁾ OJ C 375, 13.10.2016, p. 1.

⁽⁴⁾ OJ C 380, 14.10.2016, p. 147.

⁽⁵⁾ OJ L 298, 26.10.2012, p. 1.

RESOLUTION (EU) 2017/1621 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015, 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 2015, Section X — European External Action Service,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Foreign Affairs (A8-0122/2017),
- A. whereas in the context of the discharge procedure, the discharge authority stresses the special importance of further strengthening the democratic legitimacy of the institutions of the Union by improving transparency and accountability, implementing the concept of performance-based budgeting and good governance of human resources;
1. Welcomes that, according to the Court of Auditors (the ‘Court’), the overall level of error in Heading 5 (Administration), including the budget of the European External Action Service (EEAS), continues to be relatively low with an estimation at 0,6 % in 2015;
 2. Takes note that the Court identified no significant weaknesses as regards the annual activity report and the internal control system of the EEAS;
 3. Calls on the EEAS to remedy certain weaknesses found by the Court in the recruitment procedures of local agents in delegations (i.e. a lack of transparency as regards certain steps of the procedure) and in procurement procedures (notably incorrect appraisals of offers compared to technical specifications or use of the incorrect procurement procedure) organised by delegations;
 4. Agrees with the Court that improving the guidance, the design, coordination and execution of public procurement procedures for low value contracts is of importance as those contracts represented 4,5 % of the total value of contracts concluded in 2015; supports the intention of EEAS to hold regional seminars and provide administrative procurement support for the entire network of delegations;
 5. Calls on the EEAS to improve the quality of its selection procedures by integrating all the necessary supporting documentation; asks the EEAS to better harmonise the procurement procedures carried out in the delegations; reiterates its request to remedy the recurring weaknesses in this area by continuing the administrative support to the delegations where the situation is the most critical;
 6. Welcomes the fact that improved and more comprehensive guidelines reinforcing the supervision of the heads of delegations, covering both the accountability and reporting requirements, have been issued in the framework of the exercise of the External Assistance Management Report (EAMR) for 2015;
 7. Regrets the increase of the average rate of anomaly on commitments to 22,4 % in 2015 (compared to 18,3 % in 2014) at the level of *ex ante* controls;
 8. Notes that the total budget of the EEAS for 2015 was EUR 602,8 million, representing a total increase of 16,2 % compared to 2014, which resulted from the transfer to its budget of EUR 71,5 million from the Commission’s administrative budget (EUR 25,2 million) and from other budget lines (up to EUR 46,3 million) to finance the common costs of the Union’s delegations such as rents, offices’ security and IT costs; observes that EDF funds were not included;
 9. Points out that the execution of the EEAS administrative budget remains a point of concern as certain delegations receive budget contributions from the Commission from 33 different budget lines in addition to the EEAS’s own budget; invites all the stakeholders to further refine and simplify the budget sources and arrangements in order to ease the budgetary implementation; welcomes the recent budgetary arrangement found with regard to the EDF administrative costs, which will be charged to the EEAS budget as of 2016 on the basis of a calculation of a standard amount per person;

10. Takes note that the headquarters budget amounted to EUR 218,9 million out of which EUR 140,5 million (or 64,7 %) concerned the payment of salaries and other entitlements of statutory and external staff, EUR 30 million (or 13,7 %) were for buildings and EUR 30,7 million related to IT systems, equipment and furniture;
11. Notes that the delegations' budget of EUR 383,9 million was divided between EUR 155,8 million (i.e. 40,6 %) for buildings and associated costs, EUR 105,5 million (27,5 %) for the remuneration of statutory staff, EUR 60,1 million (or 15,7 %) for external staff and outside services, EUR 20,6 million (5,4 %) for other expenditure related to staff and EUR 41,9 million (10,9 %) for other administrative expenditures; notes also that EUR 204,7 million was received from the Commission for the administrative costs of the Commission's staff posted in the Union's delegations;
12. Reiterates its request to pay attention, especially in delegations, to 'business continuity' and 'document management' as key internal control standards but also as significant management components, particularly for the availability and reliability of information used for various management purposes, i.e. the monitoring, assessment and reporting of activities and projects;
13. Observes that only two delegations made reservations related to the lack of a proper tendering procedure and missing key management information to be used for the statement of assurance;
14. Supports the regular contacts between the EEAS and the Commission services dealing with external matters on the prevention and detection of fraud;
15. Supports the setting up of the Regional Centre Europe, which is an initiative aimed at providing better administrative assistance to the Union's delegations in the domains of financial management, procurement and human resources; looks forward to receiving the evaluation of the pilot project in 2017; encourages the EEAS to continue this practice of pooling know-how as appropriate in other regions with a view to steadily reducing administrative burden and costs in delegations;
16. Considers it essential that the heads of delegations continue to be regularly made aware of their key-role in the overall strengthening of assurance, management and accountability, in particular as regards the weighting of various components likely to trigger the issuance of a reservation, in addition to their political duties; encourages the EEAS to offer training and expertise to the heads of delegations, especially to Member States' diplomats;
17. Observes the changes and streamlining in the organisation of the EEAS to simplify the reporting lines and information flows facilitating the EEAS formulation of responses to crises or political challenges and to reduce the level of hierarchical layers with fewer directorates;
18. Recognises the critical feature of the management of human resources in the context of the EEAS with 'three sources' of recruitment, the management of the posting in delegations while achieving the annual staff reduction representing 17 posts for 2015 in headquarters;
19. Notes that the share of Member States' diplomats represents 32,9 % of the EEAS overall AD staff (i.e. 307 persons) in comparison to 33,8 % in 2014; points out that this proportion is higher in delegations with 43,1 % or 166 Member States' diplomats and 25,7 % in headquarters; calls for a more balanced distribution of staff and reminds the EEAS of the importance of pooling expertise of Member States and EEAS staff at every level;
20. Stresses that the number of Member States' diplomats posted as heads of delegations was 63 out of 134 heads of delegations posts, representing 47 % of the total; points out that those 63 posts were distributed with an unequal gender balance of 16 %/84 %, and only 16 out of the 63 were nationals of Member States which joined the Union in 2004 or later; notes also that within the 29 deputy heads of delegations, the genders were represented with an imbalance of 24 %/76 %, and that 6 of the deputy heads of delegations were Member States' diplomats;
21. Observes that the number of seconded national experts from Member States continued to increase in 2015 (8 % more compared to 2014) to reach 434 (with 376 posted in headquarters and 58 in delegations); notes that 40 % of the 376 seconded national experts (or 151) located in Brussels were paid by their national administrations;
22. Reminds the EEAS of the need to ensure full respect of the staffing formula on the ratio between staff coming from Member States and from Union institutions, as set out by the Council Decision establishing the EEAS;
23. Notes that the general distribution by gender is almost reaching parity with a balance of 47 %/53 % in the overall staff, while on the AD level staff the difference is 31,7 %/68,3 % (compared to 31 %/69 % in 2014); observes that this 30 % proportion is stable since 2011;

24. Reiterates its concern about gender imbalances in management positions as the level is currently at 21,4 %/78,6 %; regrets that the ratio of the other gender applying to management positions remains at the low level of 16 %; considers that progress is important in this regard and calls therefore on the EEAS to reshape its conditions and recruitment policies in order to attract both genders equally for management positions;
25. Reiterates that geographical balance, mainly the relationship between staff nationality and the size of Member States, should be an important element of the EEAS human resources management, particularly with respect to the Member States that have acceded the Union in 2004 or after; is seriously concerned about the continuous underrepresentation of those Member States at both staff and management level; calls, therefore, on the EEAS to endeavour to correct that situation significantly; stresses that those Member States are especially underrepresented at the higher level of administration and in managerial posts, for which significant progress is still awaited;
26. Welcomes the commitment of the Vice-President/High Representative made to Parliament to address the existing imbalance with an overrepresentation of national diplomats in the positions of heads of delegations, and calls on the EEAS to present a review of its human resources policy in the course of 2017, addressing issues such as gender balance and mobility of staff between institutions, while taking also into consideration its impact in terms of human resources for the strengthening of the Union 'external action and visibility through the Union global strategy';
27. Encourages the EEAS to further develop the role of Union delegations, particularly facilitating and supporting coordination between Member States in providing consular assistance;
28. Reminds the EEAS that there is a silver lining between economic diplomacy and lobbying; calls therefore on the EEAS to join the future Interinstitutional Agreement on a Mandatory Transparency Register, including for the Union delegations, insofar as this is legally possible;
29. Takes note of the annual expenditure of EUR 160 million devoted to the Union's delegation network, which represent more than a 50 % increase compared to the preceding financial year; notes that 80 % of the delegations are still rented, the rents amounting to EUR 53,04 million in 2015; welcomes the loan facility of EUR 200 million for better managing the building policy and reducing the purchasing costs of delegations; regrets that despite the loan facility and the increase in expenditure only a few delegation buildings are owned by the EEAS; calls on the EEAS to present not only the delegation building contracts of the current year but to provide also an overview of the situation of all delegation buildings in its annual activity report;
30. Calls on the EEAS for an overhaul of its building policies in line with the recommendations made by the Court of Auditors in its Special Report No 7/2016, in particular concerning:
 - the need for consistency and full costs recovery of the charges paid by Member States or other Union institutions or bodies hosted in delegation office buildings;
 - the improved selecting of delegation buildings;
 - direct involvement of headquarters before renting (or renewing a rental agreement) or buying office buildings;
 - the improvement of its real-estate management information system, in order for the EEAS to obtain more reliable and relevant information to feed into its planning process;
31. Calls on the EEAS to further develop the use of surfaces, in particular by addressing as a matter of priority the individual situations of unoccupied or unnecessarily large premises and the associated extra costs identified by the Court (EUR 7,8 million), while recognising the challenges of building management in often complex environments;
32. Emphasises that the EEAS and the Member States have a shared interest in factoring the use of the buildings and to further developing local cooperation in the area of management of buildings, with specific and continuous attention to be devoted to best value for money, security issues and the Union's image;
33. Welcomes the increase in co-location projects of Union delegations with Member States with the signature of six co-location memoranda of understanding in 2015, leading to a total of 86 co-location projects by the end of 2015; encourages the EEAS to further seek ways to extend this good practice; considers that this policy should include innovative approaches aiming at defining both a coordinated strategy of co-location with Member States eager to do so and appropriate cost-sharing arrangements related to buildings and logistics; observes that co-location arrangements also concern other entities contributing to the management of foreign policies such as the European Investment Bank, the ECHO services, common security and defence policy missions and Union special representatives;

34. Regrets the insufficient recording and inaccuracies in the information system for managing delegations' office buildings and residences; asks for a regular review of the completeness and reliability of data encoded by Union delegations to deepen the general planning of surface, locations and cost recovery;
 35. Urges the EEAS to reinforce its management control and monitoring tools of all the costs incurred in the building policy in order to ensure an accurate overview and follow-up of all the expenditure in this area; considers that emphasis should be put on monitoring the ceilings defined in the building policy to decrease the total annual rent of delegations' offices and related recurrent costs, and to ensure the adequacy of the contributions paid by co-located entities, the coverage of the running costs involved in co-location situations and the correctness of costs with local market conditions;
 36. Believes that legal and technical expertise in real estate management should be swiftly developed while considering any cost-effective alternative options such as hiring external expertise (e.g. local brokers) to prospect the market or possibly negotiate with landlords;
 37. Asks the EEAS for an annual list of inspections carried out in the delegations;
 38. Calls on the EEAS to have checks carried out by the delegation inspectorate on the last five rental or purchase agreements for residences for Union ambassadors, including the residence in Tirana, Albania, and to report back to Parliament;
 39. Supports the implementation of a medium and long term strategy to identify all possible options in this area from investment priorities or possibilities of purchases to renting renewals or to the sharing of premises with Member States, taking into account staff projections and policy planning and development;
 40. Encourages the EEAS to further apply the Eco-Management and Audit Scheme (EMAS), and also the principle of green public procurement in its building policy, while understanding that the local conditions of the 139 delegations require a certain degree of flexibility;
 41. Is of the opinion that the security of the EEAS and of its delegations needs to be further strengthened and calls on the EEAS to give priority to it when choosing buildings and spaces for its delegations; considers that the security of buildings should be an integral part of its building policy and that the EEAS evacuation scheme and its evacuation decisions, if needed, should be coordinated with the Representations of the Member States concerned;
 42. Welcomes the fact that the EEAS envisages a project of common vision and joint action with the objective of achieving a stronger Europe which contributes to peace and security in the region and the whole world;
 43. Calls on the EEAS to improve its communication policy towards Union citizens.
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DECISION (EU) 2017/1622 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the general budget of the European Union for the financial year 2015, Section VI — European Economic and Social Committee**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2015 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2015 (COM(2016) 475 — C8-0274/2016) ⁽²⁾,
 - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2015, 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 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Articles 55, 99, 164, 165 and 166 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0144/2017),
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 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision and the resolution forming an integral part of it to the European Economic and Social Committee, the European Council, the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors, the Committee of the Regions, the European Ombudsman, the European Data Protection Supervisor and the European External Action Service, and to arrange for their publication in the *Official Journal of the European Union (L series)*.

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 69, 13.3.2015.

⁽²⁾ OJ C 380, 14.10.2016, p. 1.

⁽³⁾ OJ C 375, 13.10.2016, p. 1.

⁽⁴⁾ OJ C 380, 14.10.2016, p. 147.

⁽⁵⁾ OJ L 298, 26.10.2012, p. 1.

RESOLUTION (EU) 2017/1623 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015, 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 2015, Section VI — European Economic and Social Committee,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0144/2017),
- A. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, implementing the concept of performance-based budgeting and good governance of human resources;
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 2015 for administrative and other expenditure of the European Economic and Social Committee (the 'Committee') were free from material error;
 2. Notes with satisfaction that, in its annual report for 2015, the Court identified no significant weaknesses in respect of the audited topics relating to human resources and procurement for the Committee;
 3. Notes that in 2015 the Committee's budget amounted to EUR 129 100 000 (compared to EUR 128 559 380 in 2014), with a utilisation rate of 95,9 %; points out that there was a slight increase of the utilisation rate in 2015, when compared to 2014;
 4. Notes that the Committee's budget is mostly administrative, with a large amount being used for expenditure concerning persons working within the institution and the remaining amount relating to buildings, furniture, equipment and miscellaneous running costs; stresses, however, that introducing performance-based budgeting should not apply only to the Committee's budget as a whole but should also include the setting of specific, measurable, attainable, realistic and time-based (SMART) targets to individual departments, units and the annual plans of members of staff; in this respect, calls on the Committee to introduce the principle of performance-based budgeting more widely in its daily operations;
 5. Notes the Committee's follow-up observations to Parliament's 2014 discharge resolution, attached to its annual activity report; welcomes the setting up of a support service for public procurement in 2015;
 6. Notes that 2015 was the starting year of a new term in office of the Committee, which may have affected the achievements, particularly of the legislative directorates, including interpretation and the communication and human resources directorates;
 7. Notes that the report on the implementation of the Cooperation Agreement between Parliament and the Committee (the 'Agreement') assesses the cooperation between both institutions in a timely and positive manner;
 8. Notes that, according to the Committee, the nature of the 'intensified' cooperation referred to in the Agreement needs to be better clarified and that some elements remain to be fully implemented and require sustained engagement from both institutions; is convinced that further efforts for full implementation of the Agreement and the development of synergies will bring positive results to both parties;
 9. Reiterates its request for a joint assessment of the budgetary savings resulting from the Agreement to be included in its mid-term review or in the next follow-up report of the Agreement;
 10. Notes that the opinions of the Committee are not well integrated into Parliament's work and calls on the Committee to develop proposals together with Parliament's Secretary-General to streamline the procedures of the Committee and Parliament in this respect;
 11. Notes the conclusion of a new administrative bilateral cooperation agreement between the Committee and the Committee of the Regions, signed in 2015; trusts that that agreement ensures further efficiency in the performance of both committees; takes the view that similar administrative functions should be merged in order to avoid a pointless duplication of activities;

12. Notes that the direct access between the RMD and the REM buildings was closed by Parliament due to security concerns after the November 2015 Paris terrorist attacks; trusts that Parliament will re-assess the security concerns, as reopening of the passage would be beneficial to the three institutions;
13. Welcomes the administrative changes applied in 2015, in particular the full implementation of a cost-based system for reimbursement of members' travel expenses and the full revamp of the members' portal; calls on the Committee to provide a comparative annual overview of members' travel expenses for 2014, 2015 and 2016;
14. Notes that, according to the Committee's rules of procedure, its members are completely independent in the performance of their duties, in the general interest of the Union; notes that the declarations of interests of the members are available on the Committee's website; calls on the Committee to join the future InterInstitutional Agreement on a Mandatory Transparency Register;
15. Is concerned about the high number of vacant permanent posts in 2015 and encourages the Committee to implement the necessary measures to improve its recruitment procedures;
16. Notes with concern the continued gender imbalance in senior and middle management posts (30 %/70 % in the case of senior management); regrets also the geographic imbalance in senior and middle management posts, in particular the shortage of staff from Member States which acceded to the Union in 2004 or thereafter; calls on the Committee to take action to correct those imbalances and to report back to the discharge authority on the measures taken and on the results achieved;
17. Notes the Committee's plan to comply with the interinstitutional agreement ⁽¹⁾ to reduce staff by 5 % over a period of five years; asks to be informed as to how this reduction tallies with the situation in 2016, in which three new posts were created; suggests that the Committee report back to Parliament on any alternative savings achieved to compensate the possible delay in the reduction of staff;
18. Welcomes the fact that the internal whistleblowing rules entered into force in early 2016;
19. Fully supports the creation of ethics counsellors' posts to help with possible harassment-related situations and specific training for the hierarchy to improve the knowledge and management of whistleblowing cases; regrets that three cases linked to harassment had to go through legal action;
20. Is unable to opine on the level of the staff absenteeism due to sick-leave because of the poor report provided by the Committee on that matter; calls on the Committee to report on its staff's sick leave divided by the number of working days on sick leave per individual member of staff;
21. Notes that the Committee decreased the average cost of its 'away days' by 35 % per participant compared with 2014 and that only 218 staff took part in the event, compared to 415 in 2014; calls on the Committee to target its well-being activities to include as many members of staff as possible to help further improve its staff's well-being;
22. Notes with satisfaction the downward trend of the unused rate of interpretation services requested from 4,3 % in 2014 to 3,5 % in 2015;
23. Welcomes the provision of translation data according to the harmonised methodology settled by the inter-institutional committee for translation and interpretation; notes the ongoing revision of the Code of Conduct for Translation, to be made jointly with the Committee of the Regions;
24. Notes that the outsourcing rate for translation increased to nearly 10 % in 2015 due to the transfer of staff to Parliament under the Agreement; calls on the Committee for an assessment of the cost-effectiveness of the arrangement now in practice;
25. Welcomes the Committee's strategic framework for learning and development, in particular the new focus on learning from colleague to colleague; asks the Committee to provide a follow up of that particular method in its next annual activity report;
26. Notes with great satisfaction the efforts and the results so far achieved in improving the environmental footprint of the Committee and the renewal of the Eco-Management and Audit Scheme (EMAS) certification;
27. Notes the administrative arrangements between the Committee and the European Anti-Fraud Office with a view to establishing a structured framework for cooperation and facilitating the rapid exchange of information;

⁽¹⁾ Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management (OJ C 373, 20.12.2013, p. 1).

28. Welcomes the information on the Committee's building policy in its annual activity report, especially given that it is important that the costs of such policy are properly rationalised and are not excessive;
 29. Notes the Committee's efforts and achievements in stepping up its information and communication policy; stresses, however, that it is more important that the effectiveness of its opinions on Union decision-making be improved than that they be publicised generally.
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DECISION (EU) 2017/1624 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the general budget of the European Union for the financial year 2015, Section VII — Committee of the Regions**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2015 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2015 (COM(2016) 475 — C8-0275/2016) ⁽²⁾,
 - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2015, 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 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Articles 55, 99, 164, 165 and 166 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0141/2017),
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 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Committee of the Regions, the European Council, the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors, the European Economic and Social Committee, the European Ombudsman, the European Data Protection Supervisor and the European External Action Service, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 69, 13.3.2015.

⁽²⁾ OJ C 380, 14.10.2016, p. 1.

⁽³⁾ OJ C 375, 13.10.2016, p. 1.

⁽⁴⁾ OJ C 380, 14.10.2016, p. 147.

⁽⁵⁾ OJ L 298, 26.10.2012, p. 1.

RESOLUTION (EU) 2017/1625 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015, 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 2015, Section VII — Committee of the Regions,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0141/2017),
- A. Whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving on transparency and accountability, implementing the concept of performance-based budgeting and good governance of human resources;
1. Notes that the Court of Auditors (the 'Court'), in its annual report for 2015, observed that no significant weaknesses had been identified in respect of the audited topics relating to human resources and procurement for the Committee of the Regions (the 'Committee');
 2. Notes with satisfaction that on the basis of its audit work, the Court concluded that the payments as a whole for the year ended 31 December 2015, the administrative and other expenditure of the institutions and bodies were free from material error;
 3. Notes that the Committee's budget is mostly administrative, with a large amount being used for expenditure concerning persons working within the Committee and the remaining amount relating to its buildings, furniture, equipment and miscellaneous running costs; stresses, however, that introducing performance-based budgeting should not apply only to the Committee's budget as a whole but should also include the setting of specific, measurable, attainable, realistic and time-based (SMART) targets to individual departments, units and the annual plans of members of staff; in this respect, calls on the Committee to introduce the principle of performance-based budgeting more widely in its daily operations;
 4. Notes that in 2015, the Committee had an approved budget of EUR 88 900 000 (compared with EUR 87 600 000 in 2014), of which EUR 87 200 000 comprised commitment appropriations with a utilisation rate of 98,2 %; notes the slight decrease of the utilisation rate in 2015;
 5. Notes the conclusion of a new administrative bilateral cooperation agreement between the Committee and the European Economic and Social Committee signed in 2015; trusts that that agreement ensures further efficiency in the performance of the Committee and the European Economic and Social Committee;
 6. Notes with satisfaction that the report on the implementation of the Cooperation Agreement between Parliament and the Committee (the 'Agreement') was timely and positively assesses the cooperation between both institutions; observes, however, that the nature of the 'intensified' cooperation referred to in the Agreement needs to be better clarified;
 7. Welcomes the Committee's interest in having a more systematic approach to the cooperation with Parliament, particularly in political areas and with Parliament's research service (EPRS); believes that further development of synergies brings positive results to both institutions;
 8. Reiterates its request for a joint assessment of the budgetary savings resulting from the Agreement to be included in the next follow-up report of the Agreement;
 9. Notes with concern that none of the targets set by the Committee in 2015 to increase involvement of Parliament and Council in activities related to the Committee opinions were achieved;
 10. Notes that the direct access between the RMD and the REM buildings was closed by Parliament due to security concerns after the November 2015 Paris terrorist attacks; trusts that Parliament will re-assess the security concerns as reopening of the passage would certainly be beneficial to all three institutions;
 11. Notes with concern a consistent decrease in the payment execution rate in 2015 in some budgetary items; takes note that 2015 was the starting year of the sixth term in office of the Committee; is of the opinion, nevertheless, that the Committee should not allow this to impact on budgetary management; calls on the Committee to improve its performance and better to prepare for the starting year of the seventh term in office of the Committee;

12. Urges the Committee to further improve the transparency of its operations and include all the data available on the missions undertaken by its Members in its annual activity report, with detailed expenses;
13. Calls on the Committee to join the future Inter-Institutional Agreement on a mandatory transparency register;
14. Notes with concern the continued gender imbalance in senior and middle management posts (25 %/75 % in senior management and 38 %/62 % in middle management); urges the Committee to improve its gender balance and report back to the discharge authority on the measures taken to tackle this issue, and the results achieved;
15. Notes with satisfaction the good geographical balance within the management positions;
16. Is deeply concerned with the high number of days of sick leave within the Committee staff; calls on the Committee to assess the reasons, focus its human resources' governance to improve the situation and target its well-being activities to include as many staff members as possible to help prevent this kind of absenteeism;
17. Is concerned that the audit recommendations on performance of IT projects for internal application lag adequate implementation; calls on the Committee to correct this situation without further delay;
18. Welcomes the provision of translation data according to the harmonised methodology settled by the inter-institutional committee for translation and interpretation; notes that the undergoing revision of the Code of Conduct for Translation is to be made jointly with the European Economic and Social Committee;
19. Notes that the outsourcing rate of translation increased from 2,57 % in 2014 to nearly 10 % in 2015 due to the transfer of staff to Parliament under the Agreement; calls on the Committee for an assessment of the cost-effectiveness of the new arrangement now in practice;
20. Notes the Committee adoption of rules on whistleblowing in December 2015; also notes that one whistleblowing file was opened in 2015; asks the Committee to keep Parliament informed of developments in of the case;
21. Considers it to be fundamental that the Committee immediately follow up on the two Civil Service Tribunal rulings ⁽¹⁾ and the European Anti-Fraud Office's case report ⁽²⁾, the Commission's Paymaster Office department's report ⁽³⁾ and Parliament's resolutions ⁽⁴⁾ and bring the whistleblower case of the former internal auditor of the Committee to a just, honourable and equitable settlement before the end of 2017;
22. Considers it to be fundamental that the Committee work together with the European Economic and Social Committee to follow up immediately on the ruling of the Civil Service Tribunal in a harassment case involving officials from both institutions ⁽⁵⁾, that it report to Parliament on the progress and that it review its procedures for handling future allegations of harassment to ensure that they are in line with the case-law of the Civil Service Tribunal;
23. Notes with great satisfaction the efforts and results so far achieved in improving the environmental footprint of the Committee and the renewal of the Eco-Management and Audit Scheme (EMAS) certification;
24. Notes the Committee's efforts and achievements in stepping up its information and communications policy;
25. Welcomes the information on the Committee's building policy in its annual activity report, in particular given that it is important that the costs of such a policy be properly rationalised and not excessive.

⁽¹⁾ Judgments of the Civil Service Tribunal of 7 May 2013, case F-86/11 (ECLI:EU:F:2011:189), and of 18 November 2014, case F-156/12 (ECLI:EU:F:2014:247).

⁽²⁾ European Anti-Fraud Office Final Case Report dated 8 October 2003.

⁽³⁾ The Commission Paymaster Office department's report of 8 May 2008.

⁽⁴⁾ Parliament's resolutions of 29 January 2004 (OJ L 57, 25.2.2004, p. 8), 21 April 2004 (OJ L 330, 4.11.2004, p. 153), 12 April 2005 (OJ L 196, 27.7.2005, p. 54), 27 April 2006 (OJ L 340, 6.12.2006, p. 44), 29 April 2015 (OJ L 255, 30.9.2015, p. 132) and 28 April 2016 (OJ L 246, 14.9.2016, p. 152) in support of the Committee's Internal Auditor's case.

⁽⁵⁾ Judgment of the Civil Service Tribunal of 26 February 2013, Case F-124/10: Vassiliki Labiri v European Economic and Social Committee (EESC) (ECLI:EU:F:2013:21).

DECISION (EU) 2017/1626 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the general budget of the European Union for the financial year 2015, Section VIII — European Ombudsman**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2015 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2015 (COM(2016) 475 — C8-0276/2016) ⁽²⁾,
 - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2015, 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 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Articles 55, 99, 164, 165 and 166 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0142/2017),
1. Grants the European Ombudsman discharge in respect of the implementation of the budget of the European Ombudsman for the financial year 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision and the resolution forming an integral part of it to the European Ombudsman, the European Council, the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors, the European Data Protection Supervisor and the External Action Service, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 69, 13.3.2015.

⁽²⁾ OJ C 380, 14.10.2016, p. 1.

⁽³⁾ OJ C 375, 13.10.2016, p. 1.

⁽⁴⁾ OJ C 380, 14.10.2016, p. 147.

⁽⁵⁾ OJ L 298, 26.10.2012, p. 1.

RESOLUTION (EU) 2017/1627 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015, 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 2015, Section VIII — European Ombudsman,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0142/2017),
- A. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, implementing the concept of performance-based budgeting and good governance of human resources,
1. Notes with satisfaction that the Court of Auditors (the 'Court') identified no significant weaknesses with respect to the audited topics related to human resources and procurement for the European 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 2015 for administrative expenditure of the Ombudsman were free from material error;
 3. Stresses that the Ombudsman's budget is purely administrative and amounted in 2015 to EUR 10 346 105 (EUR 9 857 002 in 2014); stresses, however, that introducing performance-based budgeting should not apply only to the Ombudsman's budget as a whole but should also include the setting of specific, measurable, attainable, realistic and time-based (SMART) targets to individual departments, units and staffs' annual plans; in this respect, calls on the Ombudsman to introduce the principle of performance-based budgeting more widely in its daily operations;
 4. Notes that of the total appropriations, 92,32 % were committed (compared to 97,87 % in 2014) and 86,19 % paid (compared to 93,96 % in 2014), with a utilisation rate of 92,32 % (compared to 97,87 % in 2014); notes that the utilisation rate continued to decrease in 2015;
 5. Notes that the lowering of the utilisation rate in 2015 influenced the Ombudsman's decision to reduce several budget lines, namely, those for missions, representation expenses and publications, and translations, and consequently reduced the budget of those lines;
 6. Acknowledges that the Ombudsman is a frontrunner in transparency among the Union institutions; calls, nevertheless, for further improvement of the transparency of recruitment conditions and processes; asks the Ombudsman to indicate the principal adviser's tasks and to clarify his or her position in the organisational chart; in light of the changes before adoption of the organisational structure of the institution in November 2015, asks the Ombudsman to ensure that an updated version of its organisational chart is available on its website;
 7. Welcomes the continuation of the Ombudsman's investigations into 'revolving door' cases in the Commission; is concerned about the 'internal revolving door' between the Ombudsman and the other institutions which might be under scrutiny of the Ombudsman or between the other institutions which might be scrutinising each other's work; calls on the Ombudsman to analyse the situation and to work out rules in order to avoid conflicts of interests if it considers it to be necessary;
 8. Welcomes the efficient implementation of the annual management plan in 2015 within the strategy towards 2019; notes that the large majority of the targets settled by the Ombudsman to assess its performance through key performance indicators were reached; trusts that that trend will be kept in the years to come;
 9. Acknowledges the key role that the Ombudsman played in the process of introducing internal rules for the protection of whistleblowers under Articles 22a to 22c of the Staff Regulations in the Union institutions by the end of 2015; asks the Ombudsman to monitor the implementation of those rules on an ongoing basis and to evaluate whether they provide appropriate protection for Parliament's accredited parliamentary assistants;

10. Encourages the Ombudsman in its preparation of rules on the prevention and fight against harassment;
 11. Acknowledges the importance of the Ombudsman's strategic and own initiatives and invites the Ombudsman to inform the discharge authority regularly about the impact of its inquiries; reiterates that the Ombudsman's first priority should be to address complaints from citizens within a reasonable time frame; asks the Ombudsman to interpret maladministration as widely as possible when performing its duties and to develop closer cooperation with Parliament's Committee on Budgetary Control in its strategic work;
 12. Acknowledges the new definitions of public and non-public interest introduced by the implementing provisions for sorting the incoming complaints; asks the Ombudsman to inform the discharge authority as to how those definitions have affected its performance;
 13. Welcomes the fact that the Ombudsman publishes on its website the identity and other details of the external stakeholders whom she meets;
 14. Notes the results achieved in the complaints handling in 2015 and welcomes the fact that the Union institutions complied with the Ombudsman's proposals at a rate of 90 %; calls on the Ombudsman to provide a breakdown of compliance of the Union institutions with its proposals in its annual activity reports; asks the Ombudsman to provide an analysis of the possible reasons of non-compliance and asks the Union institutions to improve their compliance rate further;
 15. Welcomes the achievement of gender balance at management level in 2015; endorses the Ombudsman's support for measures sustaining the equal participation of men and women in its workforce;
 16. Regrets, however, the clear geographic imbalance at middle and senior management level, and, in particular, the overrepresentation of managers from the Member State of which the Ombudsman is a national; calls on the Ombudsman to ensure a sustained correction of this situation;
 17. Notes the Ombudsman's plan to comply with the inter-institutional agreement to reduce staff by 5 % over a period of five years and asks to be informed on how that reduction matches the 2016 estimates to create five new posts;
 18. Is concerned about the two complaints made to the European Data Protection Supervisor against the Ombudsman in 2015 and asks for details of those complaints to be provided to Parliament's Committee on Budgetary Control;
 19. Welcomes the consistent application of the Eco-Management and Audit Scheme (EMAS) rules, the dematerialisation of documents, the creation of a permanent green mobility scheme and the use of video conferencing for meetings; encourages further application of the principles of green public procurement and calls on the Ombudsman to establish rules and a budget for carbon offsetting;
 20. Welcomes the Ombudsman's clarification for the absence of a building policy, as its services are hosted by Parliament, and asks to be informed of any developments or changes with regard to the current situation;
 21. Welcomes the provision of exhaustive information on all the human resources at the Ombudsman's disposal, broken down according to grade, sex and nationality, and requests that that information be automatically included in the Ombudsman's annual activity report;
 22. Expects the Ombudsman to continue to strive for consistent quality in its annual activity report and asks the Ombudsman to provide a comprehensive annual impact report, which is an important tool for the assessment of its work;
 23. Expresses the wish that national ombudsmen, authorities of the Member States and the Union institutions provide more help to the Ombudsman by drawing the attention of Union citizens to the possibility of turning to the Ombudsman in cases of maladministration by any of the institutions or bodies of the Union.
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DECISION (EU) 2017/1628 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the general budget of the European Union for the financial year 2015, Section IX — European Data Protection Supervisor**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2015 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2015 (COM(2016) 475 — C8-0277/2016) ⁽²⁾,
 - having regard to the Court of Auditors' annual report on the implementation of the budget concerning the financial year 2015, 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 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Articles 55, 99, 164, 165 and 166 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0140/2017),
1. Grants the European Data Protection Supervisor discharge in respect of the implementation of the budget for the financial year 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision and the resolution forming an integral part of it to the European Data Protection Supervisor, the European Council, the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors, the European Ombudsman and the European External Action Service, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 69, 13.3.2015.

⁽²⁾ OJ C 380, 14.10.2016, p. 1.

⁽³⁾ OJ C 375, 13.10.2016, p. 1.

⁽⁴⁾ OJ C 380, 14.10.2016, p. 147.

⁽⁵⁾ OJ L 298, 26.10.2012, p. 1.

RESOLUTION (EU) 2017/1629 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015, 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 2015, Section IX — European Data Protection Supervisor,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0140/2017),
- A.
- whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, implementing the concept of performance-based budgeting and good governance of human resources;
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 2015 for administrative and other expenditure of the European Data Protection Supervisor (the ‘Supervisor’) were free from material error and that the examined supervisory and control systems for administrative and other expenditure were effective;
 2. Notes that, in its annual report for 2015, the Court identified no serious weaknesses with regard to the audited topics (five recruitment procedures, five procurement procedures and a single financial transaction) relating to the Supervisor’s human resources and procurement activities; stresses that this is the fourth consecutive year in which no serious weaknesses were identified by the Court;
 3. Notes that in 2015, the Supervisor had a total allocated budget of EUR 8 760 417 (compared to EUR 8 012 953 in 2014) and that the implementation rate was 96 % (compared to 92 % in 2014); welcomes the improved result;
 4. Notes that the Supervisor’s budget is mostly administrative, with a large amount being used for expenditure relating to persons working within the institution and the remaining amount relating to buildings, furniture, equipment and miscellaneous running costs; stresses, however, that introducing performance-based budgeting should not apply only to the Supervisor’s budget as a whole but should also include the setting of specific, measurable, attainable, realistic and time-based (SMART) targets to individual departments, units and the annual plans of members of staff; in this respect, calls on the Supervisor to introduce the performance-based budgeting principle more widely in its daily operations;
 5. Notes with concern that three internal control system indicators are qualified as needing substantial additional effort, in particular the ‘objectives and performance indicators’ that are recommended to develop SMART objectives and relevant, accepted, credible, easy and robust indicators; welcomes the commitment of the Supervisor to implement all the recommendations regarding those indicators;
 6. Notes that while the Supervisor has only one senior management post, its middle management posts present a gender imbalance of 40 %/60 %; calls on the Supervisor to pursue its efforts to ensure that its recruitment and promotions policy is as gender balanced as possible;
 7. Notes with great satisfaction that each of the Supervisor’s members of staff was absent from work on average for only 6,6 days due to sick leave;
 8. Emphasises that the Supervisor has organised different after-work events; calls on the Supervisor to check for ways in which to reward the individual members of staff who contribute most to its well-being activities, continue with such activities, and try to include as many members of staff as possible; calls on the Supervisor to share its experience in this field with the Union institutions and other Union bodies;
 9. Notes with satisfaction that the Supervisor has designated two anti-harassment counsellors who can provide confidential assistance and who belong to the network of the Commission; notes that there were no reported cases of harassment;

10. Notes that the Supervisor adopted a code of conduct for its supervisors on 16 December 2015; stresses, however, that the code is more of a policy statement and provides no rules against conflicts of interests; regrets that the CVs and declarations of interests of the Supervisor's members and staff are not available for public consultation; calls on the Supervisor to draft and submit to the discharge authority a track record of cases of conflicts of interests identified;
11. Welcomes the Supervisor's practice of regularly informing staff about management meetings and their outcome;
12. Notes with satisfaction that any attendance by the Supervisor at professional meetings with organisations or self-employed individuals outside the Union institutions (including lobbyists) are published at least on its website; notes that, similarly, all conferences in which the Supervisor participates are published on its website, together with any formal speaking notes; reiterates its call on the Supervisor to provide detailed information on missions undertaken by its members and staff in its annual activity report since the information provided was not sufficiently detailed in terms of transparency and cost-effectiveness guarantees;
13. Calls on the Supervisor to join the Interinstitutional Agreement on a Mandatory Transparency Register, when it is set up;
14. Notes the creation of a small task-force in July 2015 to assess the legal, operational and budgetary means for the creation of the European Data Protection Board which will take over the Article 29 Working Party; welcomes the utilisation rate achieved in 2015 for the appropriations entered in the relevant titles; calls on the Supervisor to include the findings of the task force in its annual activity report;
15. Welcomes, in particular, the advisory role played by the Supervisor during the development of legislation in the data protection package (the General Data Protection Regulation ⁽¹⁾ and the Data Protection Directive ⁽²⁾), the Europol reform ⁽³⁾ and the Passenger Name Record Directive ⁽⁴⁾, the EU-US Privacy Shield ⁽⁵⁾ as well as its opinion on the First reform package on the Common European Asylum System (the Eurodac, EASO and Dublin regulations) ⁽⁶⁾ as well as its involvement in the setting-up of the European Data Protection Board;
16. Welcomes the cooperation of the Supervisor with the Union institutions and other Union bodies, mainly in administrative, procurement, financial, accounting and budgetary matters; asks the Supervisor to include detailed information on all service-level agreements and the results obtained from this cooperation in its annual activity report;
17. Welcomes the strategy developed by the Supervisor for 2015 to 2019 and the associated key performance indicators used to monitor and adjust, if needed, the use of its resources; acknowledges that the key performance indicators selected show that the implementation of this strategy is largely on track; calls on the Supervisor to continue to provide the scoreboard in its annual activity report and to clarify the distinction between external and internal indicators;
18. Welcomes the clarification for the absence of a building policy of the Supervisor, as its services are hosted by Parliament in one of its buildings, and asks to be informed of any development or change with regard to the current situation;
19. Welcomes the provision of exhaustive information on all the human resources at the Supervisor's disposal, broken down according to grade, sex and nationality and requests that that information be automatically included in its annual activity report;

⁽¹⁾ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).

⁽²⁾ Directive (EU) 2016/680 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data by competent authorities for the purposes of the prevention, investigation, detection or prosecution of criminal offences or the execution of criminal penalties, and on the free movement of such data, and repealing Council Framework Decision 2008/977/JHA (OJ L 119, 4.5.2016, p. 89).

⁽³⁾ 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 (OJ L 135, 24.5.2016, p. 53). See OJ C 38, 8.2.2014, p. 3.

⁽⁴⁾ Directive (EU) 2016/681 of the European Parliament and of the Council of 27 April 2016 on the use of passenger name record (PNR) data for the prevention, detection, investigation and prosecution of terrorist offences and serious crime (OJ L 119, 4.5.2016, p. 132). See OJ C 392, 25.11.2015, p. 11.

⁽⁵⁾ See OJ C 257, 15.7.2016, p. 8.

⁽⁶⁾ See OJ C 9, 12.1.2017, p. 3.

20. Notes the Supervisor's plan to comply with the interinstitutional agreement ⁽¹⁾ to reduce staff by 5 % over a period of five years; is well aware of the future challenge of preparing the Union institutions and bodies for the application of the General Data Protection Regulation, which is to apply from 25 May 2018; suggests that the Supervisor inform Parliament about any alternative savings achieved to compensate the possible delay in the reduction of staff;
21. Reiterates its call on the Commission to exempt agencies in the justice and home affairs area, as well as the Supervisor, from the general 5 % staffing cut, since in the current political climate these bodies are being requested to take on ever-increasing workloads;
22. Notes the reference, in the introduction to the Supervisor's 2015 annual activity report, to specific sections on procurement and missions' management; calls for its next annual activity report to include an overview of the same data for the last three or four years;
23. Notes that the Supervisor applied the recommendation formulated in Parliament's 2014 discharge report and published a list of awarded contracts; recommends that the Supervisor publish the Court's report together with its annual activity report, for the sake of transparency and public confidence;
24. Urges the Supervisor to adhere to the rules covered by Article 16 of the Staff Regulations and to lay down clear binding rules regarding 'revolving doors', in accordance with the guidelines published by the Commission;
25. Welcomes the publication, on 16 June 2016, of the Supervisor's decision on internal rules concerning whistleblowing;
26. Calls on the Supervisor to improve its communications policy in relation with Union citizens;
27. Encourages the increasing contribution of the Supervisor to solutions driving innovation and enhancing privacy and data protection, in particular by increasing transparency, user control and accountability in big data processing; notes the delivery of several opinions calling for action maximising benefits of new technologies without compromising fundamental rights.

⁽¹⁾ Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management (OJ C 373, 20.12.2013, p. 1).

DECISION (EU) 2017/1630 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2015**

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 2015 (COM(2016) 485 — C8-0326/2016),
- having regard to the financial information on the European Development Funds (COM(2016) 386),
- 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 2015, 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 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendations of 21 February 2017 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 2015 (05376/2017-C8-0081/2017, 05377/2017-C8-0082/2017, 05378/2017-C8-0083/2017, 05379/2017-C8-0084/2017),
- having regard to the Commission's report on the follow-up to the discharge for the 2014 financial year (COM(2016) 674), and to the accompanying Commission staff working documents (SWD(2016) 338 and SWD(2016) 339),
- having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States, of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000 ⁽³⁾ and amended in Ouagadougou, Burkina Faso, on 22 June 2010 ⁽⁴⁾,
- having regard to Council Decision 2013/755/EU of 25 November 2013 on the association of the overseas countries and territories with the European Union ('Overseas Association Decision') ⁽⁵⁾,
- having regard to Article 33 of the Internal Agreement of 20 December 1995 between the representatives of the Governments of the Member States, meeting within the Council, on the financing and administration of the Community aid under the Second Financial Protocol to the fourth ACP-EC Convention ⁽⁶⁾,
- having regard to Article 32 of the Internal Agreement of 18 September 2000 between Representatives of the Governments of the Member States, meeting within the Council, on the Financing and Administration of Community Aid under the Financial Protocol to the Partnership Agreement between the African, Caribbean and Pacific States and the European Community and its Member States signed in Cotonou (Benin) on 23 June 2000 and the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies ⁽⁷⁾,
- having regard to Article 11 of the Internal Agreement of 17 July 2006 between the Representatives of the Governments of the Member States, meeting within the Council, on the financing of Community aid under the multiannual financial framework for the period 2008 to 2013 in accordance with the ACP-EC Partnership Agreement and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies ⁽⁸⁾,

⁽¹⁾ OJ C 375, 13.10.2016, p. 287.⁽²⁾ OJ C 375, 13.10.2016, p. 297.⁽³⁾ OJ L 317, 15.12.2000, p. 3.⁽⁴⁾ OJ L 287, 4.11.2010, p. 3.⁽⁵⁾ OJ L 344, 19.12.2013, p. 1.⁽⁶⁾ OJ L 156, 29.5.1998, p. 108.⁽⁷⁾ OJ L 317, 15.12.2000, p. 355.⁽⁸⁾ OJ L 247, 9.9.2006, p. 32.

- having regard to Article 11 of the Internal Agreement of 24 and 26 June 2013 between the Representatives of the Governments of the Member States of the European Union, meeting within the Council, on the financing of European Union aid under the multiannual financial framework for the period 2014 to 2020 in accordance with the ACP-EU Partnership Agreement and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the Treaty on the Functioning of the European Union applies ⁽¹⁾,
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Article 74 of the Financial Regulation of 16 June 1998 applicable to development finance cooperation under the fourth ACP-EC Convention ⁽²⁾,
 - having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the ninth European Development Fund ⁽³⁾,
 - having regard to Article 50 of Council Regulation (EC) No 215/2008 of 18 February 2008 on the Financial Regulation applicable to the tenth European Development Fund ⁽⁴⁾,
 - having regard to Article 48 of Council Regulation (EU) 2015/323 of 2 March 2015 on the Financial Regulation applicable to the eleventh European Development Fund ⁽⁵⁾,
 - having regard to Rule 93 and the third indent of Rule 94 of, and Annex IV to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Development (A8-0125/2017),
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 2015.
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Council, the Commission, the Court of Auditors and the European Investment Bank, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 210, 6.8.2013, p. 1.
⁽²⁾ OJ L 191, 7.7.1998, p. 53.
⁽³⁾ OJ L 83, 1.4.2003, p. 1.
⁽⁴⁾ OJ L 78, 19.3.2008, p. 1.
⁽⁵⁾ OJ L 58, 3.3.2015, p. 17.

RESOLUTION (EU) 2017/1631 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015**

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 2015,
 - having regard to Rule 93 and the third indent of Rule 94 of, and Annex IV to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Development (A8-0125/2017),
- A. whereas the main goal of the partnership agreement between the members of the African, Caribbean and Pacific Group of States, of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000 ⁽¹⁾ and amended in Ouagadougou, Burkina Faso, on 22 June 2010 ⁽²⁾ (the ‘Cotonou agreement’), as the framework of the Union’s relations with African, Caribbean and Pacific (ACP) countries, is to reduce and eventually eradicate poverty, consistently with the objectives of sustainable development,
- B. whereas the main objective of Decision 2013/755/EU is to contribute to the progressive development of the overseas countries and territories (OCTs), by enhancing the competitiveness and strengthening the resilience of the OCTs reducing their economic and environmental vulnerability and promoting cooperation among them and other partners,
- C. whereas the European Development Funds (EDFs) are the Union’s main financial instrument for providing development cooperation to the ACP countries and the OCTs,
- D. whereas a wide range of implementation methods, reflecting the intergovernmental nature of the EDFs, are used in 79 countries with complex rules and procedures with regard to tendering and awarding contracts,
- E. whereas EDF activities are implemented in challenging contexts by facing recurrent high-risk exposure either geopolitical or institutional,
- F. whereas external factors to the proper implementation of the EDF may mitigate or annihilate the efforts made in terms of development,
- G. whereas the EDFs are funded by Member States and managed both by the Commission and the European Investment Bank (EIB), the Commission being solely accountable for the discharge of the EDFs,
- H. whereas the Union has the potential and weight to shape responses to global and geopolitical challenges,
- I. whereas the history of its Member States confers obligations on the Union regarding the development of the ACP countries and the OCTs,
- J. whereas the future of the Union and that of the ACP countries and the OCTs are linked due to geography, globalisation and demographic change,
- K. whereas the global population projections for 2100, coupled with the effects of new migratory flows, armed conflicts, global warming and numerous economic and social crises, require immediate attention by the Union, in particular within its development policy’s objectives; whereas development aid is an essential tool, whose multiple methods of implementation must be optimised to face those many global challenges,
- L. whereas the migration crisis has not only questioned the international aid principles and objectives but highlighted that the principle of solidarity needs to be applied more uniformly and unconditionally by all Member States,

⁽¹⁾ OJ L 317, 15.12.2000, p. 3.⁽²⁾ OJ L 287, 4.11.2010, p. 3.

- M. whereas the current migratory crises must not overshadow the sustainability of migration waves linked to demographic upheavals and which call for different responses,
- N. whereas there is a need for a renewed approach towards ACP countries and OCTs requiring new financial incentives and instruments,
- O. whereas fresh attention must be paid to the fact that a large part of the ACP countries are small island developing states; whereas islands, in particular ACP islands, play a new international role, particularly as a result of international negotiations on climate change,
- P. whereas a number of OCTs are located in the same regions as the ACP countries; whereas the OCTs face similar global challenges but, unlike ACP countries, are part of the European family and should therefore receive increased attention in the delivery of funds; whereas the very small size of the OCTs and the constitutional link between the OCTs and the Union are specificities that should be taken into account,
- Q. whereas the Commission Directorate-Generals for International Cooperation and Development and Regional and Urban Policy signed a Memorandum of Understanding in September 2013 in order to enhance cooperation between Outermost Region (OR), the OCTs and the ACP countries,
- R. whereas the Union's external interventions are channelled through international organisations which either implement Union funds or co-finance projects together with the Union implying challenges in terms of oversight and governance,
- S. whereas the level and nature of the Union's engagement must be differentiated and conditional, depending on measurable progress in various fields such as democratisation, human rights, good governance, sustainable socio-economic development, the rule of law and the fight against corruption, offering its assistance where needed to help foster progress,
- T. whereas a regular and thorough political dialogue is key to ensuring greater ownership by the ACP countries and the OCTs and the ability to adjust policy objectives,
- U. whereas it is of fundamental importance to ensure coherence between all Union policies and the objectives of the Union's development policy,
- V. whereas it is of fundamental importance to promote Union visibility and to project Union values in all forms of development aid,
- W. whereas the simplification of implementation processes is a driver for enhancing the effectiveness of the delivery of aid,
- X. whereas sustainability is crucial for increasing the overall effectiveness of development aid by steadily tracking impacts through all aid delivery modes,
- Y. whereas Union governance support is a key component of the development aid to generate effective governance reforms,
- Z. whereas budget support, while it can be a key-driver for change and to address main developments challenges, carries a considerable fiduciary risk and should be granted only if it provides sufficient transparency, traceability, accountability and effectiveness alongside to proven commitment in policy reforms; whereas budget support is particularly adapted for small and isolated territories, such as ACP islands,
- AA. whereas transparency and accountability are prerequisites for democratic scrutiny and the effectiveness of development aid,
- AB. whereas the management of administrative costs has to be steadily monitored in all circumstances and in regard to all aid modalities,
- AC. whereas illicit financial flows in developing countries aggravate poverty,
- AD. whereas the discharge authority has reiterated its call for the inclusion of the EDF in the Union's general budget in order to enhance the visibility and democratic scrutiny on the EDF and overall development policies,
- AE. whereas the adherence by Union citizens to development policy requires maximum transparency, good management and performance,

Statement of assurance*Financial implementation of funds in 2015*

1. Notes that in 2015, spending concerned four EDFs, in particular the eighth EDF, which amounted to EUR 12 480 million, the ninth EDF, which amounted to EUR 13 800 million, the tenth EDF, which amounted to EUR 22 682 million and the eleventh EDF, which amounted to EUR 30 506 million; notes that the funding of the eleventh EDF allocates EUR 29 089 million to the ACP countries and EUR 364,5 million to the OCTs and that those two amounts comprise, respectively, EUR 1 134 million and EUR 5 million for the ACP investment facility of the EIB; notes that EUR 1 052,5 million relates to the Commission's expenditure for the programming and implementation of the EDFs;
2. Observes that those funds are implemented through projects and budget support under the following four modalities: 42 % of payments were made by direct management out of which 24 % were made through budget support; observes that the remaining 58 % were made under indirect management, namely 31 % through international organisations, 24 % through third countries and 3 % through national bodies of the Member States;
3. Notes with concern that the 2015 spending still comprises funds coming from the eighth EDF, which was launched in 1995;
4. Welcomes the efforts carried out by Europe Aid in 2015 as regards the level of net global commitments made in 2015, with EUR 5 034 million due to the entry into force of the eleventh EDF, which increased the resources for commitments by EUR 27 839 million; notes that the eleventh EDF impacted the implementation rates of outstanding commitments, the latter decreasing from 98 % to 69,7 % for global commitments and from 91,2 % to 63,5 % for individual commitments;
5. Regrets that the lack of payment credits faced by the Commission in 2015 led to a difficult budgetary situation in the development cooperation that harmed the global performance of the funds, specifically the transfer of EUR 483 million to 2016 and the payment of an estimated amount of EUR 1 million of late interest; welcomes the efforts carried by the Commission to ensure the continuity of development aid and to limit the adverse consequences of the existing payment shortages;
6. Notes also, for its whole area of responsibility, the Commission's continuous efforts to reduce old pre-financing (39 % achieved with a 25 % target), old outstanding commitments or old RAL (*reste à liquider*) (46 % achieved compared to 25 % targeted) as well as the number of opened expired contracts, but however with less satisfactory progress for the latter under the EDFs; encourages the Commission services to continue to decrease the EDFs' share in expired contracts;

Reliability of the accounts

7. 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 2015, finds that the final annual accounts present fairly, in all material respects, the EDFs' financial position at 31 December 2015 and that the results of their operations, their cash flows and the changes in net assets for the year then ended are in accordance with the provisions of the EDF Financial Regulation and with accounting rules based on internationally accepted accounting standards for the public sector;
8. Welcomes the Commission's action to solve the issue of the recovery both for interest on prefinancing above EUR 750 000 and for interest on prefinancing between EUR 250 000 and EUR 750 000 resulting in the proper recording of EUR 2,5 million of earned interest in the 2015 financial statements; calls on the Commission to also consider the situation of cases below EUR 250 000;
9. Regrets, in the context of the management of recovery orders, the incorrect recording of operational revenue amounting to EUR 9,6 million corresponding to unspent pre-financing;
10. Regrets that EUR 29,6 million of recovery orders under the eighth, ninth, tenth and eleventh EDFs were cancelled due to encoding errors, corrections or modifications; asks the Commission to report on the EUR 15,8 million still subject to ongoing litigation;

11. Expresses strong concern that of a recovery order of EUR 1 million, EUR 623 000 were waived after an amicable settlement between the Commission and the debtor ⁽¹⁾; acknowledges the coherence with Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽²⁾ (the 'Financial Regulation') as well as the principle of proportionality concerning recovery orders; stresses, however, the fact that tax payers' money is at stake and needs to be protected by the necessary means;

Legality and regularity of the transactions underlying the accounts

12. Welcomes the fact that the Court's opinion find that the revenue underlying the accounts for the year 2015 is legal and regular in all material aspects;
13. Regrets that the Court's report estimates that the most likely error rate for expenditure transactions from the eighth, ninth, tenth and eleventh EDFs remains identical to that in 2014, which was 3,8 %, and higher than that in 2013, which was 3,4 % and that in 2012, which was 3 %; calls on the EIB and the Commission to prepare an action plan to turn around the increasing trend of material error and present it to the discharge authority;
14. Expresses concern about the Court's assessment related to the legality and regularity of payments underlying the accounts which are materially affected by error; is concerned by the results of the sampling with regard to payments transactions, whereby 35 among 140 payments (25 %) were affected by error; notes that internal control systems and checks of their effectiveness involve not only Commission headquarters and Union delegations in beneficiary countries, but also other actors such as the national authorising officers designated by ACP countries, where frequently weaknesses in checks have been detected; calls on the Commission to support and strengthen those fragile institutional and administrative capacities;
15. Is concerned that the typology of errors underlying the 2015 error rate of 3,8 % remains the same as 2014, i.e. the absence of supporting documents (the sum affected to this category of error being EUR 3 692 833) and non-compliance with procurement rules (the sum affected to this category of error amounting to EUR 1 176 140) representing 70 % of the estimated level of error (compared to 63 % in 2014); asks the EIB and the Commission to step up their efforts and effectively improve both *ex-ante* and *ex-post* controls of the funding projects in order to bring the sums effected by errors in the categories like 'absence of supporting documents' and 'non-compliance with the procurement rules' down considerably;
16. Expresses, furthermore, its long-standing concern on the weaknesses of *ex-ante* checks insofar as 16 out of the 28 final transactions that were subject to *ex-ante* checks were subsequently authorised despite quantifiable errors revealed by those *ex-ante* checks; regrets that most of the errors found concerned, as in previous years, programme estimates, grants and operations managed with international organisations; calls therefore on the Commission to pay more attention to *ex-ante* checks to ensure the legality and regularity of EDF implementation; acknowledges that the nature of budget support limits the assessment of the factual error rate of budget support disbursements, such that transactions are prone to errors;
17. Stresses the inherent risk related to the notional approach, which declares the Commission's contributions to multi-donor projects free of regulatory error when they are pooled with those of other donors and not earmarked for specific identifiable items of expenditure, as the Commission assumes that Union eligibility rules are complied with as long as the pooled amount includes sufficient eligible expenditure to cover the Union contribution;
18. Expresses concern that the notional approach substantially limits the Court's work, particularly in light of the fact that for the budget year 2015, EUR 763 million were disbursed via budget support, which amounts to 24 % of 2015 EDF spending;
19. Urges the Commission to swiftly remedy those deficiencies in *ex-ante* checks, while noting that the Commission had sufficient information from its information systems to prevent, detect and correct the quantifiable errors before making the expenditure with a direct positive effect on the estimated level of error which would have been 1,7 percentage points lower;
20. Notes that EUR 89,9 million were recovered for the reimbursement of undue payments due to irregularities and errors;

⁽¹⁾ Communication CAB D(2016) Ares 06675546.

⁽²⁾ OJ L 298, 26.10.2012, p. 1.

Components of the assurance framework

21. Welcomes the shift from a general reservation to the issuance of differentiated reservation as requested by Parliament in its previous EDF resolutions, namely (i) one thematic reservation for the two high-risk pending domains of grants in direct management (18 % of the total amount paid in 2015) and indirect management with international organisations; and (ii) a specific reservation for the African peace facility;
22. Notes the actions undertaken by the Commission targeted on the two higher risk areas and calls the Commission to report on the implementation of those actions to Parliament;
23. Invites the Commission to continue refining the risk assessment of its activity based budgeting to further ensure an adequate level of sectoral assurance; asks, in that context, to evaluate the level of risk and vulnerabilities of indirect management;
24. Expresses concern over the risky nature of indirect management, particularly due to the lack of traceability of funds when they are disbursed by the Directorate-General for International Cooperation and Development to local actors and subcontractors;
25. Considers the improvement of the monitoring tools for following the findings of the external audits to be positive; welcomes the new audit application and the quality grid developed by the Commission and support the Court's recommendation to improve those new tools;
26. Welcomes the fact that a residual error rate (RER) study was carried out for the fourth consecutive year and has become a key tool within the control, monitoring and auditing strategy;
27. Stresses that the RER is calculated by deducting from the audit authorities' annual error rates the multiannual financial corrections imposed at national and Union levels;
28. Expresses strong concern over the fact that the 2015 RER of closed contractual operations included in the annual activity report was estimated at 2,2 %, which is still over the materiality threshold of 2 % and equal to about EUR 174 million including EUR 98 million for the EDFs;
29. Calls on the Commission to maintain high methodological standards in its RER assessment as well as to extensively monitor and enforce financial corrections by Member States;
30. Draws attention to the fact that the balance between absorption, compliance and performance is needed and to be reflected in the management of operations;
31. Welcomes the reduction of the estimated cost of control of the Commission Directorate-General for International Cooperation and Development from EUR 371 million in 2014 to EUR 293 million in 2015 and encourages the Commission to further improve the cost-effectiveness of the Director-General's control while ensuring the minimum errors possible;
32. Invites the Commission to integrate into its *ex-ante* and *ex-post* evaluation, management and performance assessment tools in line with the Commission's Budget for Results initiative targeted to analyse the impact of other Union external policies and actions on the situation of the beneficiary countries;

Risks relating to a results-oriented approach for Union development cooperation

33. Acknowledges the fact that the Commission has integrated risk analysis into the management of its external operations which are carried out in complex and fragile environments with numerous types of risks, partner countries having differing levels of development and governance frameworks;
34. Points out the need to improve the use of terminology regarding long-term results (outputs, outcomes and impacts) and the importance of formulating true and sustainable SMART objectives before any decision on financing different projects is taken; highlights the need to put extra focus on formulating 'attainable and realistic' goals to avoid cases where the initial objectives were met by partner countries but without significant results in term of development; reiterates that social and environmental aspects have to be taken into account, as well as economic ones, when assessing development objectives;

35. Considers it to be necessary to refrain from focusing on budgetary outturn as the sole management objective, which can be detrimental to the principle of sound financial management and the achievement of results; stresses that any incentive-based approach, founded on a 'positive conditionality' system resulting in incentives for the well-performing beneficiaries and stricter controls for the ill-performing beneficiaries, should be linked to specific and stringent performance indicators, allowing for a quantifiable approach to assess shortcomings and targets met;
36. Strongly underlines that any system founded on 'positive conditionality' should adhere without exception to the precautionary principle;
37. Recalls that the regular monitoring and mapping of high risk factors (external, financial and operational) and their quantification, from identification to implementation phases, is a prerequisite not only for a good financial management and quality expenditure but also to ensure the credibility, sustainability and reputation of the Union interventions; takes the view that setting-up activities and countries' risk profiles also facilitate the design of a rapid risk mitigation strategy in case of deterioration of the situation in a partner country;
38. Underlines the need to regularly adapt the control environment and risk management functions to take into account the emergence of new forms of assistance instruments and facilities like the blended finance, trust funds and financial partnerships with other international institutions, and also when beneficiary countries benefits from different types of aid delivery;
39. Believes that developing partner countries' capacity building, governance frameworks and ownership is instrumental to mitigating systemic risks, to allowing funds to reach their intended purposes and to responding to the '3 Es' requirements (economy, efficiency and effectiveness) also taking into account ecology, equality and ethics; encourages the Commission in this regard to further examine the possibility and risks of using local audit firms and local services contract, ensuring full transparency and accountability;
40. Acknowledges that the Financial Regulation allows beneficiaries to contract local audit firms; is, however, strongly concerned by the shortcomings in EuropeAid's management information system on the results and the follow-up of external audits, as mentioned by the Court for the EDF discharge procedure 2014; urges the Directorate-General for International Cooperation and Development to put into place a quality grid to assess the reliability of checks in place for audits and expenditure verifications done by local audit companies directly contracted by beneficiaries, where the risk of insufficient quality is assessed to be higher and audit and verification reports do not contain sufficient information on the actual work done to enable the current grid to be used effectively;

Improving EDF aid effectiveness

41. Underlines that to establish the credibility of development assistance, particularly as regards the instruments used, aid delivery methods and the funds concerned, it is essential that the value for money and results achieved with this support can be demonstrated, but also that coherence between external policies and actions of the Union and the objectives of development aid, in particular the objectives for social development, defence of human rights and environmental protection are met;
42. Recalls that the effectiveness of aid, the partner country ownership of development results and the reliance on partner's countries governance frameworks are guiding principles to be regularly refined;
43. Underlines that it is essential that the mode of implementation of projects is adapted to the objectives pursued in each case and for each project; believes that better results in terms of efficiency can be achieved by supporting projects the dimension of which are adapted to objectives previously set, leading to concrete and identifiable results and targeting sustainable development of local communities;
44. Considers that for infrastructure projects financed through the EDF, an independent *ex-ante* assessment that takes the social and environmental impact of the projects into account, as well as their added value, is essential; considers that funding decisions ought to be correlated to a proper cost-benefit analysis, with projects funded if their implementation is not environmentally, financially or socially controversial;
45. Recalls that the undermining of performance monitoring and results evaluation is detrimental to the goals of public accountability and to comprehensive information for policymakers; points out that it is indispensable to provide Parliament with a clear view of the real extent to which the Union's main objectives have been achieved; stresses the importance of a more balanced approach with less confidentiality and more transparency, particularly regarding the external assistance management reports;

46. Believes that the assessment of the risks inherent to the choice of a particular implementation modality is crucial before committing Union financial resources and when considering the expected results; believes that the mix of projects, both in terms of subject matter and in terms of types of implementation, is essential to ensuring the effectiveness of EDF support;
47. Believes that stronger support for technical and administrative resources is necessary for improving the effectiveness of EDF aid in particular with regard to the complexity of rules, since the EDF financial regulation is not a stand-alone document and needs to be used in conjunction with other legal sources, which entails a significant risk of legal uncertainty and errors;
48. Believes that simplification of the rules of funds allocation is necessary to ensure better use of the funds and enhancing the effectiveness of the aid delivery; encourages the Commission to initiate simplification of the rules of funds allocation and to support local partners in the implementation of the projects; stresses, however, that simplification cannot be to the detriment of the current system of *ex-ante* and *ex-post* checks and balances, which are essential to comprehensive oversight; underlines that there are already persistent weaknesses in the *ex-ante* checks, an area where simplification needs to be carefully weighed against risks; reminds the Commission to stress the right balance between less administrative burden and effective financial control while simplifying the rules for the allocation of development funds;
49. Claims that the simplification of the rules of funds allocation should not divert appropriations from the objectives and principles of the basic acts, and believes that any channelling through trust funds should not go at the expense of the EDF and long-term Union policies;

Task force 'knowledge, performance and results'

50. Welcomes the first report on selected results of projects in the context of the launching of the Union's International Cooperation and Development Results Framework as a complementary step to the Commission's commitment to improve its accountability and widen its results reporting on ongoing operations; is particularly interested in the list of indicators of organisational performance, which help with measuring and reporting on the development impact, outcomes and outputs achieved by partner countries and Commission services;
51. Considers it to be useful to include that information regularly in the upcoming annual activity report in order to follow the evolution of Union contributions to results in various fields of development cooperation such as public finance management, good governance or the leverage effects achieved with blending activities;

Assessment of achieved results by Union's delegations

52. Welcomes the progress in the analysis of global results achieved by the Union's delegations, based on the results provided in key performance indicators compared to targets as regards the efficiency of internal controls system and audit systems in place as well as on the effective management of operations and resources for 2015;
53. Calls for a higher level of ambition in the strategy, management and accountability of EDF funds; emphasises that there is an opportunity to optimise all EDF activities' resilience by reinforcing the economic and financial efficiency criteria and by identifying gains in efficiency and effectiveness, reflected in the management performance; considers that the preparation of needs assessments is an efficient preliminary stage towards ensuring final effectiveness of the Union funding;
54. Acknowledges the high importance of the information reported in the 86 external assistance management reports for the assurance to be delivered by the Commission on the management of external aid as well as the positive trends for the performance of delegations with 20 out of 24 key performance indicators meeting targets in 2015, compared to 15 in 2014;
55. Regrets, however, that nine delegations out of 86 have not reached the benchmark of 60 % of their key performance indicators; calls on the Commission services to closely monitor those delegations which have recently reached the target of 60 % or which stand just above the 60 % target to refine and consolidate the delegations trend analysis;
56. Invites the Commission's services both to regularly update the definition of key performance indicators and related modes of assessment and to further develop their risks assessment, in particular through setting up risk profiles (a priori or output risks) for projects in each delegation's portfolio with a view to better selecting only viable projects at early stage; strongly suggests a more comprehensive *ex-ante* risk assessment so that only the most viable projects are selected;

57. Invites the Commission to develop a typology of the causes of the blockages and difficulties encountered in the implementation of the projects in order to identify immediately the most appropriate responses and corrective measures;
58. Considers it to be essential that the head of delegations continue to be steadily made aware of their key role in the overall strengthening of assurance and in their management of operations, in particular as regards the weighting of the various components likely to trigger the issuance of a reservation;
59. Reiterates strongly that the accountability of Union delegations staffed by the European External Action Service needs to be comprehensively enforced; believes that this should be done in addition to the external assistance management reports, which are prepared and signed by the heads of Union delegations;
60. Takes the view that heads of Union delegations should be clearly reminded of their duties and their management and oversight responsibilities and that they should not only concentrate on the political component of their duties;
61. Calls on the Commission to report immediately on the specific remedial actions taken when a project has been classified 'red' three years consecutively in relation to key performance indicator 5 (i.e. percentage of projects with red traffic light for implementation progress) and key performance indicator 6 (i.e. percentage of projects with red traffic light for achieving results) in order to rapidly re-examine the initial programming objectives, reallocate available funds to more appropriate projects and aid needs, or even consider to possibly stopping the project;
62. Acknowledges the diplomatic consequences of stopping project funding and stopping direct budget support disbursements, but strongly underlines the importance protecting the financial interests of the Union;
63. Urges the Commission to pay particular attention to monitoring of operations carried out with international organisations such as the United Nations as well as its sub-organisations, to the old outstanding commitments, especially in the EDF context and to the reliability of the Common External Relations Information System data and values used for the preparation of external assistance management reports;
64. Underlines that the total resources of the eighth, ninth, tenth and eleventh EDFs amount to EUR 76,88 billion, of which EUR 41,98 billion are indicated as payments; is greatly concerned that outstanding commitments amount to EUR 11,61 billion and that the available balance at the end of 2015 amounts to EUR 23,27 billion;

Results-oriented monitoring

65. Calls on the Commission to ensure that the connection between evaluations and policy formulation is effective by taking into account all lessons learned in the decision-making process; asks the Commission to both allocate adequate management capacities to the various evaluation activities and to ensure the reliability of Europe Aid evaluation and results-orientated monitoring systems;
66. Recalls that external, objective and impartial feedback on the performance of Commission aid projects and programmes should be provided as part of the Commission's commitment to quality assurance; considers outcomes of the evaluations to be key elements feeding into policy and the political review process, helping the adjustment of strategic political objectives and enhancing the overall coherence of Union policies; considers it advisable to guarantee that projects funded will undergo a final assessment through an independent *ex-post* analysis;
67. Believes that investing in the analysis and aggregation of results and evidence from different kinds of evaluation helps the Commission not only to gain an overall picture of trends but to draw lessons that strengthen the ultimate effectiveness of the evaluation processes while also yielding a better evidence base for decision and policymaking;
68. Considers that the sharing of knowledge by all means and tools is crucial for developing not only a culture of evaluation but mainly an effective culture of performance;

Budget support activities

69. Observes that EUR 1 266 440 out of EUR 5 746 000 in total payments (or 22 %) were devoted in 2015 to budget support;

70. Considers that budget support is an aid modality adapted to the specificities of development aid, fostering country ownership and aid effectiveness, which has shown concrete results in reaching the objectives of development policy; notes, however, that budget support entails fiduciary risks and may lead to uncertainty regarding results and performance; calls on the Commission to ensure the good use of development aid through budget support, in particular by providing tailored trainings and technical assistance to beneficiaries;
71. Welcomes the 2016 Annual Budget Support Report of the Commission, which reviews the 2015 key results indicators across Union budget support countries; encourages the Commission to include the outcomes of this report in the upcoming annual activity report;
72. Recalls the necessity continually to respect the four eligibility criteria in the pre-contracting phase, the evolution of the stated objectives and agreed expected results in the budget support scrutiny;
73. Stresses that the contribution of budget support to desired development outcomes must be clearly demonstrated and its use must be made conditional on the improvement of public finance management and on democratic oversight and accountability as well as full transparency towards national parliaments and citizens of recipient countries; considers tying this support to corruption being fought effectively in countries benefiting from budget support to be a priority;
74. Considers the disbursement performance criteria to be a core factor in the management of budget support activities as well as for deepened political and policy dialogue;
75. Considers it necessary to strengthen the political and policy dialogue, aid conditionality and the logical chain framework to ensure coherence between decisions and preconditions to payments by clearly linking payments to the achievement of results, selected objectives and predefined key performance indicators; invites the Commission services to further consolidate its supervision framework accordingly; calls on the Commission to closely monitor and report more systematically on performance and results;
76. Calls on the Commission to regularly report on the implementation of the Addis Tax Initiative launched in 2015, particularly on the actions launched to tackle tax avoidance, tax evasion and illicit financial flows; considers also that government effectiveness and public financial management, corruption and fraud are the main risk dimension to be steadily and thoroughly scrutinised;

Developing the overseeing dimension of the trust funds and blending instruments

77. Recognises the rationale for developing dedicated trusts funds as pooling instruments for financial resources from various stakeholders, with a view to increasing flexibility and speeding up the Union response to global international issues, major crises or emergency situations; believes, nevertheless, that small-scale projects with clearly identified objectives, operators and beneficiaries, producing concrete results and responding to a long-term strategy can also effectively participate in the Union response to those challenges;
78. Believes that the coherence and complementarity of any new development tools with the EDFs should be duly taken into account, particularly as regards aid impact, management and administrative costs against total contributions; calls on the Commission to ensure that those new development tools are always in line with the Union's overall strategy and development policy objectives;
79. Expresses concern at the multiplicity of trust funds and blending platforms, which are financed by Member States with substantial amounts but are not part of the Union budget; strongly underlines possible issues regarding governance, effectiveness, transparency and accountability; warns the Commission about the risk of outsourcing and dilution of the objectives of the development policy; calls on the Court to help in assessing the risks, improving the overall transparency and accountability and to compare the effectiveness of investments through the trust funds with those of direct or indirect EDF management;
80. Notes that trust funds were part of an ad hoc response which shows that the EDF, the Union budget and the Multiannual Financial Framework lack the resources and flexibility needed for a rapid and comprehensive approach to major crises; believes that more time is needed to prove its effectiveness;

81. Acknowledges the setting-up of the Union Emergency Trust Fund for Africa (EUTF) but regrets that no prior consultation of Parliament took place, although Parliament enjoys reinforced oversight of EDF programming based on a political commitment made by the Commission; observes that 57 % of the initial amount pledged by Member States and other donors (Switzerland and Norway) were paid for the EUTF (i.e. EUR 47,142 million); notes that EUR 1,4 billion from the EDF reserve will be used for the EUTF and that the total financial pledges made by Member States represent only EUR 81,492 million (i.e. 4,3 % of the projected EUR 1,8 billion); notes the Bekou Trust Fund of the amount pledged and paid of EUR 34,925 million;
82. Calls on the Commission to implement comprehensive control mechanisms to ensure political scrutiny, especially from Parliament, on the governance, management and implementation of these new instruments in the context of the discharge procedure; considers it to be important to develop specific supervision strategies for those instruments, with specific objectives, targets and reviews;
83. Is strongly concerned by insufficiently specific objectives and a lack of binding indicators and measurable targets to assess performance of the trust funds; asks that performance monitoring arrangements (or results matrices or frameworks) relating to planned actions be further enhanced to include middle and long term goals fully in line with the Union policy objectives;
84. Is particularly interested in receiving information on the leverage ratios achieved by the existing blending facilities with a specific focus on the value added and additionality compared to classical Union support;

Strengthening the cooperation frameworks with international organisations

85. Observes that EDF interventions implemented via indirect management with international organisations and development agencies amounted to EUR 810 million out of which EUR 347 million was through the United Nations;
86. Recognises the added value of the cooperation with international organisations in certain specific contexts; points out, however, recurrent weaknesses, such as the level of financial errors affecting the error level rate, the reporting weaknesses, the problem with results' ownership and, as a consequence, the lack of the Union's visibility as a donor and the need to harmonise expectations as regards results-orientation and value for money;
87. Encourages, particularly in the case of co-funded and multi-donor initiatives, the Commission or international institutions to:
 - (i) assess and plan the future benefits of a project and the way each partner contributes towards the final outcome and broader impact so as to avoid questions over results ownership i.e. which part of the results are attributable to Union funding or to other donors' interventions;
 - (ii) combine the governance frameworks with those used by the Union, in particular by improving their risk management methods; considers that the fungibility of funds should be closely monitored for its high level of fiduciary risk;
 - (iii) improve the models of cooperation frameworks used with all international organisations to ensure in particular a more thorough control of the management costs;
 - (iv) ensure coherence between projects implemented in a cooperation framework with international organisations and the actions and policies of the Union as a whole;

The management of the African Peace Facility

88. Notes that the African Peace Facility (APF) is the Union financial instrument designed to support cooperation with Africa in the area of peace and security with a total in 2015 of EUR 901,2 million committed, of EUR 600 million contracted and a total amount paid under the eleventh EDF; notes that around 90 % of the APF funds are managed via agreements signed with the African Union Commission which is the implementing body of the African Union;
89. Notes that the Commission does not trust the implementation of the APF, which has been operational for years; in this context it is surprised by the proposal of the Commission to divert even more development funds to security actions in Africa; underlines also that the financing of the APF from the EDF has been a provisional solution for 15 years now; stresses that development funding has made a very important financial contribution to African security policies over all those years whereas Union security spending for development purposes is non-existent;

90. Deplores the fact that the control system for the management and operational monitoring of the APF was not effective in protecting the EDFs against illegal and irregular expenditure and the implementation of the mitigating measures was inadequate to remedy the institutional weaknesses identified; regrets also the weaknesses in the monitoring and reporting systems on the funded APF activities;
91. Expresses its concern that the results of the pillar assessments carried out according to the Financial Regulation requirements were not taken into account, namely concerning the non-compliance of the accounting, procurement and sub-delegations processes; regrets that corrective measures have not been implemented more quickly;
92. Invites the Commission to adapt the governance, coordination and respective responsibilities of stakeholders involved (i.e. the Commission services, the European External Action Service and the Union delegations) in the monitoring of the APF funding and reporting on its ongoing projects;
93. Asks to the Commission to report in due course to Parliament on the corrective measures, level of recoveries and improvements in the management of funds by the APF;

Cooperation with the OCTs

94. Acknowledges that the EDFs mainly focus on African countries and considers that OCTs should not be sidelined in terms of political objectives; calls on the Commission to implement more synergies with the Union internal and horizontal policies with concrete OCTs-participation;
95. Believes that attention should be brought on the aid performance and impact of the development policy but also other European and international policies on countries located in the same geographical area than OCTs; calls for particular attention to be paid to the specific situation of Mayotte owing to its change in status from OCTs to that of an outermost region in 2014;
96. Invites the Commission to ensure that funding benefits all OCTs fairly and equally; calls on the Commission to further support OCTs administrations in the implementation of EDF projects, in particular through training and technical assistance;
97. Recalls the geographic characteristics of OCTs; calls on the Commission to better integrate targeted key performance indicators for funding in OCTs; calls also on the Commission to propose, as part of the extension of preparatory action within the BEST scheme (the voluntary scheme for Biodiversity and Ecosystem Services in Territories of European overseas), a permanent mechanism to protect biodiversity, develop ecosystem services and combat the effects of climate change in the Union's OCTs;
98. Once again calls on the Commission to establish by 2020 a specific funding instrument for OCTs, bearing in mind their special status and their membership of the European family.

The EDF response to urgent global challenges

The migration issue and the development aid

99. Recalls that the main goal of Union development policy is to reduce and eventually eradicate poverty and that EDF have so far achieved progress in ACP countries and in the OCTs; believes that successful development aid and migration issues are interconnected, as migration can result from social and economic vulnerabilities and as the mitigation of the root causes of migration can be traced back to targeted development aid;
100. Notes the recent adoption of the Union's global strategy to achieve sustainable development by 2030, which further consolidates the link between development and migration and places migration and security in the new development and cooperation framework;
101. Recalls Parliament's stance towards a holistic approach to migration based on a new policy mix, including strengthening the nexus between migration and development addressing the root causes of migration while also advocating a shift in the ways of funding the response to the migration crisis;
102. Acknowledges that the Union has increased support for security sector reforms; believes, however, that the Commission should ensure that funds are not shifted towards promoting security without a parallel strengthening of support for democratic reforms;

103. Believes that the magnitude of the migration crisis has triggered the need for more rapid and effective response and aid delivery; considers it useful to develop an appropriate sector code for 'migration' in the OECD Development Assistance Committee to better integrate migration into the development agenda, to facilitate the encoding and use of funds and to better track and monitor the amounts targeted for external action on the fight against root causes of migration;
104. Welcomes the intended launch of an external investment plan in Africa on the model of the European Fund for Strategic Investment to address specific bottlenecks in investment; considers this as one of the most appropriate and efficient tools to achieve the Parliament's long-term aim to provide people with adequate living conditions, and hence also address the root causes of excessive migration from Africa;
105. Acknowledges that the EDF's funds are contributing to addressing the root causes of the current global refugee and migration crisis; underlines that the EDF's funds must not be misused for purposes other than determined in the provisions such as secure border control and effective return measures; calls the Commission to engage constructively to achieve synergies between the Union budget, the EDF and bilateral cooperation in order to address issues concerning migration crisis prevention;
106. Calls for continuously refinement of the strategic understanding and framework of the Union's migration external policies and policy options with key actors to ensure clarity as well as a coordinated and coherent mobilisation of external migration mechanisms in the short, medium and long term, within or outside the budgetary framework of the Union;
107. Considers that there is a crucial need to reconcile the need for better results with the availability of sufficient funds to ensure a high level of ambition in the design of the Union's comprehensive and sustainable response to current and future challenges induced by the migration crisis; is of the opinion that Union external migration spending needs to be disbursed more efficiently and that it needs to fulfil 'added value' criteria in order to provide people with adequate living conditions in their countries of origin and other ACP countries;
108. Invites all major stakeholders to reflect and respond adequately on the balance between the flexibility in interventions, the complementary of funds, their level and necessary leveraging as well as potential synergies and the overall additionality of Union interventions;
109. Believes that the existing fragmentation of instruments with their own specific objectives without being interlinked, hinders parliamentary oversight on the way funds are implemented, the identification of responsibilities and therefore makes it difficult to clearly assess the financial amounts actually spent to support external action on migration; regrets that it leads to a lack of effectiveness, transparency and accountability; considers it necessary to refocus ways of using existing policy instruments with a clear and renewed architecture of objectives to increase their overall effectiveness and visibility;
110. Believes, in this context, that due care should be given to the appropriate targeting of aid to different and evolving external migration issues while also ensuring the adequacy of oversight of disbursed funds in order to avoid the risk of misappropriation of funds and double financing, and while ensuring that other ACP countries continue to benefit from EDF assistance;
111. Believes that climate change and its challenges, migration and development are closely intertwined; calls for a better understanding of this correlation in the allocation of development aid and in the development policy objectives; calls on the Commission and the EIB to avoid simply increasing the funds spent to tackle migrations related problems without taking into account projects aimed to climate change adaptations and other development projects;

EIB contributions

112. Notes that in 2015, EUR 936 million was allocated to ACP countries and OCTs in projects implemented in 15 countries and 6 regional groupings;
113. Supports the overarching objectives of the ACP Investment Facility's framework i.e. supporting the local private sector and the development of employment and socioeconomic infrastructures favouring sustainable development at local and regional level as well as the development of the private sector and key infrastructures within the EU-Africa Infrastructure Trust Fund;

114. Welcomes the EIB's efforts to contribute to a Union response to critical international matters, in particular through the EIB's ACP migration package and the economic resilience initiative, supporting the Union and partner countries for tackling socioeconomic challenges contributing to migration, prefiguring the external investment plan; states however the ongoing challenge of an appropriate political and democratic control of the EIB activities;
115. Invites the EIB to insist and give priority to long-term effect of investments and their contribution to sustainable development in all economic, social and environmental aspects;
116. Encourages the EIB to further support local private sector development as a key driver of sustainability, to support basic social and economic infrastructure of immediate interest for the beneficiaries as well as the search for new local and regional partners in the specific domain of micro-finance; invites the EIB to increase additionality with a better justification of the use of the funds;
117. Invites the EIB to ensure that ongoing project are regularly monitored and that the original objectives and criterion are effectively met during the life time of the project; believes that the EIB should take into account the possible evolution of a project and of its objectives;
118. Welcomes the second EIB report in 2015 on the results of its external operations and the use of the 3 Pillar Assessment Framework (3PA) and the Results Measurement (ReM) Framework by the EIB for the *ex-ante* assessment of expected results from investment projects;
119. Believes that the framework measuring results and performance of the Investment Facility should measure the impact on development for every project; underlines the importance of targeting the same objectives and strategies as the Union's development policies; invites the EIB to further align its activities with Union development policy objectives;
120. Calls for a systematic disclosure of the ACP investment facility on lending agreements and increased transparency on the board decisions and steering documents;
121. Considers the audit on the investment facility to be a good practice in terms of cooperation and collaborative scrutiny between Parliament and the Court; regrets, however, that projects implemented in and funds allocated to the OCTs are not covered by the audit; deplors the fact that the investment facility does not fall within the scope of the Court's annual statement of assurance audit and is not subject to Parliament's discharge procedure;

Towards the post-Cotonou agreement

122. Acknowledges the EDF's achievements while considering that new prospects should be considered in order to take into account the changes in the landscape of the ACP countries and the OCTs and in the development of new sustainable objectives, in particular the correlation between peace, humanitarian aid, climate change and its challenges, loss of biodiversity as well as migration;
123. Welcomes the Joint Communication to Parliament and the Council on 'A renewed partnership with countries of Africa, the Caribbean and the Pacific', published by the Commission and the High Representative of the Union for Foreign Affairs and Security Policy on 22 November 2016 (JOIN(2016)0052), and calls for further discussions between the Union institutions on the future of Union-ACP relations;
124. Observes that while the Commission has proposed substantial simplifications to the Financial Regulation applicable to the General Budget, each EDF is still governed by its own respective Financial Regulation; believes that a single financial regulation would reduce the complexity in managing and implementing the various EDFs; stresses, furthermore, that Parliament has long called for the integration of EDFs into the Union budget;
125. Believes that in the post-Cotonou agreement, further coherence should be ensured between the objectives of development and all the Union's external policies, and elements such as the fight against inequalities and actions in favour of sustainable development should be central;
126. Looks forward to being fully informed and consulted on the mid-term review of the 11th EDF which is supposed to take into account Agenda 2030 and a new European Consensus on Development but which should also fully respect the principles of development effectiveness reconfirmed at the Nairobi High Level Forum of the Global Partnership, in particular ownership of priorities by recipient countries;

127. Recommends that the post-Cotonou agreement goes beyond economic questions and promotes an efficient political dialogue; recalls that political dialogue is one of the keys to ensure aid performance and effectiveness;
128. Considers that the post-Cotonou agreement should promote the empowerment and the participation of local communities and civil society in general, in particular through the establishment of local partnerships agreements, in order to ensure a proper project implementation at the local level, especially in the framework of indirect management;
129. Calls for recognition of the impact of climate change and its challenges and loss of biodiversity on all development factors; believes that the post-Cotonou agreement should be more focused on the sustainable development of beneficiary countries and especially on the issue of energy self-efficiency;
130. Calls on the Commission to recognise and further develop the island dimension in the development policy and to create a specific instrument for small island developing states, allowing better allocation of funds, performance and adapted control;
131. Suggests to the Commission to provide a priori assessment and to report more systematically on the impact of development policy on countries and regions in the same geographical area to allow for more synergies between all funds available in those regions;
132. Reiterates Parliament's long support for budgetisation to increase democratic scrutiny and accountability, enhance effectiveness, transparency and visibility in the use of EDFs; underlines also that budgetisation would reduce transaction costs and would simplify reporting and accounting requirements by having only one set of administrative rules and decision-making structures;

Follow-up of Parliament resolutions

133. Calls upon the Court to include in its next annual report a review of the follow-up to Parliament's recommendations in Parliament's annual discharge resolution.
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DECISION (EU) 2017/1632 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2015**

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 2015 (COM(2016) 485 — C8-0326/2016),
- having regard to the financial information on the European Development Funds (COM(2016) 386),
- 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 2015, 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 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendations of 21 February 2017 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 2015 (05376/2017-C8-0081/2017, 05377/2017-C8-0082/2017, 05378/2017-C8-0083/2017, 05379/2017-C8-0084/2017),
- having regard to the Commission's report on the follow-up to the discharge for the 2014 financial year (COM(2016) 674), and to the accompanying Commission staff working document (SWD(2016) 338 and SWD(2016) 339),
- having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States, of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000 ⁽³⁾ and amended in Ouagadougou, Burkina Faso, on 22 June 2010 ⁽⁴⁾,
- having regard to Council Decision 2013/755/EU of 25 November 2013 on the association of the overseas countries and territories with the European Union ('Overseas Association Decision') ⁽⁵⁾,
- having regard to Article 33 of the Internal Agreement of 20 December 1995 between the representatives of the Governments of the Member States, meeting within the Council, on the financing and administration of the Community aid under the Second Financial Protocol to the fourth ACP-EC Convention ⁽⁶⁾,
- having regard to Article 32 of the Internal Agreement of 18 September 2000 between Representatives of the Governments of the Member States, meeting within the Council, on the Financing and Administration of Community Aid under the Financial Protocol to the Partnership Agreement between the African, Caribbean and Pacific States and the European Community and its Member States signed in Cotonou (Benin) on 23 June 2000 and the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies ⁽⁷⁾,
- having regard to Article 11 of the Internal Agreement of 17 July 2006 between the Representatives of the Governments of the Member States, meeting within the Council, on the financing of Community aid under the multiannual financial framework for the period 2008 to 2013 in accordance with the ACP-EC Partnership Agreement and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies ⁽⁸⁾,

⁽¹⁾ OJ C 375, 13.10.2016, p. 287.

⁽²⁾ OJ C 375, 13.10.2016, p. 297.

⁽³⁾ OJ L 317, 15.12.2000, p. 3.

⁽⁴⁾ OJ L 287, 4.11.2010, p. 3.

⁽⁵⁾ OJ L 344, 19.12.2013, p. 1.

⁽⁶⁾ OJ L 156, 29.5.1998, p. 108.

⁽⁷⁾ OJ L 317, 15.12.2000, p. 355.

⁽⁸⁾ OJ L 247, 9.9.2006, p. 32.

- having regard to Article 11 of the Internal Agreement of 24 and 26 June 2013 between the Representatives of the Governments of the Member States of the European Union, meeting within the Council, on the financing of European Union aid under the multiannual financial framework for the period 2014 to 2020 in accordance with the ACP-EU Partnership Agreement and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the Treaty on the Functioning of the European Union applies ⁽¹⁾,
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Article 74 of the Financial Regulation of 16 June 1998 applicable to development finance cooperation under the fourth ACP-EC Convention ⁽²⁾,
 - having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the ninth European Development Fund ⁽³⁾,
 - having regard to Article 50 of Council Regulation (EC) No 215/2008 of 18 February 2008 on the Financial Regulation applicable to the tenth European Development Fund ⁽⁴⁾,
 - having regard to Article 48 of Council Regulation (EU) 2015/323 of 2 March 2015 on the Financial Regulation applicable to the eleventh European Development Fund ⁽⁵⁾,
 - having regard to Rule 93 and the third indent of Rule 94 of, and Annex IV to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Development (A8-0125/2017),
1. Approves the closure of the accounts of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2015;
 2. Instructs its President to forward this decision and the resolution forming an integral part of it to the Council, the Commission, the Court of Auditors and the European Investment Bank, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 210, 6.8.2013, p. 1.
⁽²⁾ OJ L 191, 7.7.1998, p. 53.
⁽³⁾ OJ L 83, 1.4.2003, p. 1.
⁽⁴⁾ OJ L 78, 19.3.2008, p. 1.
⁽⁵⁾ OJ L 58, 3.3.2015, p. 17.

DECISION (EU) 2017/1633 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the Agency for the Cooperation of Energy Regulators for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2015, together with the Agency's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0075/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators ⁽⁴⁾, and in particular Article 24 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0147/2017),
1. Grants the Director of the Agency for the Cooperation of Energy Regulators discharge in respect of the implementation of the Agency's budget for the financial year 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the Agency for the Cooperation of Energy Regulators, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 17.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 211, 14.8.2009, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2017/1634 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Agency for the Cooperation of Energy Regulators for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the Agency for the Cooperation of Energy Regulators for the financial year 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0147/2017),
- A. whereas, according to its financial statements, the final budget of the Agency for the Cooperation of Energy Regulators (the 'Agency') for the financial year 2015 was EUR 11 266 000, representing an increase of 3,55 % compared to 2014; whereas the Agency's entire budget 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 2015 (the 'Court's report'), stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2015 are reliable and that the underlying transactions are legal and regular,
- C. whereas, in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, implementing the concept of performance-based budgeting and good governance of human resources,

Follow-up of 2014 discharge

1. Acknowledges the fact that the Agency:
 - used a set of budget planning guidelines developed and endorsed the Commission's internal audit service (IAS) in order to improve the planning and implementation of its annual budget and developed pre-recorded internal training on budgetary and financial management,
 - included information about the state of play concerning the prevention and management of conflicts of interests and transparency in its annual report;

Budget and financial management

2. Notes that budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 95,09 %, reaching the Agency's planned target and representing an increase of 0,09 % compared with 2014; notes, furthermore, that the payment appropriations execution rate was at 74,88 %, representing an increase of 5,04 % compared with 2014;

Commitments and carry-overs

3. Notes that, according to the Court's report, the carry-overs for Title III (operational expenditure) were EUR 1 360 000 (59 %) out of its committed appropriations, compared to EUR 1 570 000 (62 %) in 2014; notes, furthermore, that those carry-overs predominantly related to the long-term nature of the implementation of Regulation (EU) No 1227/2011 of the European Parliament and of the Council ⁽¹⁾;
4. Notes that, according to the Court's report, carry-overs for Title II (administrative expenditure) amounted to EUR 790 000 (35 %) out of its committed appropriations, compared to EUR 980 000 (41 %) in 2014; acknowledges that, according to the Agency, those carry-overs predominantly related to studies and services not delivered in 2015;

⁽¹⁾ Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (OJ L 326, 8.12.2011, p. 1).

5. Notes that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes and do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance by the Agency and communicated to the Court; notes the fact that the Agency found it difficult to reconcile the principle of annuality with the multi-annual nature of the REMIT implementation project;

Procurement and recruitment procedures

6. Notes that the Agency employed 54 temporary agents, 20 contract agents, 6 seconded national experts, 9 trainees and 6 interim staff at the end of 2015; notes, furthermore, that there were no changes to the establishment plan in 2015;
7. Notes from a job screening exercise that 67,83 % of the Agency's jobs were operational, 22,89 % were in the area of administrative support and coordination and 9,28 % were neutral;
8. Notes that 75 members of staff participated in an away day in 2015 which cost EUR 6 517 (EUR 87 per person);

Internal controls

9. Notes that the Agency complied with the minimum requirements of all the internal control standards (ICS);
10. Notes that the Agency evaluated the efficiency of its ICS with a view to finding areas for further improvements in 2015; acknowledges the fact that the Agency was to implement appropriate measures accordingly; calls on the Agency to inform the discharge authority of the measures implemented;

Internal audit

11. Notes that the Commission's IAS made a preliminary visit regarding the Agency's audit on the procurement process; notes that the IAS was to perform that audit at the beginning of 2016; notes, furthermore, that the IAS was also to conduct a full risk assessment and an IT risk assessment audit at the beginning of 2016 and that the assessment was to result in a new strategic audit plan for the Agency; looks forward to the Agency's reporting on the IAS audits in its 2016 annual activity report;
12. Notes that out of six recommendations issued by the IAS following the 2014 audit on the 'development of framework guidelines and opinion on network codes', two were implemented and closed in 2014 and two in 2015; notes that the Agency was to implement the two remaining recommendations in 2016; acknowledges the fact that the last open recommendation stemming from the 2013 IAS audit on 'planning, budgeting and monitoring' was closed in 2015;

Performance

13. Notes that in late 2015 the Agency launched a survey enabling stakeholders to assess its regulatory activities, working methods and efficiency (for example in relation to the timely provision of deliverables), transparency, engagement with stakeholders and publications; notes, furthermore, that in October 2015 the Agency released a study for a methodology proposal to evaluate the impact of the gas network codes and guidelines in terms of implementation and market effects; asks the Agency to keep the discharge authority informed on the matter;

Prevention and management of conflicts of interests and transparency

14. Notes that the Agency's administrative board adopted the policy for the prevention and management of conflicts of interests, applicable to its staff with specific provisions for management, as well as to its administrative board, its board of regulators, its board of appeal, its working group chairs and co-chairs and its task-force convenors; notes, furthermore, that the Agency published the declarations of conflicts of interests on its website but points out that some CVs and declarations of the members of the board of regulators remain missing; calls on the Agency to publish those documents and allow the public the necessary overview of its senior management; notes that in 2016 the administrative board detected a potential conflict of interests of one of its members and followed the ad hoc procedure provided for; asks the Agency to provide further information about this issue to the discharge authority;

15. Notes with satisfaction that the Agency adopted an anti-fraud strategy for the period 2015 to 2017, following guidance from OLAF, and that awareness-raising training has been provided to all staff;
16. Notes that the Act on Implementation of International Education Programmes was adopted in the host Member State on 16 June 2016 and entered into force on 15 July 2016; notes that the host Member State initiated a feasibility study following adoption of the Act; recalls that the Agency has repeatedly signalled to the host Member State the urgency of the establishment of an European School in Ljubljana; deplores the fact that, more than four years after the entry into force of the agreement between the Agency and the Slovenian Government, no European School has been set up;
17. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).

DECISION (EU) 2017/1635 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2015, together with the Agency's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0075/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators ⁽⁴⁾, and in particular Article 24 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0147/2017),
1. Approves the closure of the accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2015;
 2. Instructs its President to forward this decision to the Director of the Agency for the Cooperation of Energy Regulators, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 17.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 211, 14.8.2009, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2017/1636 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the Office of the Body of European Regulators for Electronic Communications for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Office of the Body of European Regulators for Electronic Communications for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the Office of the Body of European Regulators for Electronic Communications for the financial year 2015, together with the Office's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Management Committee of the Office of the Body of European Regulators for Electronic Communications in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0076/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 1211/2009 of the European Parliament and of the Council of 25 November 2009 establishing the Body of European Regulators for Electronic Communications (BEREC) and the Office ⁽⁴⁾, and in particular Article 13 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0143/2017),
1. Grants the Management Committee of the Office of the Body of European Regulators for Electronic Communications discharge in respect of the implementation of the Body's budget for the financial year 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Management Committee of the Office of the Body of European Regulators for Electronic Communications, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 22.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 337, 18.12.2009, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2017/1637 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Office of the Body of European Regulators for Electronic Communications for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the Office of the Body of European Regulators for Electronic Communications for the financial year 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0143/2017),
- A. whereas, according to its financial statements, the final budget of the Office of the Body of European Regulators for Electronic Communications (the 'Office') for the financial year 2015 was EUR 4 017 244, representing a decrease of 3,5 % compared to 2014,
- B. whereas, according to its financial statements, the overall contribution of the Union to the budget of the Office for 2015 amounted to EUR 3 498 143, representing a decrease of 3,31 % compared to 2014,
- C. whereas the Court of Auditors (the 'Court'), in its report on the Office's annual accounts for the financial year 2015 (the 'Court's report'), stated that it had obtained reasonable assurances that the Office's annual accounts for the financial year 2015 were reliable and that the underlying transactions were legal and regular,
- D. whereas, in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, implementing the concept of performance-based budgeting and good governance of human resources,

Follow-up of 2014 discharge

1. Acknowledges that the Office:
- requests all members of the Management Committee, the Administrative Manager and the staff to submit annual declarations of interests, and makes those declarations public on its website, in order to prevent conflicts of interests,
 - managed to implement fully Internal Control Standards (ICS) No 6 on 'Risk Management' and ICS No 12 on 'Information and Communication',

acknowledges that, consequently, the Commission's internal audit service (IAS) closed its two recommendations which remained open after the 2014 follow-up on the limited review of the implementation of the ICS;

Budget and financial management

2. Notes that budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 95,65 %, representing a decrease of 2,26 % compared to the year 2014; notes that the payment appropriations execution rate was at 80,31 %, representing an increase of 4,65 % compared to 2014;
3. Notes that, according to the Court's report, the level of detail of the budgetary implementation report differs from those provided by most other agencies; notes that the Office has outsourced the role of accounting officer to the Commission's accounting officer and that the different level of detail is based on the practices of the Commission's reporting; acknowledges that the Office is willing to follow any budget guidelines for the reporting in the next financial year provided that such guidelines are issued; calls on the Court and the EU Agencies Network to provide common reporting guidelines based on best practices from the decentralised agencies;
4. Note that the Office corrected the 2015 and 2016 budgets with regard to the provisions for contributions that did not materialise from national regulatory authorities from the European Free Trade Association (EFTA) in 2014; notes that the EFTA agreement is negotiated between the Commission and the countries concerned and that the Office thus cannot influence the negotiations;

Commitments and carry-overs

- Notes that, according to the Court's report, the level of committed appropriations carried over for Title II were high at EUR 134 228 (44 %), compared to EUR 91 757 (40 %) in 2014; notes that those carry-overs mainly relate to the delivery of services that go beyond 2015 and do not necessarily indicate weaknesses in budgetary planning;

Transfers

- Notes with satisfaction that the number of budgetary transfers was reduced to 17 in 2015, compared to 37 in 2014; notes, moreover, that there was no change in total expenditure in Title I (staff costs), Title II (administrative expenditure) was reduced by 33 % and Title III (operational expenditure) was increased by 13 %; acknowledges that the changes in the structure of the initial budget was smaller than in 2014;

Procurement and recruitment procedures

- Notes that, according to the Court's report, the Office underestimated its needs for the professional event organisation services; observes that the four-year framework contract, which was signed in 2013, reached its maximum amount in December 2014; notes that the Office's underestimate stemmed from unexpected changes in the organisation of its final plenary meeting for 2014; is of the opinion that the Office should establish a *modus operandi* with its members and observers for those meetings in order to prevent such a situation from recurring; points out that a procurement procedure to sign a new framework contract was launched in August 2015, and that the Office in the meantime continued to procure these services using purchase orders and low-value contracts (negotiated procedures); agrees with the Court that an open procurement procedure should have been used, in which all interested economic partners are entitled to submit a tender; notes that in 2016 the Office revised its existing procurement rules with a view to streamlining the process, including by using eTendering; welcomes the fact that the Office has already taken steps to improve its procurement rules and has launched an open tender procedure which resulted in the conclusion of a multiple framework contract in cascade with three companies from January 2016;
- Notes that the number of posts was reduced from 28 at the end of 2014 to 27 at the end of 2015; notes that the Office undertook additional tasks resulting in an additional workload, which added to the difficulties in recruitment caused by the turnover of expert staff; acknowledges that the Office managed to maintain a sustainable operation and achieved a balance in the distribution of the workload among its staff;

Prevention and management of conflicts of interests and transparency

- Notes that the Office maintained the public register of BEREC/BEREC Office documents on a daily basis; notes with satisfaction that the Office established special sections dedicated to the policy on conflict of interest and a new section of the website for speeches by the Chair;
- Notes that the Office's annual report included a sub-chapter relating to the transparency, accountability and integrity; notes that its annual report is in compliance with the Commission Guidelines which do not provide for a standard chapter on transparency, accountability and integrity;
- Welcomes the fact that the Office has actively participated in the work of the Inter-Agency Legal Network working group on anti-fraud; notes with satisfaction that this cooperation resulted in the adoption of the Office's anti-fraud strategy in February 2017;
- Notes that the Office expects to conclude its internal rules on whistleblowing in the first half of 2017 and has already sent its draft policy to the European Data Protection Supervisor (EDPS) for prior checking; calls on the Agency to adopt an internal whistleblowing policy which will foster a culture of transparency and accountability in the workplace, to inform and train employees regularly on their duties and rights with regard to that policy, to ensure the protection of whistleblowers from reprisal, to follow up on the substance of whistleblowers' alerts in a timely manner, and to put in place a channel for anonymous internal reporting; calls on the Agency to publish annual reports on the number of whistleblower cases and on how they were followed up and to provide those annual reports to the discharge authority; asks the Office to report to the discharge authority when its whistleblowing rules have been established and implemented;

Internal controls

13. Acknowledges that the last two out of 18 IAS recommendations on the implementation of the ICS were closed in 2015, resulting in the completion of the ICS implementation; recognises that keeping a high level of compliance with the ICS generates a high administrative burden for the Office, given the small size of the Office and the fact that the ICS framework in general was not designed for small organisations;
14. Acknowledges that no critical risks were identified according to the risk self-assessment exercise; notes that the outcome report of the risk assessment contained a list of several significant risks; notes that the Office prepared a risk register containing the most significant risks identified during the risk assessment and action plans for addressing those risks;

Internal audit

15. Notes with satisfaction that the results of the audit by the IAS concluded that the audited processes are fit for purpose and are managed and organised in an effective and efficient manner; acknowledges however the observation by the IAS on room for further improvement in a number of specific areas; notes that in order to address the recommendations by the IAS, the Office developed an action plan and that the implementation of the action plan is planned for 2016;

Other issues

16. Notes that a proposal for a regulation (COM(2016) 591) was presented by the Commission in September 2016 in which the Commission proposes to turn the Office into a fully-fledged agency with expanded responsibilities; underlines that any reforms implemented upon the conclusion of the legislative process must ensure maximum efficiency and cost-effectiveness, as well as the highest possible level of transparency and protection against conflicts of interest, and should serve to further facilitate added value to the Union's regulatory system for electronic communications;
17. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).

DECISION (EU) 2017/1638 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the Office of the Body of European Regulators for Electronic Communications for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Office of the Body of European Regulators for Electronic Communications for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the Office of the Body of European Regulators for Electronic Communications for the financial year 2015, together with the Office's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Management Committee of the Office of the Body of European Regulators for Electronic Communications in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0076/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 1211/2009 of the European Parliament and of the Council of 25 November 2009 establishing the Body of European Regulators for Electronic Communications (BEREC) and the Office ⁽⁴⁾, and in particular Article 13 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0143/2017),
1. Approves the closure of the accounts of the Office of the Body of European Regulators for Electronic Communications for the financial year 2015;
 2. Instructs its President to forward this decision to the Management Committee of the Office of the Body of European Regulators for Electronic Communications, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 22.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 337, 18.12.2009, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2017/1639 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015**

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 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the Translation Centre for the Bodies of the European Union for the financial year 2015, together with the Centre's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0054/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 2965/94 of 28 November 1994 setting up a Translation Centre for bodies of the European Union ⁽⁴⁾, and in particular Article 14 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0075/2017),
1. Grants the Director of the Translation Centre for the Bodies of the European Union discharge in respect of the implementation of the Centre's budget for the financial year 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the Translation Centre for the Bodies of the European Union, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 27.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 314, 7.12.1994, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2017/1640 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015**

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 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0075/2017),
- A. whereas, according to its financial statements, the final budget of the Translation Centre for the Bodies of the European Union ('the Centre') for the financial year 2015 was EUR 49 585 500, representing a decrease of 11,88 % compared with 2014,
- B. whereas the Court of Auditors ('the Court'), in its report on the Centre's annual accounts for the financial year 2015 ('the Court's report'), has stated that it has obtained reasonable assurances that the Centre's annual accounts are reliable and that the underlying transactions are legal and regular,
- C. whereas, in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources,

Budget and financial management

1. Notes that the budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 88,16 %, representing an increase of 8,82 % compared to the previous year; observes that the payment appropriations execution rate was at 78,58 %, representing an increase of 6,61 % compared to the previous year;
2. Notes that the Centre took various steps to reduce its budgetary surpluses; notes, in particular, the reduction of the document translation price in 2015, the introduction of an automatic reimbursement of the previous year's budget outturn to clients as well as the Centre's draft programming document for the 2017-2019 period, which was prepared with deficits in mind, and the subsequent further reduction of the reserve for stability pricing;
3. Notes that, according to the Court's report, as a result of the measures taken to reduce budgetary surpluses, the 2015 cash and short term deposits held by the Centre decreased from EUR 44 000 000 at the end of 2014 to EUR 38 300 000 at the end of 2015; notes furthermore that the Centre's reserves decreased from EUR 40 400 000 in 2014 to EUR 34 000 000 in 2015, reflecting the 2015 reduction of prices;
4. Notes that the operational expenses of the Centre decreased by 11,23 % in 2015, mainly due to the decrease of 9,56 % in the number of outsourced pages and the decreased cost of the average price per page of an externalised document;

Commitments and carry-overs

5. Notes that the Centre slightly increased the overall rate of committed appropriations carried over to the following year from 8,40 % in 2014 to 9,63 % in 2015, representing a 1,23 % rise; notes that the level of committed appropriations carried over for Title II (administrative expenditure) was at 29 %; observes that these carry-overs mainly concerned the refurbishment of additional premises rented in 2015 as well as IT services that had not yet been provided by the end of 2015; notes that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annularity, in particular if they are planned in advance and communicated to the Court;

6. Notes with concern that, according to the Court's report, the Centre cancelled EUR 5 900 000 (12 % of the total budget) of appropriations available at the end of 2015; points out that these cancellations were related to the overestimation of the cost of external translators as well as to the fact that the fulfilment of the establishment plan did not reach the level foreseen in the budget; notes, however, that the Centre monitored the evolution of external translation costs more closely and based its budget forecasts for 2016 onwards on up-to-date figures; welcomes the Centre's efforts in the 2015-2016 period to improve its estimate of the cost of external translation services, which led to considerable changes in the forecast over the past three budgets;

Internal audit

7. Notes that the Commission's Internal Audit Service (IAS) finalised the reporting stage of the audit report on the 'Management of the Workflow for Translation of Documents', which was concluded based on fieldwork carried out in 2014; observes that the audit identified a number of strengths in the Centre's operations but concluded that the Centre needs to strengthen its efforts in ensuring the efficiency and cost-effectiveness of its processes; calls on the Centre to report to the discharge authority on the implementation of the IAS' recommendations;
8. Notes that the Centre implemented the IAS recommendations marked 'Very Important' and 'Important' stemming from the 2014 audit; acknowledges that the level of implementation reported by the Centre was considered by the IAS to be satisfactory enough to proceed to a follow-up audit; calls on the Centre to report to the discharge authority on the results of the follow-up audit;

Internal control

9. Notes that, according to the Centre's Annual Activity Report, during its 2015 annual self-assessment exercise, the Centre's management assessed the compliance and effectiveness of its key controls; notes that the level of implementation for achieving compliance for all internal control standards (ICSs) was reached, provided that the internal auditor's recommendations related to Business Continuity Management were closed by the end of the year;
10. Notes that, according to the Court's report, the Centre does not yet have a Business Continuity Plan in place, resulting in non-compliance with ICS 10; acknowledges that the Centre's Business Continuity Strategy and operational Business Continuity Plans were approved in 2016 by the Centre's management together with the review of the Business Continuity documents;

Prevention and management of conflicts of interest and transparency

11. Notes that the Centre's anti-fraud strategy was adopted by its management board in October 2016; notes that the Centre will include a standard chapter regarding transparency, accountability and integrity in its 2017 annual report; notes with concern the absence on the Centre's website of the curricula vitae of the director, the members of the management board and their alternates; calls on the Centre to publish those curricula vitae in order to ensure the necessary public oversight and scrutiny of its management;

Performance

12. Notes the Centre's initiative to implement a common pre-processing approach for Community trademarks with the European Union Intellectual Property Office (EUIPO) with the aim of sharing translation memories and harmonising respective workflows so as to ensure the transparency and efficiency of the process; regrets that the negotiation between the Centre and the EUIPO did not come to fruition as the EUIPO decided not to proceed with the project; encourages the Centre to explore new possibilities for improving the efficiency of its internal processes;
13. Notes that the Centre conducted its general client satisfaction survey in 2015; observes that the Centre's management approved an action plan based on the survey conclusions to be implemented over the 2016-2017 period; notes with satisfaction that this action plan places a clear focus on translation quality assurance and on raising awareness of, and promoting, the Centre as a language service provider;

14. Notes that, according to the Centre's annual activity report, on the basis of the end-of-year review performed by the Centre's management, and applying the new weighting factors, the overall implementation of the Centre's work programme for 2015 was 83,2 %, representing a 2,3 % decrease compared to the previous year; invites the Centre to recheck its planning for the annual work programme and the overall implementation and report back to the discharge authority on possible interventions or improvements;
15. Notes with satisfaction that the Centre adopted a new Translation Quality Assurance Action Plan (TQAAP) for the 2015-2016 period; notes that the achievement rate target for the TQAAP in the Centre's 2015 work programme was set at 50 % and that, by the end of 2015, 49,4 % of the plan had been implemented; notes that the focus of the 2015 TQAAP was on extensive training provided to the Centre's in-house translators who, inter alia, received training on subtitling techniques and were taught how to use the software package used by the Centre to provide the new subtitling service to clients; notes, moreover, that an audit of the external service provider was also implemented within the TQAAP in 2015;
16. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).

DECISION (EU) 2017/1641 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the Translation Centre for the Bodies of the European Union for the financial year 2015**

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 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the Translation Centre for the Bodies of the European Union for the financial year 2015, together with the Centre's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0054/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 2965/94 of 28 November 1994 setting up a Translation Centre for bodies of the European Union ⁽⁴⁾, and in particular Article 14 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0075/2017),
1. Approves the closure of the accounts of the Translation Centre for the Bodies of the European Union for the financial year 2015;
 2. Instructs its President to forward this decision to the Director of the Translation Centre for the Bodies of the European Union, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 27.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 314, 7.12.1994, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2017/1642 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the European Centre for the Development of Vocational Training for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Centre for the Development of Vocational Training for the financial year 2015, together with the Centre's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0048/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EEC) No 337/75 of the Council of 10 February 1975 establishing a European Centre for the Development of Vocational Training ⁽⁴⁾, and in particular Article 12a thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0145/2017),
1. Grants the Director of the European Centre for the Development of Vocational Training discharge in respect of the implementation of the Centre's budget for the financial year 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the European Centre for the Development of Vocational Training, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 32.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 39, 13.2.1975, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2017/1643 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Centre for the Development of Vocational Training for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Centre for the Development of Vocational Training for the financial year 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0145/2017),
- A. whereas, according to the financial statements of the European Centre for the Development of Vocational Training (the 'Centre'), its final budget for the financial year 2015 was EUR 18 356 560, representing an increase of 6,27 % compared to 2014; whereas the Centre's entire budget derives from the Union budget,
- B. whereas the Court of Auditors (the 'Court') stated that it had obtained reasonable assurances that the Centre's annual accounts for the financial year 2015 are reliable and that the underlying transactions are legal and regular,
- C. whereas, in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, implementing the concept of performance-based budgeting and good governance of human resources,

Follow-up of 2014 discharge

1. Acknowledges the fact that:
 - by the end of 2015 it had closed 11 of the 23 recommendations and related actions on how it could develop and strengthen its role, which were proposed within the scope of its periodic external evaluation and it should inform the discharge authority of the advancements made regarding the implementation of the remaining recommendations;
 - the repair works to the Centre's building were finalised in December 2015 and the Centre signed a protocol of acceptance for the use of the areas were subject to repair with the company responsible for the works and that company was asked to provide an action plan and process to monitor the state of the building for at least 10 years following completion of the works;

Budget and financial management

2. Notes with satisfaction that the budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 98,61 %, representing an increase of 3 % compared to the previous year; notes, furthermore, that the payment appropriations execution rate was at 83,04 %, representing a decrease of 3,33 % compared with the previous year;

Commitments and carry-overs

3. Notes that, according to the Court's report on the Centre's annual accounts for the financial year 2015 (the 'Court's report'), the level of committed appropriations carried over was at EUR 477 994 or 28 % for Title II (administrative expenditure); notes that those carry-overs consisted in large part of the high volume of network and other IT equipment required for the refurbishment of the repaired areas of the Centre's building which had not yet been delivered or invoiced by the end of 2015; notes that the carry-overs may often be partly or fully justified by the multiannual nature of the Centre's operational programmes, do not necessarily indicate weaknesses in budget planning and implementation, and are not always at odds with the budgetary principle of annularity, in particular if they are planned in advance by the Centre and communicated to the Court;
4. Notes that the Centre was able to use additional savings resulting from the downward adjustment in the salary weighting factor from 83,8 % in 2014 to 79,9 %; notes, furthermore, that that adjustment was communicated to the Centre only in November 2015; notes that although the Centre was able to use of the funds immediately before the year-end, the disbursement could be made only in 2016;

Transfer

5. Notes from the Centre's annual activity report that it made 57 transfers in 2015, totalling EUR 586 100 from Title I (staff expenditure) to Title II (administrative expenditure) and Title III (operating expenditure) in order to maximise efficiency of use of available funds; notes with satisfaction that the level and nature of transfers in 2015 remained within the limits of the financial rules;

Procurement and recruitment procedures

6. Notes that the Centre undertook 70 procurement procedures in 2015, representing an increase of 32 % compared with 2014, of which 21 % were open procedures and 79 % were negotiated procedures;
7. Appreciates the fact that the Centre remained actively committed to equal opportunities in recruitment and employment, with 61 % female and 39 % male staff and that it also aims to ensure geographical balance; welcomes the fact that women are well represented at all grades including at management level;
8. Notes that there was a downwards salary adjustment at the end of 2015; calls on the Centre to ensure that this does not lead to a negative impact on the living and working conditions of staff members and the Centre's ability to make its positions competitive and attractive;

Prevention and management of conflicts of interests and transparency

9. Acknowledges the fact that, as a standard procedure, the Centre's director requested newly appointed governing board members to sign a declaration of conflicts of interests in compliance with the Centre's policy on the prevention and management of conflicts of interests adopted in October 2014; notes, moreover, that the Centre regularly reminded and encouraged the few members of the governing board which have not yet submitted a declaration of absence of conflict of interest to do so; urges those remaining members to submit signed declarations without further delay; calls on the Centre to publish those documents on their website so as to allow the public the necessary overview on the Centre's senior management;
10. Recalls that the Centre adopted an anti-fraud strategy on 22 October 2014 together with its policy on prevention and management of conflicts of interests; acknowledges that the Centre provides to its staff regular awareness-raising activities on ethics, integrity and internal control issues, including an overview on the Centre's anti-fraud strategy, the principles of the prevention and management of conflicts of interests, the guidelines on reporting irregularities (whistleblowing) and the 'red flags' related to procurement procedures;

Internal controls

11. Notes that the Centre performs a regular risk assessment and prepares a risk management plan which is part of its annual work programme in order to identify the risks which could affect the achievement of the Centre's objectives; observes that the Centre evaluates risks based on their potential impact on the organisation and likelihood that risks will materialise; notes with satisfaction from its 2015 work programme that the Centre's management controlled the risks at activity and project level, with risk levels below the benchmark;
12. Understands that the Centre's management identified one generic risk above the benchmark concerning the issue of unforeseen (external) demands from stakeholders; notes that such demands from stakeholders, including the Union's institutions, may be difficult to meet with the Centre's available resources; notes that the Centre regularly informs its governing board members about the changes in its work programme and of the fact that the close monitoring of developments allows the Centre to anticipate demands and integrate such activities appropriately or adjust the annual work programme in line with available resources and such demands;

Internal audit

13. Acknowledges the fact that the Commission's internal audit service (IAS) carried out an audit on 'procurement, including fraud prevention and legal advice' as part of the agreed IAS Strategic audit plan 2013 to 2015; observes that the final audit report contained five recommendations of which one was marked as 'very important' and four as 'important'; notes, moreover, that the Centre prepared an action plan to address all the recommendations, which was to be implemented by the end of 2016; calls on the Centre to report to the discharge authority on the results of the implementation of the action plan;

Performance

14. Notes that the Centre cooperates closely with the European Training Foundation (ETF) and the European Foundation for the Improvement of Living and Working Conditions (Eurofound) and that that cooperation is formalised in cooperation agreements between the three agencies as well as in previously agreed annual work programmes;
15. Acknowledges the fact that the Centre actively contributed to a number of Union agencies' performance development network activities, such as the working group on 'activity-based budgeting, costing and management', cooperating with other Union agencies to collect good practices and developing a toolkit for activity-based management in the Union agencies;
16. Notes that the Centre's performance measurement system (PMS) is an integral part of its planning and reporting processes; notes that the PMS provides understanding of the Centre's achievements, relevance and efficient and promotes a culture of continuous improvement among its staff; notes with satisfaction that the internal review of the PMS system conducted in 2015 confirmed that the PMS provides a clear analytical tool to understand the Centre's performance focusing on the outcomes of the its work;

Other comments

17. Notes from the Court's report that the building provided to the Centre by the Greek authorities is constructed on an active fault line, which resulted in structural damage to the building; acknowledges the fact that the repair works on the building were finalised in December 2015; notes that the Centre signed a protocol of acceptance for the use of the areas subject to repair and that the company responsible for works was asked to provide an action plan and process to monitor the state of the building for at least 10 years following completion of the works;
18. Notes that the Centre is addressing various safety issues related to the construction of the building; notes, in particular, a safety issue concerning the building's glass façade and the skylights of the Centre's conference rooms, which is affecting the availability of the Centre's facilities; calls on the Centre and the Commission to prepare a risk-assessment paper to serve as a basis for future decisions to be taken as to possible repairs to the construction or eventual decisions on reallocation to another building;
19. Notes that the repair works and structural strengthening were completed in 2015; notes with satisfaction that the recent crack meter readings conducted in April 2016 demonstrated the repair works as effective; welcomes the installation of all necessary systems to monitor stability and rate of sliding, as well as putting in place a sliding insurance for the building, which comprehensively addressed the structural damage;
20. Observes that the Centre still experiences various safety issues related to the building's glass façade and the skylights of the Centre's conference rooms, which exhibit specific accelerated wear-and-tear; notes that the works aimed at completely resolving those issues were completed in November 2016; notes also that because repairs to the windows were critical, the works were financed from the Centre's budget and the Centre is now actively following up the issue of financial liability with the Greek authorities; calls on the Centre to report to the discharge authority about the completion and effectiveness of the works, as well as the issue of financial liability; further, calls on the Centre to assess whether the recurring problems with the current building call into question not only its economic viability, but, more importantly, the safety and security of its personnel and whether relocation to a new building would be a more preferable solution;
21. Appreciates the good quality of the Centre's research, analyses and technical advice through which it supports the development of European lifelong learning and vocational education and training (VET) policies and contributes to their implementation in order to enable workers to acquire good skills and to contribute to achieving the goals set in the Europe 2020 strategy;
22. Welcomes the Centre's focus on competences and skills which among other objectives helps to better match vocational training to labour market demands and particularly welcomes the first European Skills and Jobs Survey as well as the launch of the new Skills Panorama; welcomes the fact that the Centre provided more country-specific information and analysis and expanded its support to individual Member States through expertise provided in connection with policy implementation;
23. Notes that the policy framework guiding the Centre's work has evolved in 2015 so as to include a new set of priorities for the period 2015 to 2020 as endorsed by Ministers responsible for VET policies in the Riga conclusions;

24. Notes that the Centre introduced a new internal structure at the beginning of 2015 and that 2015 was the Centre's first full year under the remit of the Commission's Directorate-General for Employment, Social Affairs and Inclusion;
 25. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽¹⁾ on the performance, financial management and control of the agencies.
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⁽¹⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).

DECISION (EU) 2017/1644 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the European Centre for the Development of Vocational Training for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Centre for the Development of Vocational Training for the financial year 2015, together with the Centre's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0048/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EEC) No 337/75 of the Council of 10 February 1975 establishing a European Centre for the Development of Vocational Training ⁽⁴⁾, and in particular Article 12a thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0145/2017),
1. Approves the closure of the accounts of the European Centre for the Development of Vocational Training for the financial year 2015;
 2. Instructs its President to forward this decision to the Director of the European Centre for the Development of Vocational Training, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 32.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 39, 13.2.1975, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2017/1645 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the European Police College (now European Union Agency for Law Enforcement Training) (CEPOL) for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Police College for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Police College for the financial year 2015, together with the College's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the College in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0064/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Decision 2005/681/JHA of 20 September 2005 establishing the European Police College (CEPOL) and repealing Decision 2000/820/JHA ⁽⁴⁾,
 - having regard to Regulation (EU) 2015/2219 of the European Parliament and of the Council of 25 November 2015 on the European Union Agency for Law Enforcement Training (CEPOL) and replacing and repealing Council Decision 2005/681/JHA ⁽⁵⁾, and in particular Article 20 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁶⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0081/2017),
1. Grants the Executive Director of the European Union Agency for Law Enforcement Training discharge in respect of the implementation of the Agency's budget for the financial year 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Union Agency for Law Enforcement Training, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 36.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 256, 1.10.2005, p. 63.

⁽⁵⁾ OJ L 319, 4.12.2015, p. 1.

⁽⁶⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2017/1646 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Police College (now European Union Agency for Law Enforcement Training) (CEPOL) for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Police College (now European Union Agency for Law Enforcement Training) for the financial year 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0081/2017),
- A. whereas, according to its financial statements, the final budget of the European Police College ('the College') for the financial year 2015 was EUR 8 471 000, representing an increase of 1,22 % compared to 2014; whereas the entire budget of the College derives from the Union budget,
- B. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the European Police College for the financial year 2015 ('the Court's report'), has stated that it has obtained reasonable assurances that the College's annual accounts are reliable and that the underlying transactions are legal and regular,
- C. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, implementing the concept of performance-based budgeting and good governance of human resources,

Budget and financial management

1. Notes that the budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 95,51 %, representing a decrease of 1,89 % from 97,40 % in 2014; notes that the payment appropriations execution rate was 79 %, representing a decrease of 3,40 % from 82,40 % in 2014;
2. Notes that, following the signature of the grant agreement with the Commission on the EU/MENA Counter-Terrorism Training Partnership, a budget of EUR 2 500 000 was agreed, out of which EUR 300 000 was inscribed in the College's budget as assigned revenue in 2015, with the remaining EUR 2 200 000 being transferred during 2016 and 2017; requests a thorough evaluation of this project and its added value for the security of the Union, and if beneficial, requests the continuation and extension of the project in the coming years;
3. Acknowledges that, at year-end, 89 % of all payments were paid in time, thereby exceeding the objective of 85 % of all payments paid within the legally-set timeframe; notes that no interest was charged by suppliers through late payments;

Commitments and carry-overs

4. Observes that a total of EUR 1 406 984 was carried over to 2016, amounting to 17 % of the overall 2015 budget; notes that, according to the Court's report, the level of committed appropriations carried over was at EUR 212 456 (49 %) for Title II (administrative expenditure) compared to EUR 383 940 (59 %) in 2014; acknowledges that these carry-overs resulted from the College's relocation from the United Kingdom (UK) to Hungary in September 2014 and the consequential need to initiate new service and supply contracts; acknowledges that most of the services procured under these annual contracts had not been provided by the end of 2015;
5. Notes that carry-overs may often be partly or fully justified by the multiannual nature of an agency's operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance and communicated to the Court;

6. Notes that the cost of the relocation from Bramshill, UK to Budapest, Hungary was estimated at approximately EUR 1 006 515, to be spent during 2014 and 2015; notes moreover that in accordance with the agreement between the Commission and the UK, the amount of EUR 570 283 was financed with 50 % from the UK authorities and with 50 % from the Commission; acknowledges the fact that the UK contribution to the relocation funds was inscribed in the College's budget as assigned revenue, which was fully used; welcomes the fact that the remaining relocation funds corresponding to 35 % of the final relocation budget were financed with the College's budget by savings deriving from the lower correction coefficient applied to staff entitlements in Hungary;
7. Notes that a number of staff initiated a legal dispute against the College concerning the conditions in which the relocation had been carried out and its financial impact on their income; notes furthermore that the Court has not yet delivered a judgment and that court proceedings remain ongoing; acknowledges that the final amount for the cost of relocation needs to cover the financial obligation arising from the Court's judgement and invites the College to report on the outcome and the final financial figure of the relocation;

Transfer

8. Notes that the College carried out ten budgetary transfers over the course of the year, all of them with the same budget title; notes with satisfaction that the level and nature of transfers in 2015 remained within the limits of the financial rules;

Prevention and management of conflict of interest and transparency

9. Acknowledges that the declarations of interest and curriculum vitae (CVs) of the members of the governing board were published on the College's website; acknowledges that the College's staff and other individuals directly collaborating with the College were requested to fill in a declaration of interest; notes with satisfaction that the CVs and declarations of interest are well organised, visible and accessible in a user-friendly manner on the College's website;
10. Deplores that, despite the adoption of the College's policy on the prevention and management of conflict of interests in November 2014, the curricula vitae and declarations of interest of its experts are not published on the College's website; reminds the College that it should make them available for the public in order to ensure transparency and uphold Union citizens' trust in the Union institutions; calls upon the College to adopt a clear and solid whistleblowing strategy and rules against 'revolving doors' according to Article 22c of the Union Staff Regulations, which came into force on 1 January 2014;
11. Notes that the College drafted a communication strategy as part of the overall strategy set out by its governing board in May 2016, which aims to increase its online visibility mainly by driving traffic to it through social media; notes that the College conducted an in-depth audit of its website at the end of 2016 and beginning of 2017; asks the College to report to the discharge authority on the result of this audit;

Performance

12. Notes that in 2015 the College's training portfolio encompassed 151 training activities, including 85 residential activities and 66 webinars, 428 exchanges in the framework of the European Police Exchange Programme (EPEP), 24 online modules, one online course, and nine common curricula; notes with satisfaction that for the fifth year in a row the outreach of the College has increased, resulting in the College training 12 992 law enforcement professionals in 2015 (compared to 10 322 in 2014);
13. Acknowledges that the number residential activities (85) exceeded the target one (80) and that they have brought together 3 073 law enforcement participants, representing a 12 % increase from the originally forecasted number (2 755); encourages, however, the College to better report effects of its activities on the security of the Union;
14. Notes that the College has a comprehensive assessment system in place to ensure the quality of its training portfolio; notes moreover that the course evaluation not only aims at assessing training efficiency but also at measuring participants' satisfaction rates; notes that the overall satisfaction was high, with close to 94 % of the participants stating that they were very satisfied or satisfied with the College's activities;

15. Welcomes that in 2015 the College organised webinars to provide law enforcement officials with up-to-date information and best practice on identifying and investigating hate crimes and different forms of gender-based violence, and offered trainings to raise awareness about the challenges experienced by Roma communities and LGBTI persons (such as over- and under-policing and the lack of trust towards members of the police force), and how these can be addressed at the level of law enforcement; calls for the continuation of the provision of trainings in the field of fundamental rights and the related sensitisation of the police force;

Other comments

16. Notes that, according to the Court's report, the College's audited budgetary implementation report differs from the level of detail provided by most other agencies, which demonstrates the need for clear guidelines on agencies' budget reporting; acknowledges that the College outsourced the role of the accounting officer to the Commission's accounting officer, as well as the fact that the different level of detail was based on the practices of the Commission's reporting; supports the Commission's intention to establish guidelines for agencies' budget reporting for the 2016 accounts;
17. Acknowledges that the College is strengthening its administrative links and cooperation with the European Institute of Innovation and Technology, in particular as regards procurement and staff related issues; notes, in particular, the cooperation on scrutinising the Implementing Rules of the Staff Regulations, the advanced plans to form a common staff committee as well as the organisation of a number of training activities open to staff from both agencies;
18. Notes that, with regard to the College's expanded responsibilities and increased mandate, the current resource levels are insufficient; notes that, based on the College's five-year evaluation which was finalised in 2016, there is a clear need for a significant reinforcement of the College with both human and financial resources; invites the Commission to take this into account in its budget proposals for the College; invites the budgetary authority to examine the possibility of providing additional human and financial resources to the College so as not to hinder its ability to perform its tasks;
19. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).

DECISION (EU) 2017/1647 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the European Police College (now European Union Agency for Law Enforcement Training) (CEPOL) for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Police College for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Police College for the financial year 2015, together with the College's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the College in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0064/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Decision 2005/681/JHA of 20 September 2005 establishing the European Police College (CEPOL) and repealing Decision 2000/820/JHA ⁽⁴⁾, and in particular Article 16 thereof,
 - having regard to Regulation (EU) 2015/2219 of the European Parliament and of the Council of 25 November 2015 on the European Union Agency for Law Enforcement Training (CEPOL) and replacing and repealing Council Decision 2005/681/JHA ⁽⁵⁾, in particular Article 20 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁶⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0081/2017),
1. Approves the closure of the accounts of the European Police College for the financial year 2015;
 2. Instructs its President to forward this decision to the Executive Director of the European Union Agency for Law Enforcement Training, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 36.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 256, 1.10.2005, p. 63.

⁽⁵⁾ OJ L 319, 4.12.2015, p. 1.

⁽⁶⁾ OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2017/1648 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the European Aviation Safety Agency for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Aviation Safety Agency for the financial year 2015, together with the Agency's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0059/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 216/2008 of the European Parliament and of the Council of 20 February 2008 on common rules in the field of civil aviation and establishing a European Aviation Safety Agency, and repealing Council Directive 91/670/EEC, Regulation (EC) No 1592/2002 and Directive 2004/36/EC ⁽⁴⁾, and in particular Article 60 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0087/2017),
1. Grants the Executive Director of the European Aviation Safety Agency discharge in respect of the implementation of the Agency's budget for the financial year 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Aviation Safety Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 56.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 79, 19.3.2008, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2017/1649 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Aviation Safety Agency for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Aviation Safety Agency for the financial year 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0087/2017),
- A. whereas, according to its financial statements, the final budget of the European Aviation Safety Agency ('the Agency') for the financial year 2015 was EUR 204 907 790, representing an increase of 11,58 % compared to 2014; whereas 18,27 % of the budget of the Agency derives from the Union budget,
- B. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the European Aviation Safety Agency for the financial year 2015 ('the Court's report'), has stated that it has obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular,
- C. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, implementing the concept of performance based budgeting and good governance of human resources;

Budget and financial management

1. Notes that the budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 98 %, representing an increase of 0,9 % compared to 2014; notes, furthermore, that the payments appropriations execution rate was at 91 %;
2. Observes that the marginal reduction in staff cost commitments of EUR 539 000 was due to the combined effect of staff leaving the Agency throughout the year (19 temporary agents and 3 contract agents), and the entry of new staff (23 temporary agents and 3 contract agents), mainly taking up employment during the last 3 months of the year; notes moreover that the staff expenditure, as a percentage of the overall 2015 budget, decreased by 1,7 % and is currently at 53 % of the overall budget;
3. Notes that the commitments for other administrative expenditure increased by EUR 5 692 000 (3,8 %) in absolute terms to EUR 21 949 000, representing 15,7 % of the overall percentage of the Agency's budget; notes that this increase is largely due to the costs of the Agency's impending move to its new premises in 2016 and the related increase in IT investment;
4. Welcomes the Agency's efforts throughout 2015 to improve the level of planning and monitoring, in particular with regard to budget implementation rate, framework contract management and to provide timely feedback as concerns risks and delays to the top management;

Commitments and carry-overs

5. Notes that, according to the Court's report, the carry-overs of committed appropriations for Title II (administrative expenditure) were at EUR 4 400 000 (20,2 %) compared to EUR 3 600 000 (22 %) in 2014; notes moreover that the carry-overs of committed appropriations for Title III (operational expenditure) were EUR 2 000 000 (32,0 %) compared to EUR 2 000 000 (38,1 %) in 2014; acknowledges that these carry-overs mainly relate to IT developments ordered near the year-end, as well as to rule making activities and research projects of a multiannual nature which therefore go beyond 2015;

6. Notes that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance and communicated to the Court;

Procurement and recruitment procedures

7. Observes that, following the reorganisation of the Agency, it conducted 24 recruitments from reserve lists in addition to organising 33 external and 80 internal selection procedures, which resulted in the Agency reaching full employment by year-end; notes moreover that the Agency is to include a breakdown of its staff by category and sector, as well as by source of funding for their activities, in its 2016 annual report;
8. Notes from the Agency that it adopted in the second half of 2015 new rules on the general implementing provisions on the procedure governing the engagement and use of temporary staff under Article 2(f) of the Conditions of Employment of Other Servants of the European Union; acknowledges moreover that these new rules are promoting internal mobility, mobility among agencies and are harmonising rules for external selection procedures;
9. Welcomes the fact that the Agency has been gradually changing its recruitment approach from a reactive one (identification of needs linked to filling gaps, automatically replacing leavers) to a proactive one (forward planning, prioritisation and redeployment, and aligning resource needs to overall strategic objectives);
10. Notes from the Agency that it improved the level of planning and monitoring of its procurement procedures; notes in particular that the Agency implemented quarterly budget monitoring exercises, ad-hoc procurement planning meetings and that it provides regular feedback to its top management in order to highlight any delays or risks to the implementation; notes that the Agency developed a procurement and contract management Service Level Agreement with the concerned parties within the Agency, and that it implemented additional monitoring tools such as monitoring of contract end dates or renewals, centralised framework contract consumption monitoring as well as increased access to documents and information through its IT system;
11. Notes the results of the second benchmarking exercise on the Agency's posts, which showed that 13,8 % of the jobs were dedicated to administrative support and coordination, 79,5 % to operational tasks and 6,7 % to control and financial tasks; further notes a transfer (+ 0,8 percentage points) of posts from Administration categories to Operational ones; considers that a breakdown of staff by category and sector, as well as by source of funding for their activities (fees and charges versus Union subsidies), should also be included in the next Annual Report in order to offer a more detailed picture of the required resources; notes that for the first time the Agency has reached full occupancy of all posts according to the established plan;
12. Notes that, in 2015, the Agency initiated 33 procurement procedures with the value over EUR 60 000, including 12 procedures in support of the MOVE2016 project; notes moreover that approximately 350 specific contracts under framework contracts and 200 low value contracts were concluded;
13. Points out that there is room for improvement in the Agency's procurement planning, particularly as regards framework contracts;

Prevention and management of conflict of interest and transparency

14. Welcomes the proper prevention and management of conflicts of interest and expects that the Parliament, the Council and the public will be informed annually of the results of those measures, and of any follow-up to them;
15. Acknowledges that the Agency adopted an Anti-fraud Strategy in November 2014 to enhance the effective prevention and detection of fraud, as well as to develop counter-procedures; notes with satisfaction that no cases of fraud were reported in 2015;
16. Notes that the Agency has, in the second half of 2015 and in the course of 2016, re-assessed and is continuing to monitor its system and control environment; notes that as the main outcome of this exercise, the Agency produced a specific code of conduct for external experts supporting the work of the Agency, including a policy on Conflict of Interest and a declaration of acknowledgement of the code;

17. Notes that the Agency published the declarations of absence of conflicts of interests and the CVs of their respective management board members on its website; regrets however that some of the CVs are still missing or show inconsistencies; notes moreover that the Agency has put in place a policy on the prevention and management of conflicts of interest which takes into account its external members of staff, interim staff and seconded national experts; regrets, however, that the Agency did not foresee any checks of the factual correctness or a process for updating the declarations of interest; encourages the Agency to remedy the situation to ensure necessary public oversight and scrutiny of its management; notes that the Agency set up and implemented internal rules on whistleblowing;
18. Notes with concern that the Agency has not taken specific initiatives in order to increase transparency relating to its contacts with stakeholders and lobbyists; calls on the agency to enact a proactive lobby transparency policy;

Internal audits

19. Notes that the Commission's Internal Audit Service (IAS) performed a review of open actions resulting from previous audits; notes moreover the conclusion of the IAS that 10 of 11 open actions under review resulting from its previous audits were implemented, with the remaining action scheduled to be closed with the issuance of the 2017-2020 multiannual planning document in December 2015; acknowledges furthermore that this final action was considered as implemented by the IAS in February 2016;
20. Notes that the Internal Audit Capability (IAC) performed in 2015 eight audit assurance engagements across the Agency; points out that the main recommendations resulting from the IAC audit work in 2015 were to be implemented throughout 2016; looks forward to the Agency's next annual report and to further details regarding these audits;

Internal Control

21. Notes that, in 2015, the Agency performed an annual assessment of the 'EASA management standards', which integrated both ICS and ISO standards; acknowledges that, as a conclusion of the assessment, the Agency's management system complies with the relevant management standards, thanks to the robust monitoring system which has been established at both management and process level; observes that some potential enhancements were identified regarding business continuity and information and document management; acknowledges that the Agency issued an action plan to define the framework of the policy and the milestones of the implementation plan; acknowledges furthermore that the Agency completed the hiring of its business continuity officer in the first half of 2016;
22. Notes that 18 *ex-post* control exercises were performed during 2015 covering the areas of mission reimbursement, procurement procedures, certification service providers and corporate service transactions; welcomes the fact that all transactions verified were legal and regular;

Other comments

23. Highlights the Agency's vital role in ensuring the highest possible level of aviation safety throughout Europe; stresses that a common European assessment and alerting system is needed in Europe, in particular in the context of flights over conflict zones; stresses that, in the context of a fast-developing civil aviation sector, exemplified by the ever more widespread use of pilotless aircraft ('drones'), the Agency should be given the necessary financial, material and human resources to successfully perform its regulatory and executive tasks in the fields of safety and environmental protection, but always without compromising its independence and impartiality;
24. Points out that the revision of Regulation (EC) No 216/2008 of the European Parliament and of the Council⁽¹⁾ envisages broadening the scope of competence of the Agency and that, accordingly, the role played by new technologies, such as remotely piloted aircraft systems, must be taken fully into consideration when new competences are assigned; stresses the importance of allocating adequate funding to the Agency to ensure the successful uptake of these new responsibilities, as well as adequate staffing in order to fulfil additional tasks; stresses that the Agency posts (including the related pensions) which are fully financed from industry, and therefore have no impact on the Union budget, should not be subject to any compulsory staff reduction;

⁽¹⁾ Regulation (EC) No 216/2008 of the European Parliament and of the Council of 20 February 2008 on common rules in the field of civil aviation and establishing a European Aviation Safety Agency, and repealing Council Directive 91/670/EEC, Regulation (EC) No 1592/2002 and Directive 2004/36/EC (OJ L 79, 19.3.2008, p. 1).

25. Welcomes the adoption by the management board of the Multi-Annual Programming document 2016-2020 (MAP) including the Agency's strategy, multi-annual objectives and annual actions;
26. Notes that the Agency and the German Transport Ministry recently agreed on a text for the Agency's headquarters agreement, which was subsequently signed in December 2016; acknowledges that the agreement is pending ratification by the German Bundestag, as required by the national legal system; notes, in addition, that the annual costs per square metre after relocation is expected to be 20 % less than in the previous building; acknowledges that this decrease allows the delivery of better facilities allowing activities previously hosted in ad-hoc rented meeting spaces to be reintegrated;
27. Notes with concern a gender imbalance of 23 % female and 77 % male within its management board members and alternate members; urges the Agency for this imbalance to be corrected and the results communicated to the Parliament as quickly as possible;
28. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).

DECISION (EU) 2017/1650 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the European Aviation Safety Agency for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Aviation Safety Agency for the financial year 2015, together with the Agency's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0059/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 216/2008 of the European Parliament and of the Council of 20 February 2008 on common rules in the field of civil aviation and establishing a European Aviation Safety Agency, and repealing Council Directive 91/670/EEC, Regulation (EC) No 1592/2002 and Directive 2004/36/EC ⁽⁴⁾, and in particular Article 60 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0087/2017),
1. Approves the closure of the accounts of the European Aviation Safety Agency for the financial year 2015;
 2. Instructs its President to forward this decision to the Executive Director of the European Aviation Safety Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 56.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 79, 19.3.2008, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2017/1651 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the European Asylum Support Office for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Asylum Support Office for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Asylum Support Office for the financial year 2015, together with the Office's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Office in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0078/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EU) No 439/2010 of the European Parliament and of the Council of 19 May 2010 establishing a European Asylum Support Office ⁽⁴⁾, in particular Article 36 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0093/2017),
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 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Asylum Support Office, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 66.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 132, 29.5.2010, p. 11.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2017/1652 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015**

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 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0093/2017),
- A. whereas, according to its financial statements, the final budget of the European Asylum Support Office ('the Office') for the financial year 2015 was EUR 15 944 846 representing an increase of 1,76 % compared to year 2014; whereas 94 % of the Office's budget derives from the Union budget,
- B. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the Office for the financial year 2015 ('the Court's report') has stated that it has obtained reasonable assurances that the Office's annual accounts are reliable and that the underlying transactions are legal and regular,
- C. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources,

Follow-up to the 2012, 2013 and 2014 discharges

1. Notes with concern the high number of outstanding issues and ongoing corrective measures in response to the Court's comments in 2012, 2013 and 2014 related to recruitment procedures, late payments, high staff turnover and reimbursement of costs; calls on the Office to complete as many corrective actions as possible in 2017;

Budget and financial management

2. Notes that budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 93,74 %, representing an increase of 9,05 % compared to 2014; notes furthermore that the payment appropriations execution rate was 77,32 %, representing an increase of 5,99 % compared to 2014;
3. Recalls that, according to a decision by the executive director, participants in meetings organised by the Office are classified in one of three categories (A, B, or C) for cost reimbursements; notes that category 'A' participants, who are supposed to assume a specific duty in meetings, receive a flat rate reimbursement for travel and daily subsistence costs, category 'B' participants receive a flat rate reimbursement for travel costs only and category 'C' participants are not eligible for any reimbursement; points out that the number of participants classified as recipients of category 'A' reimbursements decreased from 69 % in 2014 to 52 % in 2015; notes that the action on clarification of the applicable reimbursement category in invitation letters has been completed;
4. Notes with concern that, according to the Court's report, in 2015 the Office made 1 024 (29,2 %) payments after the time limits set out in the Financial Regulation, representing an increase of 0,6 % compared to the previous year and resulting in an average delay of 29 days for late payments; acknowledges that in the second half of 2015 the Office put in place a strategy providing for several measures to reduce late payments; welcomes the fact that after the implementation of those measures, late payments decreased significantly, from 38,3 % in the period from January to August 2015 to 12,6 % in the period from September to December 2015; notes that despite this positive trend, which continued until May 2016, the late payments rate increased as of June 2016 due to an increase in the Office's operational activities and thus also in the number of financial transactions processed by the same number of members of staff; notes that in November 2016 the financial initiation function was decentralised to the Operational Departments and Administrative Units, while the verification function remained centralised in the Administrative Department; notes that this resulted in positive outcomes;

Commitments and carry-overs

5. Notes that the level of committed appropriations carried over for Title II (administrative expenditure) was at EUR 1 076 583, i.e. 36,9 % (compared to EUR 635 492 in 2014, i.e. 28,7 %); acknowledges that these carry-overs mainly relate to consulting services for ICT developments contracted in the last quarter of 2015 (EUR 400 000) as well as to investments in IT infrastructure (EUR 300 000) in view of the expected recruitment of additional members of staff following the decision of the budget authority at the end of 2015 to increase the establishment plan; notes that these carry-overs were justified and planned in advance, due to the Office's role in the migration crisis, in consideration of which the budget authority significantly increased the budget and staff of the Office for 2016; notes that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance by the Office and communicated to the Court;

Procurement and recruitment procedures

6. Notes with satisfaction that, according to the Court's report, the executive director approved a new policy for the recruitment of temporary and contract agents, which addresses most issues identified by the Court in its past audits;
7. Acknowledges that the Office adopted the updated implementing rules on the engagement of temporary and contract agents in January 2016; notes, furthermore, that its updated recruitment policy was approved by the executive director in August 2016;
8. Notes that as of 31 December 2015, the Office had 93 members of staff, both in service and appointed, including 61 temporary agents, 21 contract agents and 11 seconded national experts; points out that 63 % of all members of staff were female while 37 % were male;

Internal audits

9. Notes that the Office further developed its internal controls in line with the recommendations received from the Commission's Internal Audit Service (IAS) and the Court, as well as according to the Internal Control Standards of the Office adopted in November 2012; observes that, in addition to the audit of the annual accounts, an audit report on training management in the framework of the Office's Permanent and Emergency/Special Support Activities was delivered by the IAS; notes that the Office developed an action plan to address the recommendations made by the IAS;

Prevention and management of conflicts of interest and transparency

10. Notes that the Office has implemented a decision of the management board on the prevention of fraud as well as an anti-fraud strategy; notes that a whistleblowing procedure was signed on 23 February 2017 and is in line with the Commission's guidelines on whistleblowing;
11. Notes with concern that the Office did not publish the curricula vitae of either the management board or the senior management teams in 2015; notes that the Office has published the CVs of its senior management team since March 2017; notes also that the Office has approached its management board and intends to publish the curricula vitae of its members once they are collected; calls on the Office to publish those documents as soon as possible in order to ensure necessary public oversight and scrutiny of its management;
12. Reiterates that preventing and managing conflicts of interest is vital for the health of the organisation; stresses that transparency is a key element for upholding the trust of Union citizens in Union institutions;

Performance

13. Notes that, according to the Office's annual report, in 2015, 275 participants from 26 'EU+' states and other stakeholders participated in 23 'Train-the-Trainers' sessions organised by the Office; notes moreover that the Office administered 271 national training sessions on its e-learning platform 'EASO Training Curriculum' for 3 611 asylum officers;
14. Notes that, in order to improve its efficacy in relation to translation and interpretation costs, the Office signed a service level agreement with the Commission's Directorate-General for Interpretation; notes moreover that the Office launched an open call for framework contracts in five lots in cascade, with the award criterion being the lowest price; calls on the Office to report back to the discharge authority on the savings achieved;

15. Notes that the Office developed further measures to assist Member States in need of special support in their asylum and reception systems and that it provided this special support to Cyprus, Bulgaria, Greece and Italy; notes moreover that in 2015 the Office further developed its activities to support Member States whose asylum and reception systems are subject to particular pressure, in particular by providing support to Greece and Italy and by strengthening the Office's capacity to respond in a timely and effective manner to emergency situations;

Other comments

16. Recalls the fact that in 2015 a record number of almost 1 400 000 applications for international protection were made; recognises that the Office invested significant efforts in implementing the activities assigned to it under the European Agenda on Migration, in particular as part of the development of the 'hotspots' approach; notes the efforts made by the Office in managing the migrant crisis;
17. Encourages, in particular, the support and practical cooperation offered on issues relating to asylum-seeking children, including unaccompanied minors; welcomes the launch of the EASO Network on the Activities on Children;
18. Recognises that the growth of the Office's budget in 2016 was significant in order to cope with additional tasks relating to the European Agenda on Migration, the hotspots approach, decisions of the EU Leaders Summit on Western Balkans and the EU-Turkey statement; notes with satisfaction that a range of steps were taken by the Office to deal with such an unprecedented increase in tasks, including the decentralisation of financial initiation accompanied by appropriate training and coaching; notes also that this led to a need for enhanced staff and corresponding office space;
19. Notes with concern that only 7 members of staff participated in an away day in 2015 for which the cost was relatively high at EUR 4 000 (EUR 571 per person);
20. Notes that the Office amended its lease agreement and in the second half of 2016 expanded its office space to an additional block of the building in which its premises are situated; notes that, following the approval of Parliament and of the Council, the Office is now in a position to rent and take over the whole building by 1 July 2017; calls on the Office to inform the discharge authority of further developments regarding its premises;
21. Notes that the Office aimed to explore the possibility of exchanging information and best practices in order to mainstream elements relevant to the return of failed asylum seekers in close collaboration with the European Migration Network Return Expert Group;
22. Notes that in 2015 the Office's communication plan focused on the promotion of its role, values and activities through a number of tools and external communication activities, which concern its publications, social media, website and the organisation of its information day;
23. Welcomes the solid output of the Office, with over 117 meetings and workshops organised, 3 764 national staff trained, 272 persons relocated and more than 100 civil society organisations consulted; acknowledges the results of the independent audit by Ernst & Young and the commitment of the Office to develop a corresponding action plan; agrees on the need for the Office to better communicate on the effects and impacts of its activities; welcomes the development of a better web interface for documents related to country of origin ('COI-related documents'); notes that there were 17 000 COI-related documents linked via the portal at the end of 2015;
24. Acknowledges that, according to the Office's annual report, in 2014 it started the development of a combined content management system and database, the Information and Documentation System (IDS), in the form of an IT tool which will provide a detailed and up-to-date overview of the practical functioning of the Common European Asylum System;
25. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).

DECISION (EU) 2017/1653 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the European Asylum Support Office for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Asylum Support Office for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Asylum Support Office for the financial year 2015, together with the Office's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Office in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0078/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EU) No 439/2010 of the European Parliament and of the Council of 19 May 2010 establishing a European Asylum Support Office ⁽⁴⁾, in particular Article 36 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0093/2017),
1. Approves the closure of the accounts of the European Asylum Support Office for the financial year 2015;
 2. Instructs its President to forward this decision to the Executive Director of the European Asylum Support Office, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 66.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 132, 29.5.2010, p. 11.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2017/1654 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the European Banking Authority
for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Banking Authority for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Banking Authority for the financial year 2015, together with the Authority's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0072/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC ⁽⁴⁾, and in particular Article 64 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A8-0079/2017),
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 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Banking Authority, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 72.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 331, 15.12.2010, p. 12.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2017/1655 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015**

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 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A8-0079/2017),
- A. whereas, according to its financial statements, the final budget of the European Banking Authority (the 'Authority') for the financial year 2015 was EUR 33 419 863, representing an decrease of 0,54 % compared to 2014, due to the Authority's recently established nature; whereas the Authority is financed by a contribution from the Union (EUR 13 367 600, representing 40 %), and contributions from Member States (EUR 20 051 400, representing 60 %),
- B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the European Banking Authority for the financial year 2015 (the 'Court's report') has stated that it has obtained reasonable assurances that the Authority's annual accounts for the financial year 2015 are reliable and that the underlying transactions are legal and regular,
- C. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, implementing the concept of performance based budgeting, good governance of human resources;
1. Recalls that Parliament was a driving force behind the establishment of a new and comprehensive European System of Financial Supervision (ESFS), including the three European Supervisory Authorities (ESAs), to ensure a better financial supervision system after the financial crisis;

Follow-up of 2014 discharge

2. Notes from the Court's report that, with regard to one comment made in the Court's 2012 report regarding the education contribution, which was marked as 'ongoing' in the Court's 2013 and 2014 reports, corrective actions were taken by the Authority and contracts were signed with 20 out of the 21 schools attended by children of staff;

Budget and financial management

3. Notes, that the Court's assessment is very brief and offers few suggestions for improving the efficiency of the Authority's budget management;
4. Acknowledges that the budget monitoring efforts during the 2015 financial year resulted in a budget implementation rate of 99,34 %, representing a decrease of 0,47 % compared with 2014, and that the rate of execution of payment appropriations was 89,70 %, representing an increase of 5,76 % compared with 2014; notes from the Authority that the high rate of execution is due both to good budget planning and monitoring and to the limited nature of the Authority's budget; notes that some elements of the Authority's work programme had to be postponed to 2016 or performed at a reduced level due to budget cuts;
5. Notes that Parliament and the Council reduced the Authority's 2015 financial resources by 6 % compared to the previous year, despite allocating higher staffing levels; notes that, in order to implement those cuts, the Authority had to reduce its work programme and cut costs in areas such as operational missions and meetings, operational IT projects and staff training; acknowledges furthermore that the euro lost significant value against the pound sterling over the course of the year, forcing the Authority to request an amending budget of EUR 1,9 million, which was adopted in August 2015, in order to enable it to meet its financial obligations;

6. Stresses the importance of ensuring an appropriate level of prioritisation and efficiency as regards resource allocation; considers, in this regard, that the initial budget cuts should not have been implemented by postponing the publication of standards and guidelines or by cutting attendance at Basel Committee on Banking Supervision (BCBS) working groups; emphasises that any potential increases in the Authority's means must be accompanied by adequate prioritisation measures; suggests that, as the Authority's workload is increasingly shifting from legislative tasks to supervisory convergence and enforcement, the Authority's budget and manpower should be allocated accordingly;
7. Welcomes the fact that the Authority's 2016 budget was significantly improved, due to the Authority and Parliament and the Council taking on board the lessons learned from the previous year's process, which resulted in an increase of 20 % compared to the 2015 initial budget;

Commitments and carry-overs

8. Notes that the Authority further reduced the overall rate of committed appropriations carried over from 15,90 % in 2014 to 9,7 % in 2015; notes that, according to the Court's report, the carry-overs of committed appropriations for Title II (administrative expenditure) were high at EUR 1 487 794, or 28 % of the total committed appropriations under this title, compared to EUR 3 431 070 or 48 % in 2014; acknowledges that those carry-overs included an unresolved issue regarding the outstanding VAT to be paid on the balancing charge of the Authority's new building, as well as an invoice concerning business rates by the UK Valuations Office;
9. Welcomes the fact that the Authority decreased the value of carry forwards to 2016 by 40 % compared to the previous year, in the context of a decrease of 0,5 % in total budget between the two years; acknowledges that this reflects a return to more normal levels of carry forwards at the end of 2015, after the high 2014 carry forward which was driven by the Authority's move to its new premises in December 2014;

Transfers

10. Notes from the Authority's final accounts that it executed 30 budgetary transfers during 2015; observes that the limit of 10 % referred to in Article 27 of the Authority's Financial Regulation was exceeded in only one instance; notes with satisfaction that the level and nature of transfers in the year 2015 remained within the limits of the financial rules;

Procurement and recruitment procedures

11. Notes that the total number of the Authority's staff increased to 156 in 2015 from 146 in 2014, and consisted of 45 % females and 55 % males; notes that the total staff turnover due to resignation, non-renewal or contract expiry was 10,3 %, which was 2,6 % lower than in 2014; notes with satisfaction that the Authority conducted a job screening exercise as in previous years, which showed that 80,1 % of the jobs were operational, that is directly focused on the implementation of the Authority's mandate, 12,5 % included administration and coordination and 7,4 % were neutral; points out that for each four posts linked to the direct implementation of the Authority's mandate there is only one administrative post;
12. Notes that the Authority shall ensure geographical and gender balance and compliance with the principle of equal opportunities, in accordance with Articles 1d and 27 of the Staff Regulations; notes that the Authority has published all its vacancies on its website;

Prevention and management of conflicts of interests and transparency

13. Notes that the Authority adopted a conflict of interest policy in October 2014 and has ethics guidelines in place since 2012; acknowledges that during the recruitment procedure, future staff must declare potential conflicts of interest, in addition to the assessment of their CV; notes that all staff must declare potential conflicts of interest on an annual basis, which are assessed by the Authority's ethics officer; notes that the members of the board of supervisors and their alternates must also declare their actual or potential conflicts of interest, including economic interests, in particular any holdings in shares of financial institutions; notes further that all these declarations and those of the Authority's senior management are published on its website and are updated annually; regrets, however, that the CVs of neither the management board nor the board of supervisors are published on the Authority's website; calls on the Authority to publish those documents as soon as possible to ensure necessary public oversight and scrutiny of its management;

14. Observes that the Authority adopted an Anti-Fraud Strategy which was to be fully implemented by the end of 2016; notes with satisfaction that in 2016 the Authority performed an initial fraud risk assessment within all departments, in addition to creating a dedicated anti-fraud section on its intranet with a communication channel for whistleblowers;
15. Acknowledges from the Authority that it works closely together with all Member States in the preparation of regulatory reports in the area of its competence, which it publishes regularly; notes with satisfaction that the Authority implemented measures to ensure transparency regarding public speaking events and stakeholders it meets;
16. Considers that the minutes of meetings of the board of supervisors and of the Stakeholder Groups, which are publicly available, should be published immediately after the meeting to reduce the current time lag of up to three months between meetings and disclosure of minutes and to provide better insight into the discussions held, members' positions and voting behaviour; believes that outreach to Union citizens could also be enhanced by web streaming events; is concerned about de facto unequal accessibility of documents and information from internal meetings to different stakeholders, including Parliament; welcomes that, among the ESAs, the Authority provides the most appropriate extent of disclosure of information on meetings of its staff with stakeholders; is of the opinion that the Authority should establish a secure channel for whistleblowers in the framework of its action plan for the years to come;

Internal audit

17. Notes that the Commission's Internal Audit Service (IAS) performed a follow-up on the limited review on IT project management, which originally included four recommendations; notes furthermore that one recommendation rated as 'important' was already closed in February 2015 on the basis of an IAS desk review;
18. Observes that the IAS conducted an audit on human resources management, which resulted in six recommendations, two marked as 'very important', four marked as 'important' and no critical recommendations; welcomes the fact that the Authority accepted all observations and recommendations and developed appropriate action plans which are being followed up regularly by the Authority;

Performance

19. Notes that the Authority closely cooperates with the European Insurance and Occupational Pensions Authority (EIOPA) and the European Securities and Markets Authority (ESMA) across all support functions in order to reduce administrative costs where possible, to leverage synergies and to share best practices; looks forward to further efforts from the Authority to enhance cooperation with other decentralised agencies and further reduce overhead and administrative costs;

Other comments

20. Notes that, on 23 June 2016, the citizens of the United Kingdom voted to leave the Union; points out that Article 50 of the Treaty on European Union provides that a Member State which decides to withdraw from the Union shall notify the European Council of its intention and the Union shall negotiate and conclude an agreement with that State, setting out the arrangements for its withdrawal; acknowledges from the Court's report that the accounts and related notes of the Authority, which is located in London, were prepared using the information available at the date of signing of those accounts, when the results of the referendum were not yet known and the formal notification of the triggering of Article 50 had not been presented;
21. Notes that following the outcome of the UK referendum on 23 June 2016, the Authority drafted impact assessments for all support areas, namely IT, human resources, procurement, corporate services and communications, which will be updated according to developments;
22. Welcomes the detailed information provided by the Authority to the discharge authority on its current contractual commitments and liabilities linked to its physical presence in the UK; notes that, excluding the rental contract, the Authority's maximum potential contractual commitment or liability is EUR 33,16 million, but that there would be no financial penalties for early termination of these contracts if the applicable notice periods of between one and three months are observed; expresses concern, however, regarding the potential operational and business continuity risks and related costs of a relocation decision, such as the extra procurement work that may need to be carried out at short notice if the timing does not provide for a sufficient transition to a new location;

23. Notes that the Authority signed a 12-year-lease with an end date of 8 December 2026 and that, under normal contractual conditions, there is a liability to pay the full rent for the entire period; observes, however, that the Authority negotiated a break-out clause at the midway point of the contract, meaning that if the clause is exercised, the Authority would be relieved of the obligation to pay the rent for the final six years; further notes that if the break-out clause is activated, the Authority has an obligation to repay half of an incentive (32 month rent-free period), which it had already received and which was based on the full 12 years of the contract; notes that the Authority is liable to restore the property to its original condition when leaving, in this case the Authority is obliged to pay for taking out the office fit-out that it had installed in the premises; notes that the exact amount is subject to expert estimates and further negotiations; asks the Authority to inform the Parliament on the amount once it is known;
24. Following the triggering of the Article 50 by the Government of the United Kingdom, calls on the Commission and the Council to make the merits and the decision making process on the Authority's reallocation destination transparent and democratic;
25. Recalls that the Authority's mixed financing arrangement, which relies heavily on contributions from national competent authorities, is inadequate, inflexible, burdensome and a potential threat to its independence; therefore calls on the Commission, in the White Paper planned for the second quarter of 2016 and in a legislative proposal to be presented by 2017, to launch a different financing arrangement based on a separate budget line in the budget of the Union and on the complete replacement of the contributions from national authorities by fees paid by market participants;
26. Stresses that, while making sure that all assignments are carried out in full and within deadline, the Authority should stick only to the tasks assigned to it by Parliament and the Council; believes that the Authority should fully use its mandate to effectively foster proportionality; notes that, wherever the Authority is authorised to draw up Level 2 and Level 3 measures, it should pay particular attention to the specific features of the various national markets when drafting those standards and that market participants and consumer protection organisations concerned should be involved at an early stage in the standard-setting process and during drafting and implementation stages;
27. Notes with concern that the Authority does not exercise all the prerogatives established in its legal framework; underlines that the Authority should ensure that resources are maximised in order to fully fulfil its legal mandate; notes, in this regard, that a closer focus on the mandate given to it by Parliament and the Council could result in a more efficient use of its resources and a more effective achievement of its objectives; stresses that, while carrying out its work and, in particular, when drafting technical standards and technical advice, the Authority needs to inform Parliament and the Council about its activities in a timely, regular and comprehensive manner;
28. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).

DECISION (EU) 2017/1656 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the European Banking Authority for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Banking Authority for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Banking Authority for the financial year 2015, together with the Authority's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0072/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC ⁽⁴⁾, and in particular Article 64 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A8-0079/2017),
1. Approves the closure of the accounts of the European Banking Authority for the financial year 2015;
 2. Instructs its President to forward this decision to the Executive Director of the European Banking Authority, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 72.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 331, 15.12.2010, p. 12.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2017/1657 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the European Centre for Disease Prevention and Control for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Centre for Disease Prevention and Control for the financial year 2015, together with the Centre's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0061/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 851/2004 of the European Parliament and of the Council of 21 April 2004 establishing a European Centre for Disease Prevention and Control ⁽⁴⁾, and in particular Article 23 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0082/2017),
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 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the European Centre for Disease Prevention and Control, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 77.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 142, 30.4.2004, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2017/1658 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015**

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 2015,
 - having regard to the Court of Auditors' Special Report No 12/2016 on the 'Agencies' use of grants: not always appropriate or demonstrably effective',
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0082/2017),
- A. whereas, according to its financial statements, the final budget of the European Centre for Disease Prevention and Control ('the Centre') for the financial year 2015 was EUR 58 451 950 representing a decrease of 3,36 % compared to 2014; whereas 97,03 % of the Centre's budget derives from the Union budget;
- B. whereas the Court of Auditors ('the Court') in its report on the annual accounts of the Centre for the financial year 2015 ('the Court's report'), has stated that it has obtained reasonable assurances that the Centre's annual accounts for the financial year 2015 are reliable and that the underlying transactions are legal and regular;
- C. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;

Follow-up of 2014 discharge

1. Acknowledges the fact that:
 - the Centre further revised its independence policy and has created an internal procedure for the implementation of that policy; notes furthermore that the updated policy was endorsed by the Centre's management board in June 2016 and that it requires all staff to submit a declaration of interests before taking up duty; acknowledges in addition that the revised policy requires all staff involved in a particular procurement procedure to sign a declaration of absence of conflict of interest;
 - the Centre provides key information for the public in all official languages of the Union; acknowledges the fact that the content targeted at the expert community is provided in English only, due to the high cost of translation;

Comments on the legality and regularity of transactions

2. Notes from the Court's report that various weaknesses were found affecting the transparency of the Centre's procurement procedures, including a lack of a clear link with the Centre's annual work programme, insufficient substantiation of the estimated contract value or absence of a financial benchmark to assess the tenderer's financial capacity; acknowledges the fact that the Centre implemented a new version of its procurement monitoring application in 2016 which makes a clear link between the procurement procedures and the annual work programme; acknowledges furthermore that prior to the launch of any procurement procedure above EUR 25 000, the Centre now requests a substantiation of estimated contract values;

Budget and financial management

3. Notes that the budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 94,05 %, representing a decrease of 4,72 % compared to 2014; acknowledges the fact that the decrease is related to the lower weighting factor applied to remunerations in Sweden in 2014, as well as to delays in recruitment which resulted in lower than anticipated staff costs; takes note that the payment appropriations execution rate was 76,27 % representing a decrease of 4,1 % compared to 2014;

4. Recalls that, as a Union agency, the Centre has a budget which is denominated in euro; however, since it is located in Sweden, and therefore in a non-Eurozone country, a lot of its expenses are incurred in Swedish krona (SEK); furthermore, the Centre is exposed to exchange rate fluctuations since, not only does it have bank accounts in Swedish krona, it also carries out certain transactions in other foreign currencies;

Commitments and carryovers

5. Notes that committed appropriations carried over for Title II (administrative expenditure) were at 23 % (EUR 1 600 000) and at 42 % (EUR 7 500 000) for Title III (operational expenditure); acknowledges the fact that the carry-overs for Title II are mainly related to the planned procurement of IT hardware and software, and to real estate consultancy service for which payment was due only in 2016; acknowledges moreover that the carry-overs for Title III concerned the Centre's multiannual projects and IT support for operational activities;
6. Notes that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operating programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality; notes that the carry-overs are in many cases planned in advance and communicated to the Court; calls for a clear definition of planned and justified, as the expenditure could not be implemented in 2015 due to reasons outside the control of the Centre;

Procurement and recruitment procedures

7. Takes note that as from 1 May 2015, following a decision of the management board of the Centre, the Acting Director has replaced the Centre's Director until a new Director takes office;
8. Acknowledges the fact that the total number of statutory staff decreased from 277 to 260 in 2015, due to the requested post reduction in the Centre's establishment plan until 2018; notes furthermore that the total number of temporary agents in place at the Centre was 168 and the total number of contract agents was 92 by the end of 2015; takes note that the turnover rate for temporary agents and contract agents was 8,3 % in 2015 and that there was a delay in a number of senior post recruitments, partly influenced by the pending appointment, and subsequent vacancy of the Centre's Director;
9. Notes that with regard to its procurement procedures, the Centre has put specific focus on ensuring consistency in all tender documents; emphasises that the Centre's revised procedure on procurement, contracts and grants is providing an additional quality control mechanism; calls on the Centre in particular to carry out careful checks on conflicts of interest in relation to tenders, procurement, recruitment and contracts in order to strengthen transparency;
10. Asks the Centre to apply strictly the measures pertaining to discretion and exclusion in public procurement, with proper background checks being carried out in every instance, and to apply the exclusion criteria so as to debar companies in the event of any conflict of interest, this being essential to protect the financial interests of the Union;

Prevention and management of conflicts of interests and transparency

11. Notes with satisfaction that both routine and spot checks are made against CVs provided by its management board members, and in cases where information from other sources (such as publicly available information) reveals factual inaccuracies, a 'breach of trust' procedure is in place;
12. Notes that the Centre has taken specific initiatives in order to increase transparency relating to its contacts with lobbyists, and that an internal procedure on meetings with the pharmaceutical sector is under preparation; calls on the Centre to enact a proactive lobby transparency policy;

Internal controls

13. Notes that the Centre performed a review of the implementation of its internal control standards (ICS) and that the results of the review were validated by the Centre's management; acknowledges the fact that all the Centre's ICS have been implemented;
14. Notes that the Centre has a procedure in place to ensure that overrides of controls or deviations from established processes and procedures are documented in exception reports; notes that 28 such exceptions were recorded in 2015, representing a decrease of 14 exceptions compared to 2014;

Internal audit

15. Takes note that the Internal Audit Service (IAS) performed an audit on data management in the Centre; notes furthermore that the final report was issued in November 2015 and that it included four very important observations and two important observations; acknowledges that the Centre prepared an action plan which was to be implemented throughout 2016 and 2017;

Performance

16. Notes from the Centre's annual report that the majority of targets for its performance indicators were reached; notes in particular the indicators for proportion of approved annual and specific declarations of interest for the Centre's management board and advisory forum members, which were at 87,9 % and 89,2 %, respectively, while the target was set at 100 %; notes furthermore the indicator regarding the percentage of invoices paid within the time limits of the Centre's financial regulation, which was at 78,07 %, slightly below the target of 80 %;
17. Notes that in addition to its five-year external evaluations, the Centre has established two annual internal evaluations since 2015 on its deployment for Ebola in West Africa; notes also that the Quality Management System (based on the Common Assessment Framework) provides insight based on self-assessments every two years on how to improve the organisation, leading to corrective actions; acknowledges that the Centre has mapped its business processes to strengthen efficiency, and in 2016 reviewed and re-engineered those processes using the Lean methodology and will continue to do so in 2017;
18. Notes that the Centre's target of 10 % more web visitors in 2015 was not reached, mainly due to an unprecedented increase of web visitors in 2014 during the Ebola crisis; acknowledges however that the number of the Centre's followers on the corporate social media account increased by 40 % compared to 2014;
19. Underlines that the Centre should continue promoting dialogue with stakeholders and citizens and incorporate it as part of the priorities and activities to be implemented;
20. Recommends that the Centre develop impact indicators; believes that such impact indicators are essential tools in order to measure the effectiveness of the Centre;

Other comments

21. Stresses that the Ebola epidemic provided a test case for the Union's preparedness arrangements and legal framework and that the Health Security Committee met regularly to discuss appropriate measures based on rapid risk assessments and guidance from the Centre;
22. Recalls that Decision No 1082/2013/EU of the European Parliament and of the Council ⁽¹⁾ provides the framework to address, coordinate and manage serious cross-border health threats in cooperation with Member States, the World Health Organisation (WHO), the Centre and other international partners;
23. Acknowledges the fact that the Early Warning and Response System, which was established under Decision No 1082/2013/EU to notify alerts and report measures taken to fight the serious cross-border health threats, has been constantly monitored; in 2015, there were 88 notifications, which resulted in 280 messages and information exchanges, and 37 different events were addressed, for example, the Ebola epidemic, the influx of refugees, the Middle East respiratory syndrome coronavirus (MERS-CoV), poliomyelitis, the shortage of medical counter-measures, the Zika virus, and the explosion of a chemical factory in China; stresses that all events were followed up in close cooperation with the Centre and Member States;
24. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽²⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Decision No 1082/2013/EU of the European Parliament and of the Council of 22 October 2013 on serious cross-border threats to health and repealing Decision No 2119/98/EC (OJ L 293, 5.11.2013, p. 1).

⁽²⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).

DECISION (EU) 2017/1659 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the European Centre for Disease Prevention and Control for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Centre for Disease Prevention and Control for the financial year 2015, together with the Centre's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0061/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 851/2004 of the European Parliament and of the Council of 21 April 2004 establishing a European Centre for Disease Prevention and Control ⁽⁴⁾, and in particular Article 23 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0082/2017),
1. Approves the closure of the accounts of the European Centre for Disease Prevention and Control for the financial year 2015;
 2. Instructs its President to forward this decision to the Director of the European Centre for Disease Prevention and Control, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 77.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 142, 30.4.2004, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2017/1660 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the European Chemicals Agency
for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Chemicals Agency for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Chemicals Agency for the financial year 2015, together with the Agency's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0068/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC ⁽⁴⁾, and in particular Article 97 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0086/2017),
1. Grants the Executive Director of the European Chemicals Agency discharge in respect of the implementation of the Agency's budget for the financial year 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Chemicals Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 82.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 396, 30.12.2006, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2017/1661 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015**

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 2015,
- having regard to Rule 94 of and Annex IV to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0086/2017),
- A. whereas, according to its financial statements, the final budget of the European Chemicals Agency ('the Agency') for the financial year 2015 was EUR 114 412 841 representing an increase of 0,26 % compared to 2014,
- B. whereas the Agency received Union subsidies of EUR 7 318 792 as well as EUR 300 000 from the Instrument for Pre-Accession Assistance but has received no other contributions or funding from the Commission,
- C. whereas the Court of Auditors ('the Court') in its report on the annual accounts of the Agency for the financial year 2015 ('the Court's report'), has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2015 are reliable and that the underlying transactions are legal and regular,
- D. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources,
- 1. Recalls that the Agency is a consolidated entity, in accordance with Article 185 of Regulation (EU, Euratom) No 966/2012 ('the Financial Regulation'), and that it is the driving force among regulatory authorities in implementing the Union's chemicals legislation for the benefit of human health and the environment as well as for innovation and competitiveness; notes that the Agency helps companies to comply with the legislation, advances the safe use of chemicals in cooperation with international organisations and stakeholders, provides information on chemicals and addresses chemicals of concern;

Follow-up of 2014 discharge

- 2. Notes from the Agency that, in line with the discharge authority's recommendation from the previous year, it will include in its next annual report a separate chapter on transparency, accountability and integrity;

Legality and regularity of transactions

- 3. Notes from the Court's report that the Agency paid 50 % of the cost for after-school care of the children of its staff in the European School in Helsinki; notes moreover that this contribution is limited to EUR 1 000 per child per year, amounting to approximately EUR 95 000 in 2015; takes note from the Court that this measure was not communicated to the budgetary authority in the framework of the budget procedure; acknowledges that the Agency will communicate this measure to the budgetary authority in its 2018-2020 Programming Document and in its 2018 financial statement; acknowledges in addition that the Agency already updated the remarks on the relevant budget line by including the information about this measure in the first amendment to the Agency's 2016 budget;

Budget and financial management

- 4. Notes that in accordance with Regulation (EC) No 1907/2006 ('REACH Regulation'), the Agency is financed through fees paid by industry and by a Union balancing subsidy as referred to in Article 208 of the Financial Regulation; welcomes the fact that in 2015 and contrary to the original assumption, the Agency was fully financed through higher than expected fee income and the reserve from the income of previous years for its REACH/classification, labelling and packaging (CLP) operations;

5. With regard to biocidal products notes that, as referred to in Article 208 of the Financial Regulation, in 2015 the Agency collected fee income totalling EUR 5 423 667 (in comparison to EUR 1 265 774 in 2014), while the Union subsidy amounted to EUR 5 789 000 (in comparison to EUR 5 064 194 in 2014) and that additionally, the received EFTA contributions, including from Switzerland, totalled in 2015 EUR 307 791;
6. Notes that budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 98,48 %, representing an increase of 1,4 %; notes moreover that the payment appropriations execution rate was 87,84 %, representing a slight increase of 0,38 % in comparison to 2014;
7. Acknowledges the fact that with regard to Regulation (EU) No 649/2012 of the European Parliament and of the Council⁽¹⁾ ('PIC Regulation') and as referred to in Article 208 of the Financial Regulation, in 2015, DG Environment paid EUR 1,22 million in subsidies to the Agency for actions related to certain hazardous chemicals and pesticides in international trade;

Transfers

8. Notes that the Agency made in total 44 transfers amounting to EUR 1 395 000; notes with satisfaction that, according to the Agency's annual report, as well as the Court's audit findings, the level and nature of transfers in 2015 have remained within the limits of financial rules;

Commitments and carryovers

9. Notes from the Court's report that the carry-overs of committed appropriations for Title IV (biocides operating expenditure) were at EUR 1 500 000 (74 %); acknowledges that these carry-overs were mainly related to a large scale IT project amounting to EUR 1 400 000, which was started only in the second half of 2015, when sufficient fee income for its funding had been collected; acknowledges that the Agency will continue to be attentive in order to avoid any non-justified carry-over operations;
10. Notes that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance and communicated to the Court;

Procurement and recruitment procedures

11. Takes note that the recruitment target of the Agency was achieved with 98 % of posts filled at the end of 2015 for REACH/CLP (classification, labelling and packaging of substances and mixtures) and PIC (export and import of hazardous chemicals); acknowledges furthermore from the Agency that this percentage cannot exceed 98 % since the Agency was required to reduce the number of staff by 2 % (10 posts) in order to be aligned with the 2016 establishment plan; acknowledges that the percentage of posts filled for biocides was 83 %, due to uncertainty with respect to fee income levels and the Agency's authorised staff allocation for 2016;
12. Highlights that since the Agency's workload has not decreased during 2015, sufficient human and financial resources should be allocated;
13. Notes that according to the Agency's annual report, in 2015 it signed 739 contracts, out of which 540 contracts were under framework contracts and 199 contracts were as a result of new tendering procedures; notes that the 25 contracts included in the latter category were signed as a result of exceptional negotiated procedures based on the relevant rules of the Financial Regulation;

Prevention and management of conflicts of interests and transparency

14. Notes with satisfaction that the CVs and declarations of interests are well organised, visible, accessible and user-friendly on the Agency's website;

⁽¹⁾ 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).

15. Notes that the Agency adopted the guidelines for whistleblowers in December 2015; takes note that, following the adoption of the Agency's anti-fraud strategy in December 2014 which covers the 2015-2016 period, the Agency already implemented different actions stemming from the anti-fraud action plan; acknowledges that the internal fraud risk assessment exercise, which preceded the adoption of the strategy, revealed that the risk profile of the Agency is low; acknowledges moreover that the main aim of the anti-fraud strategy is to develop a widespread anti-fraud culture in the Agency, with a focus on awareness;
16. Acknowledges that in 2015 the Agency adopted internal guidelines for its staff; acknowledges moreover that these guidelines include potential conditions which could be imposed by the Appointing Authority on former staff, with regard to new employment for a period of two years after active employment; takes note that the Agency has a conflict of interest advisory committee, which gives recommendations to the Executive Director and the management board on individual cases of perceived conflict of interest; recognises that, due to the stringent measures in place to avoid conflicts of interest, no actual conflict of interest cases materialised during 2015;
17. Notes that the Agency has implemented a robust conflict of interest policy and a detailed anti-fraud strategy in order to contribute to a culture of high ethical behaviour among the staff and experts working for the Agency;
18. Notes that the Agency's committees are composed of national delegates, appointed by Member State authorities or the Agency's management board; notes moreover that the Agency's committees have in total nine co-opted members on the basis of a public call for expression of interest, as allowed by the Agency's founding legal act; takes note that these co-opted members may act as rapporteurs but have no voting rights, as well as that the Agency's policy on prevention of conflicts of interest applies to them in full; looks forward to the report by the Agency's management board on the experience with co-opted members, which is scheduled for 2017;
19. Notes that the Agency in 2015 granted full access to 27 % and partial access to 68 % of documents requested under Regulation (EC) No 1049/2001 of the European Parliament and of the Council ⁽¹⁾; takes note that the main reasons for partial refusal were the protection of privacy and integrity of the individual, as well as the protection of commercial business information; acknowledges that, in principle, in cases of partial access most of the content in documents is disclosed to the applicants; notes that in 2015 the Agency refused access to 5 % of documents requested, mainly due to the protection of ongoing decision-making process, the protection of sensitive business information and the protection of court proceedings;

Performance

20. Notes that the Agency presented its framework and approach to evaluation to its management board in December 2015; observes that this approach established a range of evaluation tools and controls, including a governance framework, an evaluation coordination function to ensure methodological consistency, evaluation checklists and a rolling plan of *ex-ante* and *ex-post* evaluations; acknowledges the Agency's efforts to strengthen its governance framework and approach for *ex-ante* and *ex-post* evaluations;
21. Notes that the Agency developed a new integrated regulatory strategy which brings all REACH and CLP processes together to reach the aims of relevant regulations, as well as the 2020 goals of the 2002 World Summit on Sustainable Development;
22. Notes that the implementation of Regulation (EU) No 528/2012 of the European Parliament and of the Council ⁽²⁾ ('Biocides Regulation') resulted in unexpectedly high activity in 2015, demonstrating that companies are becoming familiar with the changes and the opportunities offered by new Union authorisation process; at the same time notes with concern that the Agency has faced challenges managing the workload due to the frozen staff level on biocides;
23. Notes that approximately 8 200 registration dossiers (mainly updates) and 250 product and process orientated research and development notifications were received in 2015 and that the total number of submissions decreased by 10 % compared to 2014;
24. Recommends that the Agency develop impact indicators; believes that such impact indicators are essential tools in order to measure the effectiveness of the Agency;

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

⁽²⁾ Regulation (EU) No 528/2012 of the European Parliament and of the Council of 22 May 2012 concerning the making available on the market and use of biocidal products (OJ L 167, 27.6.2012, p. 1).

Internal audit

25. Notes that in 2015 an audit on 'Forecasting, Calculation and Collection of Fee Income and Charges under REACH, CLP and BPR' was conducted by the Commission's Internal Audit Service (IAS); notes furthermore that as a result, the IAS issued two 'very important', one 'important' and no 'critical' recommendations; acknowledges that the Agency developed an action plan in response to the issued recommendations;
26. Notes that the assurance audits on 'Performance Indicators in the General report', 'ECHA Helpdesk' and 'Contract management and payments' were carried out by the Agency's Internal Audit Capability (IAC); notes that the audits resulted in five 'very important' and two 'important' recommendations; acknowledges that the action plans developed by the Agency's management to respond to the recommendations of the IAC were considered by the IAC as adequate;

Other comments

27. Notes with satisfaction the gender equality balance of its management board members;
28. Notes that 453 members of staff participated in 2015 in away days for which the cost was EUR 113 975 (EUR 251,60 per person), and 565 members of staff participated in closed conferences for EUR 31 468 (EUR 54,25 per person);
29. Welcomes the improvement of the way in which information on chemicals is presented on the Agency's website, which helps companies and consumers to make more use of it;
30. Notes that the discussion platform between the Agency and non-governmental organisations is a useful forum for discussing the main issues of interest to civil society;
31. Welcomes the progress made in developing the authorisation process under the REACH Regulation and notes the Agency's conclusions that further improvements can still be made; welcomes in this regard the proactive approach of the Agency in seeking a dialogue with Parliament to address issues raised in its resolution of 25 November 2015 on the draft Commission Implementing Decision XXX granting an authorisation for uses of bis(2-ethylhexyl) phthalate (DEHP) under Regulation (EC) No 1907/2006 of the European Parliament and of the Council ⁽¹⁾;
32. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽²⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P8_TA(2015)0409.

⁽²⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).

DECISION (EU) 2017/1662 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the European Chemicals Agency for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Chemicals Agency for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Chemicals Agency for the financial year 2015, together with the Agency's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0068/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC ⁽⁴⁾, and in particular Article 97 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0086/2017),
1. Approves the closure of the accounts of the European Chemicals Agency for the financial year 2015;
 2. Instructs its President to forward this decision to the Executive Director of the European Chemicals Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 82.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 396, 30.12.2006, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2017/1663 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the European Environment Agency
for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Environment Agency for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Environment Agency for the financial year 2015, together with the Agency's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0052/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 401/2009 of the European Parliament and of the Council of 23 April 2009 on the European Environment Agency and the European Environment Information and Observation Network ⁽⁴⁾, and in particular Article 13 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0085/2017),
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 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Environment Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 87.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 126, 21.5.2009, p. 13.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2017/1664 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015**

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 2015,
 - having regard to the Court of Auditors' Special Report No 12/2016 on the 'Agencies' use of grants: not always appropriate or demonstrably effective,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0085/2017),
- A. whereas, according to its financial statements, the final budget of the European Environmental Agency ('the Agency') for the financial year 2015 was EUR 49 156 474, representing a decrease of 6,50 % compared to 2014; whereas 74 % of the Agency's budget derives from the Union budget,
- B. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the European Environmental Agency for the financial year 2015 ('the Court's report'), has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2015 are reliable and that the underlying transactions are legal and regular,
- C. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources,

Budget and financial management

1. Notes that the budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 99,36 % and that the payment appropriations execution rate was 87,5 %;

Commitments and carry-overs

2. Takes note that the carry-overs from 2015 to 2016 were at EUR 4 944 739, representing a similar figure compared to the previous year; notes that of the amount carried over in Title III (operational expenditure), 57 % refers to the final payment of the contribution for 2015 to the European Topic Centres which was to be paid after the fourth quarterly progress report was presented in 2016; notes that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance by the Agency and communicated to the Court;

Procurement and recruitment procedures

3. Acknowledges the fact that the Agency reduced the number of its staff by 5 %, in line with the overall principles laid down in the Interinstitutional agreement on budgetary discipline ⁽¹⁾; notes that the Commission classified the Agency as a 'cruising speed agency', which implies that an additional 5 % reduction is expected; welcomes the fact that the Agency implemented the redundancies without detrimental effects on its capacity to deliver the main parts of the multiannual work programme; calls on the Commission to ensure that potential further cost saving measures do not hinder the Agency's ability to fulfil its mandate;

⁽¹⁾ Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management (OJ C 373, 20.12.2013, p. 1).

Prevention and management of conflicts of interest and transparency

4. Notes that the anti-fraud strategy of the Agency was adopted by its management board in November 2014, with the aim of ensuring proper handling of conflict of interest issues and of developing anti-fraud activities especially through prevention, detection, awareness-raising and closer cooperation with the European Anti-Fraud Office (OLAF); takes note that in line with OLAF's 'Methodology and guidance for anti-fraud strategies for EU decentralised Agencies', the Agency conducted a fraud risk assessment of its activities based on the estimated likelihood and possible impact of fraud;
5. Takes note that the Agency established a register of documents and made it publicly accessible via its website; observes that the Agency's 2014 policy on prevention and management of conflicts of interest was reviewed in the course of 2016 and supplemented with additional information on declarations of interest and obligations for staff members leaving the Agency;
6. Notes with concern that the Agency's management board members are not required to make their CVs and declarations of interest publicly available, and consequently only a few can be found on its website; calls on the Agency to take all necessary measures to remedy that situation to ensure necessary oversight and scrutiny of its management; notes that the CVs and declarations of interest of its senior management team are published in the website;
7. Notes with satisfaction that the Agency's management board adopted its own internal guidelines on whistleblowing in December 2016; asks the Agency to report to the discharge authority on the implementation of its whistleblowing rules;
8. Notes with concern that the Agency has not undertaken specific initiatives to create or increase transparency regarding contacts with lobbyists;
9. Encourages the Agency further to raise awareness of the conflict-of-interest policy among its staff, alongside ongoing awareness-raising activities and the inclusion of integrity and transparency as an obligatory item to be discussed during recruitment procedures and performance reviews;

Internal audits

10. Takes note that the Commission's Internal Audit Service (IAS) carried out an audit on data/information management, including an IT component, which was finalised in 2015; notes with satisfaction that, according to the IAS' conclusions, the management and control systems set up by the Agency to support data/information management are effective under the current circumstances; notes moreover that, in order to face upcoming challenges, such as the expected significant increase in the volume of data and information the Agency must be able to handle, the Agency should further develop its data/information management;

Internal controls

11. Acknowledges the fact that, according to the new requirements of 2014, the Internal Audit Capability (IAC) plans for 2015 and 2016 were approved by the Agency's management board; notes that the plans include audit assignments, advisory tasks and liaison with other auditors as the three main areas of contribution;
12. Takes note that the IAC established a risk assessment to select beneficiaries for on-the-spot verifications, resulting in the verification of payments for three different grants to ensure accuracy and reliability of the staff costs claimed; observes that on the basis of the new policy, approved in October 2015, further on-the-spot verifications were conducted in 2016;

Communication

13. Notes that the Agency undertook in 2015 a major revision of its product portfolio aiming to modernise and adapt it to the way its audience digests information; notes also that the Agency has invested in better design, data visualisation and infographics and updated its corporate identity to that effect, as well as that more efforts were put into social media and media relations;
14. Underlines that the Agency should continue promoting dialogue with stakeholders and citizens and incorporate it as part of the priorities and activities to be implemented;

Other comments

15. Takes note from the Court's report that the audited procurement procedures showed that the Agency signed framework contracts with a single contractor which were used for various services under fixed-price specific contracts; notes with concern that, as a consequence of requesting a fixed-price offer from a single contractor under those contracts, competition on price was neutralised and dependence upon the contractor was increased;
16. Notes from the Agency that the level of competition of the market of satellite imagery production and analysis is relatively limited due to the small number of service providers operating in the related sectors and the stability and consistency of the prices applied; notes furthermore that the technical nature and the complexity of the services to be provided require the combination of different types of expertise that the service providers operating in that market can only provide when joining forces into a consortium; acknowledges the fact that the Agency made a conscious choice of awarding a framework contract to a single economic operator which resulted from an assessment of tangible factors from the related market;
17. Takes note that the Agency is striving for improved gender balance in the junior management but notes with concern a significant gender imbalance in its senior management team; urges the Agency to correct that imbalance and to communicate the results to Parliament as quickly as possible;
18. Recalls that, since its creation, the Agency, together with its European Environment Information and Observation Network (EIONET), has been an information source for those involved in developing, adopting, implementing and evaluating Union environment and climate policies, as well as sustainable development policies, and also been an information source for the general public;
19. Welcomes the publication of the Agency's fifth yearly State of the Environment Report (SOER 2015);
20. Takes note of the development of the Agency's information systems and data flow management processes to support countries and companies with the reporting and quality improvement of data, particularly with regard to the amended reporting regime under the new Fluorinated gases (F-Gas) Regulation, and with regard to the reporting on large combustion plants (LCPs), which were taken over by the Agency from the Commission in 2015;
21. Recalls the importance of the on-going 'Evaluation of the European Environment Agency and of its EIONET network', due for the end of 2017, in order to better assess the extent to which the Agency has achieved its objectives and implemented the tasks set out in its mandate and in its multi-annual work programme;
22. Recommends that the Agency develop impact indicators, and believes that such impact indicators are essential tools in order to measure the effectiveness of the Agency;
23. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).

DECISION (EU) 2017/1665 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the European Environment Agency for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Environment Agency for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Environment Agency for the financial year 2015, together with the Agency's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0052/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 401/2009 of the European Parliament and of the Council of 23 April 2009 on the European Environment Agency and the European Environment Information and Observation Network ⁽⁴⁾, and in particular Article 13 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0085/2017),
1. Approves the closure of the accounts of the European Environment Agency for the financial year 2015;
 2. Instructs its President to forward this decision to the Executive Director of the European Environment Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 87.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 126, 21.5.2009, p. 13.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2017/1666 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the European Fisheries Control Agency for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Fisheries Control Agency for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Fisheries Control Agency for the financial year 2015, together with the Agency's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0067/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 768/2005 of 26 April 2005 establishing a Community Fisheries Control Agency and amending Regulation (EEC) No 2847/93 establishing a control system applicable to the common fisheries policy ⁽⁴⁾, and in particular Article 36 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Fisheries (A8-0100/2017),
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 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Fisheries Control Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 93.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 128, 21.5.2005, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2017/1667 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015**

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 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Fisheries (A8-0100/2017),
- A. whereas, according to its financial statements, the final budget of the European Fisheries Control Agency (the 'Agency') for the financial year 2015 was EUR 9 217 000, representing no change compared to the previous year; whereas the entire budget of the Agency derives from the Union budget;
- B. whereas the Court of Auditors (the 'Court') has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2015 are reliable and that the underlying transactions are legal and regular;
- C. whereas in the context of the discharge procedure, the discharge authority stresses the special importance of further strengthening the democratic legitimacy of the institutions of the Union by improving transparency and accountability, implementing the concept of performance-based budgeting and good governance of human resources;

Budget and financial management

1. Notes that budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 99,59 %, attaining the Agency's target and representing an increase of 0,50 % compared to 2014; notes furthermore that the payment appropriations execution rate was at 92,24 %, attaining the Agency's target and representing an increase of 3,81 % compared to 2014;
2. Welcomes the implementation of the e-Prior modules for electronic tendering, ordering and invoicing in cooperation with the Commission's Directorate-General for Informatics (DG DIGIT); notes that the implemented modules were to be progressively used in 2016, leading to an increase in electronic workflows, and subsequently greater efficiency, reliability of the data and audit trail; calls on the Agency to report to the discharge authority on efficiencies gained after the modules' implementation;
3. Notes with satisfaction that the Agency made all of its payments within the time-limits provided for in Regulation (EU, Euratom) No 966/2012, resulting in no interest being charged by suppliers for late payments; notes furthermore that the average number of days for payment in 2015 was 20;
4. Notes that the effective budget cuts imposed on the Agency impaired its ability to fulfil its objective of organising operational coordination of control and inspection activities of the Member States in order to ensure the effective and uniform application of the rules of the Common Fisheries Policy;
5. Draws attention to the importance of the Agency's role in implementing the reformed Common Fisheries Policy and in achieving the objectives thereof, particularly in the light of the landing obligation and demands in terms of the monitoring, control and surveillance of fisheries activities; stresses that it is therefore desirable to evaluate the possibility of increasing appropriations for the Agency's operations in future years;
6. Regrets that the reduction of the Agency's resources and capacity may have as a consequence the weakening of fisheries controls and a concomitant increase in illegal, unreported and unregulated fishing, to the detriment of the social, economic and environmental sustainability of the sector;
7. Points out that the new migration policy of the Union and, in particular, the creation of the European Border and Coast Guard, as part of an overall improvement in coast guard functions, entail new tasks of inspection and better cooperation for the Agency, which will require increased funding and technical and human resources;

Commitments and carryovers

8. Welcomes the fact that the level of funds carried forward from 2015 to 2016 decreased from 11 % to 7 % compared to 2014; notes that the rate of carryovers for Title II (administrative expenditure) was at 20 %, representing a decrease of 5 % compared to 2014 results; notes that the rate of carryovers for Title III (operational expenditure) was at 20 %, representing a decrease of 10 % compared to the level in 2014; notes moreover that carryovers may often be partly or fully justified by the multiannual nature of the agencies' operational programmes, and do not necessarily indicate weaknesses in budget planning and implementation, nor are they always at odds with the budgetary principle of annuality, in particular if they are planned in advance by the Agency and communicated to the Court;
9. Notes that the Agency further reduced the rate of cancelled commitments carried forward from the year 2014 to 3,45 %, representing a reduction of 0,9 % compared to the previous year;

Transfers

10. Notes with satisfaction that, according to the Agency's final accounts, the level and nature of transfers in the year 2015 remained within the limits of the financial rules;

Procurement and recruitment procedures

11. Welcomes the fact that the Agency addressed several needs with the use of existing contracts, either its own or those of the Commission, in order to optimise the use of available resources; acknowledges that a Memorandum of Understanding on re-invoicing of the procurement services provided by DG DIGIT in the information technology field was signed in early 2016; notes the Agency's focus on the implementation of e-Administration system as well as the rationalisation and optimisation of its procurement processes;
12. Deplores the fact that no attention is being devoted to the working conditions of the Agency's staff, although they play a critical role in performing additional tasks without any increase in their number;
13. Considers that the Agency represents extremely good value for money, although it is necessary to increase its human and financial resources in the coming years;

Prevention and management of conflicts of interests and transparency

14. Acknowledges that the Agency adopted a comprehensive policy on the prevention and management of conflicts of interests and an anti-fraud strategy; takes note that of a total of 13 actions to be implemented by the end of 2017, nine were already implemented; takes note that the Agency's controls aimed at preventing and detecting fraud are similar to those ensuring the legality and regularity of transactions, such as 'the four eyes principle', automated controls in the financial and accounting systems, externalised salaries calculation as well as declarations of interests always being signed by panel members; notes with satisfaction from the Agency that, since its creation, no fraudulent events have occurred;
15. Notes that declarations of interests and the CVs of the Executive Director, Management Board members and senior management teams were submitted and published on the Agency's website; regrets, however, that the factual accuracy of the declarations of interests were not checked; calls on the Agency to introduce regular checks and updates on the accuracy of the declarations of interests;
16. Notes that the Commission has not yet responded to the Agency regarding its draft implementing rules on whistle-blowers; asks the Agency to report to the discharge authority on the establishment and implementation of those rules;

Internal controls

17. Notes that the Agency's Administrative Board adopted a set of Internal Control Standards (ICS) aiming to ensure the achievement of policy and operational objectives; acknowledges that most of the ICS have a high level of implementation, with four areas having a medium and one having a low degree of implementation in the internal control system;

18. Notes with concern from the Court's report that the Agency is not yet fully complying with ICS 10 (Business Continuity), 11 (Document Management) and 12 (Information and Communication); notes also that the Agency has explained that full implementation of those ICS has not yet been achieved, mainly due to budgetary constraints; calls on the Agency to implement those ICS and to report to the discharge authority on the results of the implementation;

Internal audit

19. Notes that, further to its audit on Building Blocks of Assurance, the Commission's Internal Audit Service (IAS) issued six recommendations rated as 'Important', which were fully implemented by the Agency; notes moreover that the Agency has no open recommendations from the IAS;
20. Acknowledges the fact that the Agency developed and implemented centralised monitoring of all audit recommendations issued by the Court, the IAS and its Internal Control Capability, in order to consolidate and monitor them, as well as to improve the follow-up of corresponding action plans; observes that at the end of 2015 only four recommendations were open, with none considered critical or very important;

Performance

21. Notes that two critical risks were identified during the Agency's annual risk assessment exercise; notes that the Agency should prepare a strategic Joint Deployment Planning in case the Commission's Specific Control and Inspection programme is not adopted on time, in order not to jeopardise the implementation of the Agency's Administrative Work Programme and to avoid the risk of budget appropriations not being used; calls on the Agency to report on how it plans to reduce those residual risks to an acceptable level;

Other comments

22. Acknowledges the fact that the Agency commenced a process of cooperation with the European Maritime Safety Agency and the European Border and Coast Guard Agency in the preparation and the implementation of the pilot project entitled 'Creation of a European Coastguard function'; notes that the lessons learned from the pilot project will be used in the implementation of the new 'border package' aimed at establishing the task for the three maritime agencies to cooperate to support the national authorities carrying out coast guard functions, by providing services, information, equipment and training, as well as by coordinating multipurpose operations;
23. Recalls the importance of strengthening the Agency's mandate so as to put in place joint operational activities with other Union agencies in the maritime sector in order to prevent disasters at sea and to coordinate the functions of European coastguards;
24. Points out that 2016 was a key year for the implementation of the new Common Fisheries Policy concerning the landing obligation rules, and that the operational coordination of the activities of fisheries control inspections with the Member States entails appropriate human and financial resources; expresses its concern about the practical difficulties involved in implementation of the landing obligation for demersal fisheries, and considers that monitoring should take those difficulties into account;
25. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).

DECISION (EU) 2017/1668 OF THE EUROPEAN PARLIAMENT
of 27 April 2017
on the closure of the accounts of the European Fisheries Control Agency for the financial year 2015

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Fisheries Control Agency for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Fisheries Control Agency for the financial year 2015, together with the Agency's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0067/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 768/2005 of 26 April 2005 establishing a Community Fisheries Control Agency and amending Regulation (EEC) No 2847/93 establishing a control system applicable to the common fisheries policy ⁽⁴⁾, and in particular Article 36 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Fisheries (A8-0100/2017),
1. Approves the closure of the accounts of the European Fisheries Control Agency for the financial year 2015;
 2. Instructs its President to forward this decision to the Executive Director of the European Fisheries Control Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 93.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 128, 21.5.2005, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2017/1669 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the European Food Safety Authority for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2015, together with the Authority's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0060/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety ⁽⁴⁾, and in particular Article 44 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0098/2017),
1. Grants the Executive Director of the European Food Safety Authority discharge in respect of the implementation of the Authority's budget for the financial year 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Food Safety Authority, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 97.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 31, 1.2.2002, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2017/1670 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015**

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 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0098/2017),
 - having regard to the Court of Auditors' Special Report No 12/2016: 'Agencies' use of grants: not always appropriate or demonstrably effective',
- A. whereas, according to its financial statements, the final budget of the European Food Safety Authority ('the Authority') for the financial year 2015 was EUR 79 659 347; whereas the entire budget of the Authority derives from the Union budget,
- B. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the European Food Safety Authority for the financial year 2015 ('the Court's report'), has stated that it has obtained reasonable assurances that the Authority's annual accounts are reliable and that the underlying transactions are legal and regular,

Budget and financial management

1. Notes that the budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 99,81 %, representing an increase of 0,12 % compared to 2014; notes, furthermore, that the payment appropriations execution rate was at 90,10 %, representing an increase of 0,80 % compared to 2014;
2. Recalls that 2015 was the second year of operation of the Authority under the Union Multiannual Financial Framework; notes that the amount of unused appropriations was EUR 1 089 million; stresses that this under-execution corresponds to the unused assigned revenue (the Authority's outturn of 2014), which was reused in 2016;

Procurement and recruitment procedure

3. Takes note of the 2 % reduction in the Authority's establishment plan, corresponding to seven posts, which resulted in the Authority increasing its efforts in establishing more efficient and effective procedures; notes that at the end of 2015, 446 of the available 477 posts were occupied, including officials, temporary agents, contract agents and seconded national experts; observes that the yearly average occupancy rate was 94,7 % (423 posts occupied out of the available 447);
4. Notes that the Authority's staff are legally bound to comply with the Staff Regulations, which establish a general framework of rights and obligations affecting officials and agents; notes moreover that the Staff Regulations are supplemented by the Authority's Code of Good Administrative Behaviour, which determines the type of service the public can expect from the Authority's staff, and by a Practical Guide to Staff Ethics and Conduct, which sets ethical principles to achieve the highest standards of integrity; observes that the Authority recognises the importance of communication with the media and has a specific service within the Communications Department to handle media requests and to explain its work to journalists; takes note that, from 2014 to 2015, the Authority increased the percentage of human resources dedicated to scientific activities by 1 %, bringing the total to 75 %;
5. Acknowledges the fact that the Authority developed an advanced conflict of interest screening tool related to procurement, which was set out in a decision by its Executive Director; notes that this tool was designed to prevent conflicts of interest in procurement procedures of a scientific nature;

6. Is concerned that any staff reduction within the Authority could seriously damage its capacities and reputation; believes, therefore, that it should be ensured that no reduction of staff takes place;

Prevention and management of conflicts of interest and transparency

7. Observes that the Authority launched a review of its 'Policy on Independence and Scientific Decision-Making Processes', which will include a public consultation to ensure that the views of interested parties are taken into account; invites the Authority to report to the discharge authority on the outcome of this review exercise once it is finalised;
8. Notes that the Authority completed the centralisation of the validation process of all the annual declarations of interest submitted by its experts and staff to its legal and regulatory affairs function;
9. Stresses that experts with financial interests linked to companies whose substances are evaluated by the Authority should not be allowed to sit in the Authority's scientific panels or working groups, and that no such expert should be appointed by the Authority before two years after his/her interests have ceased; is convinced that the Authority should be endowed with a sufficient budget to hire independent in-house experts with no conflicts of interest;
10. Calls on the Authority to incorporate into its new independence policy a two-year cooling-off period for all material interests related to the companies whose products are assessed by the Authority and to any organisations funded by them;
11. Takes note that the Authority has already committed to introduce two-year cooling-off periods in relation to the following interests: membership of a managing entity or scientific advisory body, employment and consultancy; regrets that the Authority has not included research funding in the list of interests to be covered by the two-year cooling-off period, as the discharge authority already identified in the latest discharge decisions; calls on the Authority to swiftly implement the measure in line with the discharge authority's repeated requests;
12. Observes that the Authority put in place a standing operating procedure on mandatory training courses which are designed to raise awareness among staff about specific subject areas, to reduce organisational risks, and to ensure compliance with Union regulations and horizontal policies and control standards;
13. Acknowledges the fact that, since its establishment, the Authority publishes the minutes of its management board on its website; notes furthermore that the meetings are open to the public upon registration, and that the audio recordings of the public sessions are available on the Authority's website;
14. Acknowledges the fact that, since the adoption of its 2011 policy on independence, the Authority assesses and validates 100 % of the declarations of interest submitted by its experts, which on average corresponds to a grand total ranging from 6 000 to 7 000 declarations of interest per year that are assessed and validated by the Authority's staff, in accordance with its policy on independence and its rules on declarations of interest; takes note that the Authority additionally, twice per year, performs additional compliance and veracity checks by staff not involved in the ordinary checks mentioned above; calls on the Authority to publish the results of its checks as an annex to its yearly report; notes that a review of the 2011 policy is ongoing with a public consultation planned for spring 2017 and a target date of adoption of the new independent policy by summer 2017; notes with concern that the Authority's policy on prevention and management of conflicts of interest is not applied to its interim staff;
15. Insists that the Authority implement its independence policy consistently, and in particular for panel chairs and vice-chairs;
16. Notes that, after the matter was brought to the attention of the Authority by the discharge authority, all declarations of interest of management board members are now published on the Authority's website; emphasises the importance of publishing such documents to ensure necessary oversight and scrutiny of the Authority's management;
17. Notes that, pending the adoption of implementing rules on whistleblowing, the Authority implemented in January 2016 a new standard operating procedure on the handling of requests by whistleblowers facing retaliation; acknowledges the fact that the Authority is awaiting further guidance from the Commission before formulating its internal whistleblowing rules; asks the Commission to provide the additional guidance as soon as possible and calls on the Authority to report to the discharge authority on the establishment and implementation of its whistleblowing rules;

18. Notes with satisfaction that the Authority adopted its anti-fraud strategy and a related action plan in March 2015, and that an implementation report submitted to the management board in December 2016 indicated that all actions had been implemented; notes that the actions scheduled therein related to the spheres of prevention, detection, investigation and monitoring;
19. Notes that the Authority launched in 2015 the 'Transparency and Engagement in Risk Assessment' project to provide clarity regarding, and further develop approaches towards transparency and engagement in, its scientific processes by 2020 in line with its communication strategy, fostering regular engagement with its stakeholders and the public throughout the development of scientific assessments and outputs, mainly through public consultation mechanisms;
20. Notes that the Authority has launched a number of structured mechanisms to manage its interaction with interested parties in order to ensure that engagement is carried out in a transparent way and to avoid the risk of undue influence; notes that the mechanisms includes public consultations on selected scientific opinions and guidance documents, information sessions for applicants, open scientific plenary meetings, stakeholder meetings, meetings of the Executive Director;
21. Notes also that all of the Authority's staff undergo compulsory training annually and are required to submit an annual Declaration of Interests (DoI) detailing financial or intellectual interests that they or their family may have, including concerning any private relations with lobbyists; notes that the Authority's external experts are also required to submit annual DoIs before engaging in scientific work for the Authority, all of which are publicly available on its website; observes that those DoIs are assessed in line with the Authority's policy on independence and where conflicts are identified, the expert is not permitted to engage in scientific work for the Authority; asks the Authority to keep the discharge authority informed on the implementation and results of these measures;
22. Notes that the Authority does not apply cooling off periods for experts after the end of cooperation with the Authority, but that it has put in place proportionate cooling off periods in the context of the selection procedure of these experts that limit their involvement to certain roles for a period of time of between two and five years when they have been employed or have provided advisory services on matters overlapping with their involvement with the Authority;
23. Notes that 64 % of public access to documents requests resulted in granting of partial access to the requested documents and that the most invoked protective ground for partial access was the exception on personal data (applied to 51 % of partial access cases), followed by the exception on commercial interests (applied to 33 % of partial access cases) and the exception for ongoing decision-making (applied to 23,5 % of partial access cases);
24. Notes that in July 2016, the Authority's management board endorsed a new approach to stakeholder engagement, which enables the Authority to interact with a large range of stakeholders through a variety of channels in order to broaden outreach to representative organisations, including consumer bodies and other civil society actors in the food chain;
25. Notes that, from 2017, the Authority will broadcast live, via web streaming, open scientific meetings to the public in the interests of transparency;
26. Calls on the Authority to publish its list of Food Safety Organisations, as well as the outcome of its evaluations of experts' interests;
27. Believes that the Authority should continue paying special attention to public opinion, and commit itself, as much as possible, to openness and transparency; welcomes, in this respect, the fact that in 2015, the Authority successfully tested its new methodological approach to the use of scientific evidence; also welcomes, in this context, the improvements in sharing data by opening up the data warehouse of the Authority to a growing number of stakeholders; welcomes the Impact Assessment ⁽¹⁾, an external scientific report published in June 2016, of measures by the Authority specifically aimed at increasing transparency and engagement in its risk assessment process; encourages the Authority to further progress on this path, particularly in the context of its 2017 independence review;

⁽¹⁾ 'Impact Assessment of Specific Measures Aimed at Increasing Transparency and Engagement in EFSA Risk Assessment Process', EFSA Supporting publication 2016:EN-1047.

28. Points out that several Union rules, including, among others, the Charter of Fundamental Rights of the European Union, give individuals the right to access public documents; reminds the Authority that scientific rigour is ensured best by transparency and accountability of results;

Internal controls

29. Takes note that in 2015, the Authority's Internal Audit Capability (IAC) carried out assurance engagements and other special tasks as provided for in the Annual Audit Plan approved by the Authority's Audit Committee; takes note that the audit engagements covered the 'Internal Control Standards implementation, the validation of user access rights granted in ABAC', two reports on the follow up of the Commission's Internal Audit Service (IAS) and the Court's outstanding recommendations, as well as the preliminary findings related to the audit on 'Corporate Governance, the role of the experts in the EFSA scientific decision making process';
30. Observes that according to the IAC, the Authority's current internal control system provides reasonable assurance regarding the achievement of the business objectives set up for the processes audited, except for the formalisation and enhancement of *ex-ante*, interim and *ex-post* evaluations, and the misalignment between delegation acts and access rights to the ABAC accounting system; calls on the Authority to report to the discharge authority on the actions taken in order to tackle the deficiencies of its internal control system;
31. Takes note from the Court's report that the Authority has not yet put in place a clear and comprehensive financial *ex-post* control strategy covering all areas of operations and specifying the frequency and scope of such controls; invites the Authority to consider whether this additional control step would be fit for purpose in its risk-based assessment environment;

Internal audit

32. Notes that the IAS released a report on 'Scientific Support to Risk Assessment and Evaluation of Regulated Products with Focus on Data Collection and Analysis'; notes that the IAS concluded that, although the Authority's overall process for data collection and analysis adequately supports its scientific activities of risk assessment and evaluation of regulated products, weaknesses — in particular in its data governance — still exist; acknowledges from the Authority that it adopted an action plan addressing the IAS' observations, as well as that at the year-end, all actions envisaged under the action plan were in progress within the prescribed deadlines;
33. Notes from the Authority's annual report that at the beginning of 2015, eight 'Very Important' recommendations were issued by the IAS; takes note that further to the combined impact of the audit on 'Scientific Support to Risk Assessment and Evaluation of Regulated Products with focus on Data Collection and Analysis' and the follow-up audit of all outstanding recommendations, only three 'Very Important' recommendations remained open; acknowledges that the Authority implemented part of the actions envisaged under the action plan already in the course of 2015 and was to implement the definition and adoption of a comprehensive data management framework in 2016;

Performance

34. Acknowledges the fact that the Authority established or renewed joint scientific activities and cooperation initiatives with a number of partner organisations at Union level including the European Chemicals Authority, the European Medicine Authority, Spain's Agencia Española de Consumo — Seguridad Alimentaria y Nutrición and the UK's Food Standards Agency; notes in addition that the Authority conducted additional cooperation exchanges with a number of international partner agencies; notes with satisfaction that this cooperation aims at sharing methods and approaches to improve food safety, including methods for better risk assessment, rapid identification of emerging risks and data sharing on subjects of common interest;

Other comments

35. Notes that the five positions of the Authority's senior management team are distributed with an optimal gender balance of 40 %/60 %; notes with concern, however, a significant gender imbalance of 20 %/80 % in the Authority's management board;

36. Takes note that 24 members of staff participated in 2015 in away days for which the cost was EUR 5 816 (EUR 242,33 per person); notes that 31 members of staff participated in 'Closed conferences' for which the cost was relatively high at EUR 23 096,16 (EUR 745,03 per person); calls on the Authority to provide more specific clarification to the discharge authority on the contents and costs of its closed conferences;
37. Welcomes the contribution of the Authority to the safety of the Union food and feed chain, by providing Union risk managers with comprehensive, independent and up-to-date scientific advice on questions linked to the food chain, communicating clearly to the public on its outputs and the information on which they are based, and cooperating with interested parties and institutional partners to promote coherence and trust in the Union food safety system;
38. Notes that the Authority produced more than 600 scientific outputs covering the entire food chain and contributing to the improvement of public health;
39. Also notes that the Authority assessed public health risks in collaboration with the European Centre for Disease Prevention and Control by leveraging combined data sets; welcomes the fact that the Authority also works in collaboration, on occasion, with the European Medicines Agency, (e.g. presenting a first joint report on the integrated analysis of the consumption of antimicrobial agents and of the occurrence of antimicrobial resistance in bacteria from humans and food-producing animals) and with the European Chemicals Agency, (e.g. on the joint development of scientific guidance to enable identification of endocrine disruptors);
40. Welcomes the fact that in 2015 the Authority launched a multi-annual project to assess bee stressors and attributes of healthy honey bee colonies, also with a view to establishing a framework for robust and harmonised measurement of the health status of honey bee colonies in field surveys;
41. Stresses that a core element of scientific credibility is transparency as regards the scientific studies which have been considered, as well as reproducibility of the results;
42. Stresses that there were important milestones in the Authority's communications with risk managers and the public in 2015: the launch of its new website based on extensive user research, and the move of the EFSA Journal to an external professional publishing platform. Progress was also made by the Applications Helpdesk, the Authority's front office and support desk for the safety assessment of regulated products. With those and many other projects and initiatives, the Authority ensured that it remained an effective and trusted provider of scientific advice for the interests of consumers in the Union;
43. Acknowledges the fact that in 2015 the Authority established a liaison office in Brussels to improve communication and dialogue with Union institutions, the media and stakeholders;
44. Believes that the Authority should continue encouraging stakeholders and citizens to participate regularly and to provide input at defined interaction points throughout the development of scientific outputs, including for regulated products, as stated in the EFSA Strategy 2020;
45. Underlines that the Authority should start reviewing the five existing impact indicators and also develop new ones; believes that such impact indicators are essential tools in order to measure the effectiveness of the Authority;
46. Believes that the Authority should endeavour to limit the travelling time for experts and by promoting the use of IT tools such as interactive video-conferences or webinars;
47. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).

DECISION (EU) 2017/1671 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the European Food Safety Authority for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2015, together with the Authority's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0060/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety ⁽⁴⁾, and in particular Article 44 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0098/2017),
1. Approves the closure of the accounts of the European Food Safety Authority for the financial year 2015;
 2. Instructs its President to forward this decision to the Executive Director of the European Food Safety Authority, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 97.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 31, 1.2.2002, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2017/1672 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the European Institute for Gender Equality for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Institute for Gender Equality for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Institute for Gender Equality for the financial year 2015, together with the Institute's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Institute in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0071/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 1922/2006 of the European Parliament and of the Council of 20 December 2006 on establishing a European Institute for Gender Equality ⁽⁴⁾, and in particular Article 15 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Women's Rights and Gender Equality (A8-0106/2017),
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 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the European Institute for Gender Equality, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 102.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 403, 30.12.2006, p. 9.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2017/1673 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015**

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 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Women's Rights and Gender Equality (A8-0106/2017),
- A. whereas, according to its financial statements, the final budget of the European Institute for Gender Equality ('the Institute') for the financial year 2015 was EUR 7 658 166, representing a decrease of 4,33 % compared to 2014; whereas 97,5 % of the budget of the Institute derives from the Union budget,
- B. whereas the Court of Auditors ('the Court'), in its report on the Institute's annual accounts for the financial year 2015 ('the Court's report'), has stated that it has obtained reasonable assurances that the Institute's annual accounts for the financial year 2015 are reliable and that the underlying transactions are legal and regular,
- C. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;

Budget and financial management

1. Notes that the budget monitoring efforts during the financial year 2015 resulted in a high budget implementation rate of 98,55 %, indicating that commitments were made in a timely manner, representing a slight decrease of 0,5 % compared to 2014; notes moreover that the payment appropriations execution rate was 67,64 %, representing a decrease of 4,35 % compared to the previous year;
2. Acknowledges that the Institute's low rate of implementation of payments under Title III (operational expenditure) resulted from the fact that four of its projects experienced significant challenges, which caused them to be carried over to 2016; notes that the reasons for project delays included a delayed decision by the Presidency of the Council regarding the subject of a study, as well as delays in procurement procedures outside of the Institute's control;
3. Notes with satisfaction that the budget outturn rate was at 2,2 % in 2015, significantly below the Commission's penalty limit of 5 %, indicating a satisfactory performance of budget implementation; notes the positive trend in reducing the budget outturn rate, which was at 7,3 % in 2012;
4. Notes that in 2015 the Institute signed a contract with an external consultant to advise on how it could move towards project-based organisation and activity-based budgeting/costing; observes that the services included a range of reforms to maximise workflows, assure quality and improve monitoring and management tools; notes with satisfaction that after the successful first year of the project, the Institute continued to fully implement the approach from 2016;

Commitment and carry-overs

5. Notes that, according to the Court's report, the level of committed appropriations carried over under Title III (operational expenditure) was at 61 %, compared to 54 % in 2014; acknowledges that these carry-overs are mainly related to the nature of the Institute's activities, which involve procuring studies that span many months, often beyond year-end; notes that the carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes or delayed decisions by the Presidency of the Council regarding the subject of studies, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annularity, in particular if they are planned in advance by the Institute and communicated to the Court;

6. Welcomes the fact that the overall cancellation rate of the appropriations carried over from 2014 is at 2,2 %, below the ceiling of 5 % set by the Commission, showing a good consumption through payments of the appropriations carried over from the previous year;

Procurement and recruitment procedures

7. Notes that the Institute's public procurement contracts were tendered on the broadest possible basis, while for negotiated procedures on low-value contracts, the number of invited candidates was set to ensure a balance between publicity and proportionality; notes, furthermore, that 41 operational procurement procedures were completed for the amount of EUR 3 086 063, while the remainder of the 2015 operations budget was spent on translations, daily subsistence allowances paid to experts, staff missions and occasional purchases against invoices;
8. Highlights the reported high workload of the staff of the Institute and repeats its calls for more staff to be allocated to the Institute to work on priority areas, including the fight against violence against women, and to strengthen its capacity to assist the Commission by providing relevant data and technical assistance;
9. Notes that the occupancy rate of the Institute's establishment plan at the end of 2015 was at 100 % (28 temporary staff, 11 contract staff and 11 national experts on secondment); observes that recruitment during the year was particularly active with no less than 12 positions being launched as open procedures; notes that 19 nationalities were represented at the Institution; welcomes the fact that the Institute remains fully committed to ensuring that staff receive the necessary training in order to facilitate professional development; notes that, as a result, 8 different training programmes registered 185 participants in 2015;

Prevention and management of conflicts of interest and transparency

10. Points out that the Institute's internal control system is based on segregation of duties, risk management and control strategy, avoidance of conflicts of interest, adequate audit trails and data integrity in data systems, as well as on established procedures for monitoring performance and for follow-up of identified internal control weaknesses;
11. Notes with concern that some of the curricula vitae and declarations of interest of the Institute's management board members and members of staff are not published on its website; calls on the Institute to publish those curricula vitae in order to enable the public to perform the necessary overview of its senior management;
12. Notes that in 2015 the Institute registered three exceptions with financial and procedural deviation, compared to six in the previous year; notes with satisfaction that in 2015 no fraud cases were detected nor were there any lost assets;
13. Notes with satisfaction that following the adoption of its anti-fraud strategy in November 2014, a series of training activities was organised for the Institute's staff throughout 2015 and 2016;
14. Notes that in 2015 the Institute remodelled its website in order to make the information contained therein more attractive and also redefined its communication strategy, which sets out the overall objectives for communications, stakeholder engagement and knowledge management activities; notes that in 2016 the Institute introduced a new monitoring mechanism for all of its communication tools; asks the Institute to inform the discharge authority of the results of this new mechanism;

Internal audit

15. Notes that the Commission's Internal Audit Service (IAS) carried out an audit on procurement supporting operational processes in the Institute; notes that its final report was forwarded to the Institute in mid-October 2015; notes that in 2015 90 % of the IAS' recommendations (46 out of 51) had already been implemented by the end of 2015, including recommendations of the 2015 IAS audit on 'Procurement supporting operational processes in EIGE' and stemming from the IAS Strategic Internal Audit Plan 2015-2017;
16. Points out that according to the results of the audit carried out by the IAS, one recommendation was marked 'very important' and reclassified as 'important' in January 2016 and five were marked 'important' — four under the 2015 audit and one under the 2013 audit, which was implemented in 2016; notes that an action plan was agreed with all recommendations to be implemented during the first half of 2016; calls on the Institute to continue to report to the discharge authority on the implementation of the action plan;

Internal Controls

17. Notes that in order to implement the Internal Control Standards, the Institute completed its quality assurance policy and developed and adopted a whistleblowing policy and business continuity plan; notes that it also carried out *ex post* control, strengthened its anti-fraud measures and implemented numerous measures to create a harassment-intolerant environment; observes that some of the measures were effectively implemented by the end of 2015, while other measures were to be implemented during 2016; calls on the Institute to inform the discharge authority of the successful implementation of those measures;

Other comments

18. Notes that the Institute established a new process to regularly monitor the Union's policy measures on gender equality, allowing the Institute to provide timely and relevant input based on its work; notes the efficient synergy with Parliament's Committee on Women's Rights and Gender Equality (FEMM Committee) on defined topics, through direct contacts with its members; notes that the Institute contributed to the work programme planning of several agencies;
19. Notes that the Institute works closely with the European Union Agency for Fundamental Rights (FRA) and the European Foundation for the Improvement of Living and Working Conditions (Eurofound); observes that, in order to enhance cooperation with international organisations, the Institute held meetings with key partners such as UN Women and the Group of Experts on Action against Violence against Women and Domestic Violence (GREVIO); notes furthermore that it contributed to the Unesco conference on gender and media and agreed to organise a workshop with the United Nations Economic Commission for Europe (UNECE) on gender statistics in 2016;
20. Notes with satisfaction that the Institute is looking for synergies by pooling certain tasks and introducing shared services with other agencies; notes the agreement signed between the Institute and the European Border and Coast Guard Agency (Frontex), which was signed in order to exchange services on the exchange of experts between the parties in the area of *ex post* controls;
21. Appreciates the contribution of the Institute to the ongoing work of the FEMM Committee; calls for further interaction between the legislative and non-legislative priorities of the FEMM Committee and the Institute's research, also taking into account the Gender Equality Index developed by the Institute; notes that the outcome of the external evaluation of the Institute was positive overall;
22. Welcomes the key achievements of the Institute in 2015, in particular the second edition of the Gender Equality Index, the finalisation of the Gender Statistics Database and the implementation of the online gender mainstreaming platform;
23. Notes the Institute's efforts to reorganise its structure to put a focus on communication and stakeholder engagement activities and calls for further coordination with the Commission in order to ensure that the Institute's technical assistance supports the tasks linked to the design, implementation, monitoring and evaluation of Union policies and that gender mainstreaming is effectively implemented in all phases of the policy cycle;
24. Welcomes the prioritisation of the work on several areas with outputs of high quality and high visibility, without losing focus on gender mainstreaming; in the event of a review of Regulation (EC) No 1922/2006, calls for the incorporation of the fight against violence against women and migrant women, and female genital mutilation into the tasks of the Institute;
25. Recalls that the Institute was established in order to contribute to and strengthen the promotion of gender equality, including, first and foremost, gender mainstreaming in all Union policies and the resulting national policies, and the fight against discrimination based on sex, and to raise Union citizens' awareness of gender equality;
26. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).

DECISION (EU) 2017/1674 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the European Institute for Gender Equality for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Institute for Gender Equality for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Institute for Gender Equality for the financial year 2015, together with the Institute's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Institute in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0071/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 1922/2006 of the European Parliament and of the Council of 20 December 2006 on establishing a European Institute for Gender Equality ⁽⁴⁾, and in particular Article 15 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Women's Rights and Gender Equality (A8-0106/2017),
1. Approves the closure of the accounts of the European Institute for Gender Equality for the financial year 2015;
 2. Instructs its President to forward this decision to the Director of the European Institute for Gender Equality, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 102.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 403, 30.12.2006, p. 9.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2017/1675 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2015, together with the Authority's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0073/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC ⁽⁴⁾, and in particular Article 64 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A8-0101/2017),
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 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Insurance and Occupational Pensions Authority, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 107.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 331, 15.12.2010, p. 48.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2017/1676 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015**

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 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A8-0101/2017),
- A. whereas, according to its financial statements, the final budget of the European Insurance and Occupational Pensions Authority (the 'Authority') for the financial year 2015 was EUR 20 212 701, representing a decrease of 6,35 % compared to 2014; whereas 40 % of the Authority's budget derives from the Union budget,
- B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the Authority for the 2015 financial year (the 'Court's report'), has stated that it has obtained reasonable assurances that the Authority's annual accounts for the financial year 2015 are reliable and that the underlying transactions are legal and regular,
- C. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, implementing the concept of performance based budgeting and good governance of human resources,
1. Underlines that the Authority's role is essential in fostering the consistent application of Union law and better coordination between national authorities, and in ensuring financial stability, transparency, better integrated and safer financial markets, as well as a high degree of consumer protection and convergent supervisory practices in this area;
 2. Recalls that Parliament was a driving force behind the establishment of a new and comprehensive European System of Financial Supervision (ESFS), including the three European Supervisory Authorities (ESAs), to ensure a better financial supervision system after the financial crisis;

Follow-up of 2014 discharge

3. Notes from the Court's report that, in respect of the two comments regarding carry-overs, transfers and budget management made in the Court's 2014 report, the status of the corrective actions is marked in the 2015 Court's report as 'Ongoing';
4. Notes that the Court has determined that the budget transfers, carry-overs and related commitments are in line with the specific provisions of the Financial Regulation, although the extent to which 2015 activities will be covered by 2014 appropriations is at odds with the budgetary principle of annuality;

Commitments and carry-overs

5. Notes that the level of committed appropriations carried over for Title III (operational expenditure) was at EUR 2 300 000 (45 % of expenditure), compared to EUR 4 700 000 (66 % of expenditure) in 2014; acknowledges that those carry-overs were predominantly related to specific contracts for the Authority's multi-annual IT programme supporting the implementation of Solvency II and to contracts signed late in the year; moreover acknowledges from the Authority that the carry-over appropriations were to be reduced to a satisfactory level from 2016 onwards with the advanced implementation of the Authority's IT Programme; notes that carry-overs may often be partly or fully justified by the multiannual nature of agencies' operational programmes, do not

necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance by the Authority and communicated to the Court;

Transfers

6. Notes that the variation between the initial and final budget allocated for Title I (staff costs) resulted in a slight decrease of 2,56 %, while the variation for Title II (administrative expenditure) resulted in a decrease of 9,36 %; observes that, as a result of the budget amendment and transfers made, the budget under Title III (operational expenditure) increased by 21,19 %; acknowledges that the changes in the structure of the initial budget were generally smaller than in 2014; acknowledges furthermore that the level and nature of transfers remained within the limits of the financial rules;

Budget and financial management

7. Notes that budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 99,97 %, reaching the Authority's planned target and representing a decrease of 0,03 % compared to 2014; notes furthermore that the payment appropriations execution rate was 83,75 %, achieving its planned target and representing an increase of 9,65 % compared to 2014;
8. Notes with satisfaction that the Authority is working to develop more sophisticated and less output-focussed key performance indicators, which would provide a more valuable basis to assess whether the Authority is achieving its strategic ambitions;
9. Points out that a solution has been agreed to share any budget surplus or deficit with Member States corresponding to their contribution key; calls on the Commission to legally formalise the agreed process;
10. Stresses the importance of ensuring an appropriate level of prioritisation and efficiency as regards resource allocation and that the Authority's budget still has rationalisation potential; emphasises, therefore, that any potential increases in the Authority's means should be accompanied by adequate prioritisation measures; suggests that, as Authority's workload is increasingly shifting from legislative tasks to supervisory convergence and enforcement, the Authority's budget and manpower should be allocated accordingly;
11. Concludes that the Authority's financing arrangement is to be reviewed; calls on the Commission to examine the possibility of modifying the current financing arrangement by introducing appropriately and proportionately calibrated fees for market participants, possibly replacing the contributions of national competent authorities whilst ensuring its autonomy and supervisory action;

Procurement and recruitment procedures

12. Notes from the Authority that it ran 26 recruitment campaigns in 2015 and filled 95,6 % of its establishment plan positions by year-end, lower than the Authority's target of 100 %; acknowledges from the Authority that the target was not reached mainly due to a high turnover rate, unsuccessful recruitment campaigns and non-acceptance of contract offers by selected candidates;
13. Notes from the Authority that the issues regarding recruitment might be related to the high cost of housing at its seat in Frankfurt, as well as to the limited financial attractiveness of the Authority compared to other European bodies, such as the European Central Bank and the Single Supervisory Mechanism; acknowledges from the Authority that it has revised the relevant human resources processes in order to make them more efficient;

Prevention and management of conflicts of interest and transparency

14. Notes that the Authority was expected to establish internal rules on whistleblowing by the beginning of 2017; asks the Authority to report to the discharge authority on the establishment and implementation of its whistleblowing rules;
15. Notes with concern that, with the exception of the CVs of the senior management, the CVs and declarations of interest of the members of the management board and the board of supervisors of the Authority are not published on the Authority's website; calls on the Authority to remedy the situation by publishing those documents to ensure necessary public oversight and scrutiny of its management;

16. Notes with satisfaction that measures to increase transparency in dealing with lobbyists and stakeholders are included in the Authority's ethics rules and that, through those rules, staff are advised and guided on how to avoid being unduly influenced by any stakeholder or group of stakeholders; observes also that from July 2016 the Authority publishes on its website details on its meetings with external stakeholders, media representatives and other Institutions and relevant activities;
17. Considers that the minutes of meetings of the board of supervisors and of the stakeholder groups, which are publicly available, should be published immediately after the meeting to reduce the current time lag of up to three months between meetings and disclosure of minutes and to provide better insight into the discussions held, members' positions and voting behaviour; believes that outreach to Union citizens could also be enhanced by web streaming events; is concerned about *de facto* unequal accessibility of documents and information from internal meetings to different stakeholders, including Parliament; is of the opinion that the Authority should establish a secure channel for whistleblowers in the framework of its action plan for the years to come.

Internal controls

18. Notes that the Commission's Internal Audit Service (IAS) closed the recommendations on the Internal Control Standard (ICS) 10 on 'Business Continuity' and ICS 11 on 'Document Management' in April 2016;
19. Notes that in 2015, the Authority's ICSs were reviewed to align them with the ICS of the Commission; notes moreover that all ICSs were duly implemented by the end of 2015, including the two ICSs on the implementation of Document Management procedures and the implementation of the remaining blocks of the Authority's business continuity capability; acknowledges that a formal decision by the IAS on the full implementation of the ICS was expected in 2016; looks forward to the confirmation of the successful implementation of the ICSs and subsequent reporting by the Authority in its next annual report;

Internal audit

20. Notes that an audit on 'Promoting colleges of supervisors and building a common supervisory culture in EIOPA' was performed by the IAS in 2015; notes moreover that none of the recommendations made by the IAS were categorised as critical or very important; acknowledges from the Authority that, in response to the audit report, it developed an action plan in order to address all recommendations made by the IAS, which was subsequently adopted by its management board;

Communication

21. Notes that, in the course of 2015, new communication measures were implemented, which mainly concern accessibility, social networks, tutorials on key topics and increased participation of the Authority's management and experts in relevant events; notes that in 2016 the communication strategy was reviewed with the aim to provide more accessible and easily understandable information in particular for consumers and the public at large, with the review and redesign of the Authority's website being one of the key objectives; invites the Authority to implement the new strategy as soon as possible;

Other issues

22. Notes that 41 members of staff participated in 2015 in away days for which the total cost was EUR 9 174 or EUR 223 per person and 120 members of staff in other events, for which the total cost was EUR 9 900 or EUR 82,5 per person;
23. Notes that the Court's assessment is very brief and offers few suggestions for improving the efficiency of the Authority's budget management; regrets that some Member States had not paid their 2015 contribution in full by the end of that year; notes that progress has been made in this regard compared to 2014;
24. Stresses that, while ensuring that all assignments are carried out in full and within deadline, the Authority should carefully adhere to the tasks assigned to it by Parliament and the Council; notes that the Authority is spending significant resources on work relating to guidelines and recommendations; believes that the Authority should fully use its mandate to effectively foster proportionality in all its activities; notes that, wherever the Authority is authorised to draw up Level 2 and Level 3 measures, it should pay particular attention when drafting these standards to the specific features of the various national markets and that market participants and consumer protection organisations concerned should be involved extensively at an early stage in the standard-setting process and during drafting and implementation stages;

25. Notes with concern that the Authority does not exercise all the prerogatives established in its legal framework; underlines that the Authority should ensure that resources are maximised in order to fully fulfil its legal mandate; notes in this respect that a closer focus on the mandate given to it by Parliament and the Council could result in a more effective achievement of its objectives; stresses that, while carrying out its work and in particular when drafting implementing legislation, the Authority needs to inform Parliament and the Council about its activities in a regular and comprehensive manner;
26. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).

DECISION (EU) 2017/1677 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the European Insurance and Occupational Pensions Authority for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2015, together with the Authority's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0073/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC ⁽⁴⁾, and in particular Article 64 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A8-0101/2017),
1. Approves the closure of the accounts of the European Insurance and Occupational Pensions Authority for the financial year 2015;
 2. Instructs its President to forward this decision to the Executive Director of the European Insurance and Occupational Pensions Authority, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 107.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 331, 15.12.2010, p. 48.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2017/1678 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the European Institute of Innovation and Technology for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Institute of Innovation and Technology for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Institute of Innovation and Technology for the financial year 2015, together with the Institute's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Institute in respect of the implementation of the budget for the financial year 2015 (05873/2017– C8-0077/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 294/2008 of the European Parliament and of the Council of 11 March 2008 establishing the European Institute of Innovation and Technology ⁽⁴⁾, and in particular Article 21 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0127/2017),
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 2015;
 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
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 112.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 97, 9.4.2008, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2017/1679 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015**

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 2015,
 - having regard to the Court of Auditors' special report No 12/2016 entitled 'the Agencies' use of grants: not always appropriate or demonstrably effective',
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0127/2017),
- A. whereas, according to its financial statements, the final budget of the European Institute of Innovation and Technology (the 'Institute') for the financial year 2015 was EUR 266 566 618, representing an increase of 14,35 % compared to 2014,
- B. whereas, according to its financial statements, the overall contribution of the Union to the Institute's budget for 2015 amounted to EUR 215 030 200, representing an increase of 26,63 % compared to 2014,
- C. whereas the Court of Auditors (the 'Court'), in its report on the Institute's annual accounts for the financial year 2015 (the 'Court's report'), stated that it had obtained reasonable assurances that the Institute's annual accounts are reliable, but could not obtain sufficient appropriate audit evidence on the legality and regularity of the underlying transactions,
- D. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, implementing the concept of performance-based budgeting and good governance of human resources,

Basis for a qualified opinion on the legality and regularity of the underlying transactions

1. Recalls that the Union contribution to the Institute's budget in the 2014 to 2020 financial period is provided under the financial envelope of the Horizon 2020 and that the Institute is bound by the provisions of Regulation (EU) No 1290/2013 (the 'Horizon 2020 rules'); recalls, moreover, that Horizon 2020 is the successor programme of the Seventh Framework Programme, which ran from 2007 to 2013 and in which the Institute did not participate;
2. Points out that from 1 January 2014 the legal basis for the reimbursements of indirect eligible costs related to grants is Article 29(1) of Horizon 2020 rules, together with Article 90(1) of the Institute's financial regulation ⁽¹⁾ which provides for a flat rate reimbursement of 25 % of the indirect eligible costs related to grants; notes, however, that, according to Article 75(8) of the Institute's former financial rules ⁽²⁾, which were repealed with effect from 1 January 2014, the threshold for a flat rate reimbursement of indirect costs for non-profit public bodies, higher education establishments, research organisations or small and medium-sized enterprises could have been raised to 40 %;
3. Notes that, according to the Court's report, the Institute, in its 2014 grant agreements signed in February 2014, provided for a 40 % flat-rate reimbursement of indirect eligible costs contrary to the Horizon 2020 rules already in force at the time; notes, moreover, the Court's opinion that, as the Institute did not participate in the Seventh Framework Programme, Article 57 of the Horizon 2020 rules which dealt with the transition from the Seventh Framework Programme to Horizon 2020 did not apply to the Institute and the Court therefore identified those reimbursements as irregular;

⁽¹⁾ Decision of the governing board of the European Institute of Innovation and Technology (EIT) of 27 December 2013 on adopting the financial regulation for the European Institute of Innovation and Technology.

⁽²⁾ Decision by the European Institute of Innovation and Technology of 20 April 2009 adopting the Financial Rules of the European Institute of Innovation and Technology.

4. Notes that, according to the Court's report, the errors found as a result of *ex-post* verification of a sample of 2015 grant transactions, after correcting for the overpayment of those flat-rate reimbursements, led to a residual error rate of 2 % for the 2014 grant transactions; notes that, according to the Court, the combined error rate for both identified *ex-post* verification errors and the flat-rate reimbursements was 4,9 % of the Institute's total 2015 expenditure, resulting in the Court issuing of a qualified opinion on the legality and regularity of the transactions underlying the Institute's accounts;
5. Notes, however, that the Institute's grant agreements were based on the annual call for the preparation of the 2014 knowledge and innovation community (KIC) business plans, launched by the Institute in April 2013; notes, moreover, that, in accordance with the Institute's financial rules, as well as with Article 189 of Commission Delegated Regulation (EU) No 1268/2012 ⁽¹⁾, the Institute's call allowed the grant beneficiaries falling into the categories described in Article 75(8) of the Institute's financial rules to establish their project budgets, for activities planned for 2014, using the 40 % flat-rate reimbursement for budgeting of indirect costs; notes that the KICs participating in the April 2013 call relied on that provision when constructing and submitting this proposal;
6. Notes, moreover, that the Institute's governing board, following the evaluation of the 2014 KIC business plans by external experts, decided on the 2014 funding allocation to KICs on 5 December 2013, before adopting the Horizon 2020 rules; notes from the Institute that the 2014 grant agreements were signed in line with the initial conditions of the annual call;
7. Is of the opinion that the transitional measures under Article 57(2) of the Horizon 2020 rules were not meant to be restricted solely to the assistance granted under the Seventh Framework Programme, but also to other ongoing actions in the field of research and innovation which were subject to Horizon 2020 rules after its entry into force, such as the Institute's 2014 grant agreements; highlights that the purpose of the transitional measure provided by Article 57 of the Horizon 2020 rules is to provide legal certainty and to ensure the continuity of the legal framework applicable at the time of the initiation of such actions; acknowledges that the Institute's subsequent grant agreements are in line with the Horizon 2020 rules in force, in particular with regard to the application of the flat rate reimbursement of 25 % of the indirect eligible costs related to grants, as well as that no further corrective measure could be taken by the Institute regarding this issue; notes also that any attempt to recover the funds deemed to be irregular by the Court could lead to legal action by many of the Institute's beneficiaries, which risks resulting in significant reputational damage for the Institute, as well as for the Horizon 2020 and the Commission as a whole;

Comments on the legality and regularity of transactions

8. Notes that, according to the Court's report, the Institute informed the KICs in 2015 that its financial contribution over the first five years (2010 to 2014), did not exceed the 25 % ceiling of their respective global expenditure; notes, moreover, that the poor definition of KIC complementary activities (KCAs) impaired any clear assessment as to whether costs associated to KCA should be accepted or not in the maximum Institute contribution; notes that the Institute and the Commission accepted the Court's recommendation to remove the 25 % funding condition in order to alleviate the operational and financial reporting burden on the KIC partners; acknowledges that, until such an amendment is adopted, the Institute is to implement the applicable legal basis;

Budget and financial management

9. Notes that, according to the Institute's final accounts that its budget monitoring efforts during the financial year 2015 resulted in an authorised budget implementation rate of 90,58 %, representing a decrease of 3,55 % compared to 2014; notes that the payment appropriations execution rate was 96,49 %, representing an increase of 4,02 % compared to 2014;
10. Notes that, according to the Court's report, even though the Institute is allowed to re-enter unused appropriations in the budgets of the following three years, it had not adapted its process in time to re-enter EUR 26 600 000 available from the 2014 grant agreements in the 2015 to 2017 budgets; notes, moreover, that those appropriations result from the lower than expected use of funds by KICs; notes that in 2015 the Institute carried out a budget review and requested the KICs to revise their 2015 business plans and budgets which were

⁽¹⁾ Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p. 1).

resubmitted as amended; notes that, as a result of the reduction in KIC budgets, the Institute could decommit unspent amounts, which were then cancelled and re-entered in the estimate of revenue and expenditure for 2016; notes that this resulted in an improved management of the Institute's budget in close collaboration with the KICs;

Commitments and carry-overs

11. Notes that, according to the Court's report, the level of carry-overs for committed appropriations for Title II was EUR 400 000 (44 %), compared to EUR 500 000 (36 %) in 2014; acknowledges that those carry-overs related mainly to contracts for IT services going beyond year-end and for meetings for which invoices had not yet been received;
12. Notes that carry-overs may often be partly or fully justified by the multiannual nature of the Agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance and communicated to the Court;

Internal controls

13. Recalls that, in accordance with Article 34 of the Horizon 2020 rules, the certificate on the financial statements (CFS) requested from KIC partners claiming reimbursement of more than EUR 325 000 is to contribute to the Institute's *ex-ante* verification of cost statements; notes that, according to the Court's report, the quality of those certificates varies significantly, limiting the assurance that can be obtained from them and requiring the Institute to carry out additional checks; notes that, according to the Institute, it applies the audit certificate methodology devised by the Commission's Directorate-General for Research and Innovation for Horizon 2020, starting from the 2014 grant agreements; notes, furthermore, that the revised methodology includes more detailed instructions and agreed upon procedures as well as 63 standard factual findings covering all cost categories; recognises that the Institute has developed a comprehensive grant assurance strategy that is built on both *ex-ante* and *ex-post* verification, including the CFS, in order to ensure the legality and regularity of transactions;

Prevention and management of conflicts of interests and transparency

14. Notes that the annual declarations of interests of governing board members, the interim director and senior management staff are published on the Institute's website; notes also that a screening of submitted declarations is performed to verify their factual accuracy; observes that in the case of experts, the Institute follows the Horizon 2020 rules on conflicts of interests;
15. Notes that the Institute intends to conclude its internal rules on whistleblowing in the first half of 2017; calls on the Institute to adopt an internal whistleblowing policy which will foster a culture of transparency and accountability in the workplace, to inform and train employees regularly of their duties and rights with regard to that policy, to ensure protection of the whistleblower from reprisal, to follow up the substance of whistleblowers' alerts in a timely manner, and to put in place a channel for anonymous internal reporting; calls on the Institute to publish annual reports on the number of whistleblower cases and on how they were followed up and to provide those annual reports to the discharge authority; asks the Institute to keep the discharge authority informed of its progress with regard to this matter;
16. Notes that, according to the Court, for the selection of external experts evaluating KIC proposals and business plans the Institute makes use of Article 89 of the Institute's financial regulation to derogate from the obligation of launching a call for expression of interest; notes, however, that Institute has not fully established internal procedures to regulate implementation of this derogation; notes that, in practice, Institute established its pool of experts using existing expert lists and databases of other institutions and bodies of the Union and individuals not on these lists following recommendations from the Institute governing board and members of staff; nevertheless welcomes improvements in the expert selection process for KIC proposals and encourages the Institute to be committed to improving the efficiency and effectiveness of this process and ensuring maximum transparency and integrity thereof by setting relevant internal measures, while ensuring absence of potential conflicts of interests;

17. Notes with concern that the Institute has not taken specific initiatives in order to increase transparency relating to its contacts with stakeholders and lobbyists; calls on the Institute to enact a proactive transparency policy with regard to lobbyists;

Recruitment procedures

18. Notes with satisfaction that the Institute has achieved full staffing through a series of measures implemented in 2015 to 2016 to improve the staff management, recruitment process and work environment; observes that since December 2016, the Institute employs 59 members of staff (in 63 authorised positions), which represents the highest number of members of staff employed in the history of the Institute, and that recruitment for remaining vacant posts is ongoing; acknowledges, nevertheless, that the actions taken by the Institute cannot fully compensate for the negative effects of the low and steadily decreasing correction coefficient affecting salary levels in Hungary;

Other comments

19. Notes that, according to the Court, the original target set by the Commission for the Institute to obtain financial autonomy was 2010; notes, furthermore, that the Institute obtained partial financial autonomy in June 2011, on the condition of continued *ex-ante* approval of grant related transactions and of procurements above EUR 60 000 by the Commission's Directorate-General for Education and Culture; notes that, according to the Institute, it requested that the Commission re-launch the process leading to full financial autonomy; acknowledges, furthermore, that the Commission set out the roadmap and timetable of the process in May 2016 and looks forward to the Commission's financial autonomy assessment which is expected in the first half of 2017; notes that the Institute hopes that full financial autonomy will be granted before the end of 2016 and asks that the Institute report to the discharge authority on developments related to this matter;
20. Notes that, according to the Court, despite a valid rationale, the Institute's complex operational framework and management problems have impeded its overall effectiveness; notes that the Institute has the ability to support the entire innovation scheme from start-ups to innovation-driven projects run by multiple KIC partners, however, it lacks coordination at Union level with the relevant Commission's DGs, and the interaction between the KICs and other Union initiatives is insufficient;
21. Notes that the Institute funds the 'EIT Digital Master's programme', which combines a lump sum of maximum EUR 8 000 per student in addition to actual costs including flat rate based indirect costs; notes that, according to the Court, this funding model has never been formally defined and does not allow a distinction between activities covered by the lump sum and those covered by the actual costs; notes that, according to the Institute it should move towards a single lump sum model for financing such programmes in order to simplify the cost reporting once sufficient statistical data is available to establish such a single lump sum; calls on the Institute to report to the discharge authority on the implementation of the new financing model;
22. Notes that, according to the Court's report, one KIC legal entity paid performance-based additional remuneration of EUR 646 000 to 55 of its members of staff, based on the decision of the KIC supervisory board and which the Institute reimbursed in full; notes that, according to the Court, paying such performance-based remuneration using public funds is an unusual practice; accepts, however, that the KICs are business-driven organisations which aim for financial sustainability, and where the use of variable elements as part of the basic remuneration can provide a strong incentive for good performance and ensure that value for money is achieved; notes, furthermore, that Horizon 2020 expressly provides for variable components of basic remuneration to be eligible costs; highlights the fact that the Institute's contribution to salaries paid to KIC management staff, including performance-based remuneration, is to be kept below the ceiling established by the Institute in its 2016 grant agreements and onwards; notes that under the reformed rules with double ceilings which applied from 2016, the high levels of performance-based additional remuneration paid in 2015 are no longer possible;
23. Notes that the principle of sound financial management was also breached when a KIC partner procured public relations services with daily rates ranging from EUR 800 to EUR 3 250 per person, which was also fully reimbursed by the Institute;
24. Notes that in 2015 45 of the Institute's members of staff participated in 'other events' for which the cost was EUR 10 730,21 (EUR 238,45 per person);

25. Notes with concern that general visibility of the Institute is low and some of the KIC partners are not aware of their affiliation with the Institute; calls for better visibility and promotion of the Institute brand as a unique innovation community; welcomes the recent success in listing 18 Institute community members in the Forbes 30 under 30 list, featuring Europe's best young innovators and entrepreneurs;
 26. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽¹⁾ on the performance, financial management and control of the agencies.
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⁽¹⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).

DECISION (EU) 2017/1680 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the European Institute of Innovation and Technology for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Institute of Innovation and Technology for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Institute of Innovation and Technology for the financial year 2015, together with the Institute's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Institute in respect of the implementation of the budget for the financial year 2015 (05873/2017– C8-0077/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 294/2008 of the European Parliament and of the Council of 11 March 2008 establishing the European Institute of Innovation and Technology ⁽⁴⁾, and in particular Article 21 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0127/2017),
1. Approves the closure of the accounts of the European Institute of Innovation and Technology for the financial year 2015;
 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
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 112.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 97, 9.4.2008, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2017/1681 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the European Medicines Agency
for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Medicines Agency for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Medicines Agency for the financial year 2015, together with the Agency's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0055/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 726/2004 of the European Parliament and of the Council of 31 March 2004 laying down Community procedures for the authorisation and supervision of medicinal products for human and veterinary use and establishing a European Medicines Agency ⁽⁴⁾, and in particular Article 68 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0084/2017),
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 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Medicines Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 123.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 136, 30.4.2004, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2017/1682 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015**

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 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0084/2017),
- A. whereas, according to its financial statements, the final budget of the European Medicines Agency ('the Agency') for the financial year 2015 was EUR 308 097 000 representing an increase of 9,07 % compared to 2014; whereas the increase was mainly due to a budgetary amendment that accounts for an increase in revenue from cash received for services rendered (EUR 5 000 000) and an adjustment in assigned revenue (EUR 980 000); whereas 11,1 % of the Office's budget derives from the Union budget,
- B. whereas the Court of Auditors ('the Court') in its report on the annual accounts of the European Medicines Agency for the financial year 2015 ('the Court's report'), has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2015 are reliable and that the underlying transactions are legal and regular,

Follow-up of 2014 discharge

1. Acknowledges from the Agency that:
 - although there had been delays in the collection of fees as noted by the discharge authority, these had no impact on the Agency's and Member States' ability to perform their public health tasks, including pharmacovigilance activities; notes that all safety monitoring and regulatory activities have been performed as required by the pharmacovigilance legislation of the Union; acknowledges furthermore the fact that financial transactions concerning pharmacovigilance fees are handled separately from the Agency's core responsibility, as well as the fact that, according to the Commission report on 'Pharmacovigilance related activities of Member States and the European Medicines Agency concerning medicinal products for human use (2012 – 2014)', the Agency managed the pharmacovigilance-related activities successfully;
 - all its planned procurements are included in the Agency's work programme which is adopted by its management board, and are in line with the requirements of the financial regulation; acknowledges the fact that all specific contracts stemming from the framework contract on consultancy services were triggered by the legislative responsibilities of the agency and its business needs, and are supported by documents specifying activities, objectives and requirements;
 - it is committed to further strengthening its guidelines for harmonised implementation of conflicts of interest as a selection criteria in its procurement procedures;

Budget and financial management

2. Notes that budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 94,05 %, representing a decrease of 0,27 % compared with the previous year; notes furthermore that the payment appropriations execution rate was at 87,09 %, representing an increase of 4,79 %;
3. Recalls that, as stipulated in its financial regulation, budget revenue of the Agency is based on cash received from the Union for contributions, fees for marketing authorisation applications for pharmaceutical products and for post-authorisation activities as well as for various administrative activities;

Commitments and carryovers

4. Notes with satisfaction that the rate of committed appropriations carried forward to 2016 declined to 14,78 %, from 17,70 % in 2014; acknowledges the fact that the non-automatic carry-forward to 2016 was made in accordance with its financial regulation, and covered various IT developments, business consultancy and scientific studies; points out that these carry-forwards do not indicate weaknesses in budget planning and implementation, nor are they at odds with the budgetary principle of annuality, as the expenditure could not be implemented in 2015 due to reasons outside the control of the Agency;

Transfers

5. Notes with satisfaction that, according to the annual activity report, the level and nature of transfers in 2015 remained within the limits of the financial rules; acknowledges from the Agency that during 2015 it made nine transfers totalling EUR 22 026 000 or 7,15 % of final appropriations, representing a decrease of 4,7 %; notes that the transferred expenditure appropriations were primarily needed to cover expenditure on business IT development and adjustments to budget items for administrative expenditure;

Procurement and recruitment procedures

6. Notes that the result of the staff engagement survey carried out in 2015 represented a further improvement compared to 2013; observes however that identified remaining issues include collaboration across divisions, objectivity in decision-making processes and trust in senior management; acknowledges from the Agency that it created an action plan to address the remaining issues and adopted it in 2016; calls on the Agency to report to the discharge authority on the implementation results of the action plan;
7. Recalls that the workload of the Agency is constantly growing and reflected in the budgetary increases in income from fees charged to applicants; notes with concern that the imposed staff cuts in recent years included staff working on tasks financed by applicants' fees without regard to the workload involved; strongly supports, therefore, the introduction of flexibility and coherence in adjusting the number of establishment plan posts for staff working on tasks financed by applicants' fees, in line with increasing demand;
8. Recalls that following the judgment of the Civil Service Tribunal, which was announced on 13 November 2014, annulling the Commission's decision to adopt a shortlist of potential candidates for the position of Executive Director of the Agency and, as a consequence, the Board's appointment of the Executive Director in November 2011, the post was re-advertised and the Executive Director reappointed and that, despite that difficult situation, the Agency delivered its work programme;

Prevention and management of conflicts of interests and transparency

9. Acknowledges from the Agency that its revised policy on the handling of declarations of interests of scientific committees' members and experts entered into force in 2015; welcomes the fact that the declarations of interests of experts involved in the Agency's activities after the policy implementation date were evaluated against the revised policy; notes that the Agency performed systematic *ex ante* controls on the declarations of interests of new experts; notes moreover the conclusion of the annual *ex post* control on the handling of declarations of interests of committee members and experts participating in meetings; observes that the Agency updated the policy in October 2016 to further clarify the restrictions applied when an expert takes up a job in industry and to align the restriction applied in the case of close family members of committee, and working party members with interests in the industry, with those already applied to management board members; calls on the Agency to provide the discharge authority with a summary of the impact assessment of the revised policy;
10. Observes that the revised policy on handling of declared interests of members of staff of the Agency and candidates before recruitment was finalised in October 2016; notes that this revision ensured alignment, where relevant, with the revised policies in place for management board members and scientific committee members and experts;
11. Notes that the revised policy on handling competing interests for the Agency's management board members was adopted by its management board in December 2015; also notes that the new policy entered into force in May 2016;

12. Notes that in June 2016, the Agency's management board adopted an overarching Framework for Stakeholder Relation Management which outlines the principles for the management of its key stakeholder interactions and highlights transparency as an essential principle when managing such relations; observes that in 2015 the management board adopted a formalised framework for interactions with its industry stakeholders and published an annual report on its engagement with them; notes also that eligibility criteria for industry stakeholders were finalised in June 2016 for implementation in 2017 and that a list of industry stakeholder organisations that are eligible according to these criteria was published on the Agency's website in January 2017;
13. Observes that the 'Breach of trust procedure for scientific committees' members/experts' was updated in April 2015; observes that this procedure sets out how the Agency deals with incorrect or incomplete declarations of interests by experts and committee members; acknowledges the fact that the Agency immediately restricts scientific committee or working party members from any participation in the evaluation of medicines when they intend to take up employment in a pharmaceutical company;
14. Notes that the Agency established an anti-fraud office as part of its anti-fraud strategy; takes note that the Agency conducted an internal survey of senior management which benchmarked anti-fraud awareness, and developed and launched a mandatory anti-fraud e-learning course for all staff; notes furthermore that standard procurement contracts were amended to include anti-fraud clauses;
15. Observes that the Agency adopted the Commission guidelines on internal whistleblowing in November 2014; notes also that the Agency is currently working on a policy to handle external sources' reports on matters within the scope of its responsibilities (i.e. external whistleblowing rules), and that approval of this new policy is planned to occur by the end of 2017; welcomes this policy which should strengthen even further the Agency's efforts to disseminate a culture of integrity and compliance in the preparation and submission of regulatory documents;
16. Notes with satisfaction that new rules to reinforce the current cooling-off periods for the Agency's experts and staff have been implemented since 31 December 2016;
17. Notes with satisfaction that in 2015, the Agency adopted a new five-year framework strategy for corporate communications, which addressed findings from a stakeholder survey carried out that year; notes that this strategy lays out how the Agency intends to make its communications more effective in order to support the Agency in meeting its mission, goals and corporate priorities in promoting public health in the Union;
18. Reminds the Agency that Directive 2003/63/EC states that medicines can only be considered for Union marketing authorisation if they have been tested in accordance with ethical guidelines, and reminds the Agency of its commitment to perform extra checks on clinical trials carried out outside the European Union before granting a drug market authorisation⁽¹⁾; therefore, due to the special vulnerabilities of those tests, asks the Agency to report to the discharge authority every year on actions taken to ensure drugs for the Union market were tested ethically in lower and middle income countries, in accordance with the law;
19. Encourages the Agency to further raise awareness of its conflict-of-interest policy among its staff, alongside ongoing awareness-raising activities and the inclusion of integrity and transparency as obligatory items to be discussed during recruitment procedures and performance reviews;

Performance

20. Notes with satisfaction that the Agency achieved its targets for the majority of the monitored qualitative and quantitative performance indicators presented in its annual activity report; observes that this extensive set includes the performance indicators such as the percentage of filled posts on the Agency establishment plan, the percentage of payments made within the limits of the financial regulation, or the satisfaction level of partners and/or stakeholders with the Agency's communications;

⁽¹⁾ Reflection paper on ethical and GCP aspects of clinical trials of medicinal products for human use conducted outside of the EU/EEA and submitted in marketing authorisation applications to the EU Regulatory Authorities (European Medicines Agency document EMA/121340/2011).

Internal controls

21. Observes that in 2014, the Agency carried out an analysis of potential risks that could impact achievement of the Agency's objectives; notes that none of the identified risks were considered critical and none had materialised during 2015;
22. Notes that the effectiveness of the Agency's internal control standards (ICS) was assessed via an internal questionnaire addressed to the Agency's management; acknowledges the fact that the assessment concluded that the ICS are being implemented effectively; notes furthermore that the Agency intends to take measures in order to further improve the efficiency and application of the ICS concerning objectives and performance indicators, operational structure, document management, and information and communication;

Internal audit

23. Notes that 11 recommendations marked as 'Very Important' and stemming from audits carried out by the Agency's Internal Audit Capability (IAC) were open at the end of 2015; acknowledges the fact that all of these recommendations were within the timeline agreed with the IAC;
24. Notes with satisfaction that no recommendation marked as 'Critical' or 'Very Important' from the Commission's Internal Audit Service (IAS) was open as of 31 December 2015; acknowledges the fact that in 2015 the IAS carried out an audit in the area of paediatric regulation procedures and that it did not identify any critical or very important issues;
25. Observes that in 2015, the Agency's IAC carried out audits in several areas, with no critical recommendations open at year-end; notes that, in the areas of security of product-related information, building blocks of assurance and video surveillance, the audits identified space for further improvements; acknowledges the fact that the Agency prepared action plans to address the identified issues; calls on the Agency to provide the discharge authority with the results of implemented actions;

Other Comments

26. Notes that 2015 marked the 20th anniversary of the Agency and the 50th anniversary of pharmaceutical legislation in the Union;
27. Notes that in 2015 the Agency recommended 93 medicines for marketing authorisation and that those include 39 new active substances; stresses that those substances have previously never been authorised in a medicine in the Union and are not related to the chemical structure of any other authorised substance;
28. Underlines that the Agency should continue promoting dialogue with stakeholders and citizens and incorporate it as part of the priorities and activities to be implemented;
29. Reiterates the important role of the Agency in protecting and promoting public and animal health by assessing and supervising medicines for human or veterinary use;
30. Acknowledges the fact that the Agency launched a pilot project in March 2014 on the safe use of adaptive pathways; notes that that pilot project aims to identify the appropriate tools, within the current regulatory framework, to bring to market medicines that address unmet medical needs for a defined patient population, and to ensure that marketing authorisation will only be granted if there is a positive balance of benefits and risks, without compromising patient safety or changing the standards of regulatory approval;
31. Notes that on 23 June 2016, the citizens of the United Kingdom (UK) voted to leave the Union; points out that Article 50 of the Treaty on European Union provides that a Member State which decides to withdraw from the Union shall notify the European Council of its intention and the Union shall negotiate and conclude an agreement with that State, setting out the arrangements for its withdrawal; acknowledges from the Court's report that the accounts and related notes of the Agency, which is located in London (UK), were prepared using the information available at the date of signing of these accounts when the results of the referendum were not yet known, and that the formal notification of the triggering of Article 50 had not been presented;

32. Observes that following the outcome of the UK referendum on 23 June 2016, the Agency established a dedicated task force to focus on relocation preparedness, operational and financial preparedness, HR-related matters and communication (internal and external) aspects; observes that the work currently ongoing is focussed on the impact of a loss of EMA staff in the event of relocation and loss of external expertise due to the potential unavailability of UK expertise in the scientific committees and other EMA fora; notes that an impact assessment including remedial solutions should be available by the end of the first quarter of 2017;
33. Welcomes the information provided by the Agency to the discharge authority on its current contractual commitments and liabilities linked to its physical presence in the UK; notes with concern that the Agency's rental contract until 2039 does not include an early termination clause to release the Agency from the liabilities of rent and associated costs, and that the payable rent for the remaining period from 2017 to 2039 is estimated at EUR 347,6 million; asks the Agency to report to the discharge authority on any developments on this matter;
34. Acknowledges the fact that the absence of a break clause was noted in the opinion of the Committee on Budgets of 24 May 2011 and that the rental agreement was signed in 2011 when a potential exit of the UK from the Union was not foreseeable; however, the costs associated with the relocation would reasonably be expected to be considered in the negotiations on the withdrawal agreement between the Union and the UK Government; asks the Agency to report to the discharge authority on any developments on this matter;
35. Stresses the risk of budgetary volatility faced by the Agency as a consequence of the outcome of the UK referendum on Union membership; proposes, in the spirit of sound financial management, that the Agency be authorised to maintain a budgetary reserve to respond to unforeseen costs that may need to be incurred in 2017 and unfavourable exchange rate fluctuation, or beyond, as a consequence of that decision, to ensure that the Agency can continue to carry out its tasks effectively; asks also in this respect the Agency to produce a comprehensive business continuity plan which deals with the double and connected risks of budgetary and business volatility;
36. Notes that the Agency launched a pilot project on 'adaptive pathways' in March 2014 aiming to accelerate market authorisations for specific medicines using the so-called post-marketing authorisation; is concerned that the pilot project raises numerous public health concerns and undermines the core mission of the Agency, namely to ensure safety of medicines; asks the Agency to report to the discharge authority on the project and the measures it has taken to ensure that this acceleration of the procedure does not undermine its core mission;
37. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).

DECISION (EU) 2017/1683 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the European Medicines Agency for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Medicines Agency for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Medicines Agency for the financial year 2015, together with the Agency's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0055/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 726/2004 of the European Parliament and of the Council of 31 March 2004 laying down Community procedures for the authorisation and supervision of medicinal products for human and veterinary use and establishing a European Medicines Agency ⁽⁴⁾, and in particular Article 68 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0084/2017),
1. Approves the closure of the accounts of the European Medicines Agency for the financial year 2015;
 2. Instructs its President to forward this decision to the Executive Director of the European Medicines Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 123.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 136, 30.4.2004, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2017/1684 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2015, together with the Centre's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0051/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 1920/2006 of the European Parliament and of the Council of 12 December 2006 on the European Monitoring Centre for Drugs and Drug Addiction ⁽⁴⁾, and in particular Article 15 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0099/2017),
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 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the European Monitoring Centre for Drugs and Drug Addiction, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 128.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 376, 27.12.2006, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2017/1685 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015**

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 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0099/2017),
- A. whereas, according to its financial statements, the final budget of the European Monitoring Centre for Drugs and Drug Addiction ('the Centre') for the financial year 2015 was EUR 18 519 843, representing an increase of 18,15 % compared to 2014; whereas the increase was mainly due to the Centre's own revenue, including the sale of premises, of EUR 5 000 000 and the assigned revenue (IPA 5) of EUR 600 000; whereas 79,9 % of the Centre's budget derives from the Union budget;
- B. whereas the Court of Auditors ('the Court') in its report on the annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2015 ('the Court's report'), has stated that it has obtained reasonable assurances that the Centre's annual accounts for the financial year 2015 are reliable and that the underlying transactions are legal and regular;
- C. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;

Follow-up of 2014 discharge

1. Acknowledges from the Centre that:
- it adopted internal procedures and rules on whistleblowing that transpose the guidelines of the Commission and that are in line with the recommendations expressed by the European Ombudsman;
 - its Director, who is the only member of senior management at the Centre, voluntarily published his declaration of interest on the Centre's website;

Budget and financial management

2. Notes that budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 99,83 % and that the payment appropriations execution rate was 97,35 %, representing an increase of 2,42 % compared to 2014; notes with satisfaction that the high overall level of committed appropriations indicated that commitments were made in a timely manner;

Commitments and carry-overs

3. Notes with satisfaction that the level of committed appropriations carried over for Title II (administrative expenditure) was low at 8 % (EUR 406 487) compared to 26 % (EUR 673 534) in 2014; notes that in 2015 the Centre consumed 93,69 % of the funds carried forward from 2014 to 2015;

Procurement procedures

4. Notes that the Centre put in place a new procurement plan which was successfully executed in close collaboration with all units; notes furthermore that the Centre participated in the Network of Agencies Procurement Officers meeting in order to exchange experience to further continue in implementing measures to rationalise and optimise tendering and other financial processes;

Prevention and management of conflicts of interest and transparency

5. Acknowledges that the Centre's management board adopted a new policy for the prevention and management of conflicts of interest which concerns management board and scientific committee members; acknowledges that, consequently, the members' declarations were published on the Centre's website; notes that the CVs and declarations of interest are well organised, visible, accessible and user-friendly on its website; notes that the Centre's management board adopted in December 2014 its policy for the prevention and management of conflicts of interest; notes that this policy has been in place since September 2015, including templates for declarations of interest for management board and scientific committee members;
6. Acknowledges that the Centre made available on its website a publication containing all the declaration of interest forms and a summary of the professional activities of management board members as well as all declarations of interest, declarations of independence and summarised CVs for scientific committee members; calls on the Centre to publish on its website the CVs and declarations of interest of nominated members, substitutes or observers;

Internal controls

7. Notes that, according to the Court's report, the Centre did not respect the ceiling contract which was specified in the contract notice for a framework contract signed in 2012; notes also the Centre's explanation that the referred amount was mentioned as an estimate in the contract notice in line with the relevant financial rules, and the concluded contract neither mentioned this amount nor did it refer to any maximum threshold; acknowledges that the Centre terminated this contract and launched a new procurement procedure for the services concerned; welcomes the fact that the Centre has put in place a specific process to improve central planning and monitoring of its procurements, including for framework contracts;

Internal audit

8. Notes the closure of the only main outstanding recommendation from a 2013 audit carried out by the Commission's Internal Audit Service (IAS) on 'Budget and monitoring within the EMCDDA';
9. Notes that the IAS carried out an audit on 'IT project management' in the Centre and it yielded six main recommendations which covered issues on business-IT alignment, IT project management, and requirements for management and systems development; notes furthermore that the Centre established a suitable action plan which was endorsed by its management board, and that the recommendations were to be followed in substance by the Centre; calls on the Centre to report to the discharge authority upon the implementation of the action plan;
10. Notes that the IAS carried out a comprehensive risk assessment of the Centre's governance, core business and support processes, and that the IAS Strategic Internal Audit Plan for 2016-2018 targeted two main topics for future auditing ('Management of data collection, validation and quality assurance' and 'Publications Management');

Anti-fraud strategy

11. Notes that the Centre adopted in June 2016 an anti-fraud strategy in line with the methodology and guidance provided by the European Anti-Fraud Office (OLAF); notes that this strategy integrates, completes and develops the measures that were already in place for awareness-raising on staff ethics and on gifts and hospitality offered by third parties;

Other comments

12. Notes that, according to the results of the Centre's staff screening exercise, 68,56 % of its human resources were devoted to operational activities, 20,68 % was allocated to administrative support and coordination, and 10,76 % was assigned to operations considered neutral in 2015;
13. Notes with satisfaction the Centre's ongoing efforts to strengthen cooperation with other Union agencies, particularly those working in justice and home affairs and in the health field; also notes that the synergies achieved with the European Maritime Safety Agency have brought efficiency gains thanks to shared costs for telecommunications and internet-based services;

14. Highlights the success of the Centre in its different missions; welcomes the new strategy and work programme for the period 2016–2018; encourages, however, the development and implementation of a much longer-term strategy as committed to by its Director;
 15. Emphasises the important role of the Centre in detecting new trends, assessing threats posed by drugs to the health and security of young Europeans, and developing prevention strategies; welcomes the notification of 98 new psychoactive substances; encourages sustained efforts to monitor the use of the internet as a vehicle for drug supply;
 16. Acknowledges the fact that the Centre released 45 publications, contributed its expertise to around 300 key external scientific and institutional events, and that its staff contributed to 27 scientific articles; encourages the dissemination of results through social media and online tools;
 17. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽¹⁾ on the performance, financial management and control of the agencies.
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⁽¹⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).

DECISION (EU) 2017/1686 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2015, together with the Centre's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Centre in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0051/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 1920/2006 of the European Parliament and of the Council of 12 December 2006 on the European Monitoring Centre for Drugs and Drug Addiction ⁽⁴⁾, and in particular Article 15 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0099/2017),
1. Approves the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2015;
 2. Instructs its President to forward this decision to the Director of the European Monitoring Centre for Drugs and Drug Addiction, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 128.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 376, 27.12.2006, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2017/1687 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the European Maritime Safety Agency for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Maritime Safety Agency for the financial year 2015, together with the Agency's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0058/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 1406/2002 of the European Parliament and of the Council of 27 June 2002 establishing a European Maritime Safety Agency ⁽⁴⁾, and in particular Article 19 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0130/2017),
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 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Maritime Safety Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 133.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 208, 5.8.2002, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2017/1688 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015**

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 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0130/2017),
- A. whereas, according to its financial statements, the final budget of the European Maritime Safety Agency ('the Agency') for the financial year 2015 was EUR 54 611 883, representing an increase of 4,21 % compared to 2014,
- B. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the European Maritime Safety Agency for the financial year 2015 ('the Court's report'), has stated that it has obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular,
- C. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, implementing the concept of performance-based budgeting and good governance of human resources,

Budget and financial management

1. Notes that the budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 99,23 %, representing an increase of 4,45 % compared to 2014 and the payment appropriations execution rate was 96,52 %, representing an increase of 2,75 %;
2. Takes note of the fact that the Agency restructured its budget structure in 2014, with effect from Budget 2015, to better support the business needs of the Agency; observes, furthermore, that the second phase of the restructuring will have an effect on the budget in 2016; invites the Agency to inform the discharge authority on the practical impact and efficiencies gained with the new budget structure;

Commitments and carry-overs

3. Acknowledges the fact that according to the Court's annual audit, as well as to the Agency's annual accounts report, no notable issues as regards the level of carry-overs in 2015 were identified; observes that out of the total amount carried forward from 2014 to 2015 (EUR 35 987 101), 46 % were consumed, 50 % remained as 'open amount' (amount due, not yet paid) and 4 % of the total were cancelled; notes that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance by the Agency and communicated to the Court;

Transfer

4. Takes note of the fact that the Agency made a total of 10 transfers between budgetary titles in 2015; acknowledges the fact that these transfers were below 10 % of the appropriations for the financial year of the budget line from which the transfer is made in the case of transfers from one title to another; observes that the level and nature of transfers in 2015 remained within the limits of the financial rules;

Procurement and recruitment procedures

5. Takes note of the fact that the Agency launched 88 procurement procedures, out of which 13 were special negotiated procedures and the remaining 75 encompassed open and low value negotiated procedures;

6. Notes from the Agency's annual activity report that, in 2015, the Agency had 207 posts in its authorised establishment plan; observes that, while 207 statutory posts were indicated on the Agency's Establishment Plan for 2015, the Agency delivered the activities proposed in the Work Programme 2015 with 202 statutory posts, as five posts were frozen for cuts foreseen in 2016;
7. Notes the results of the second benchmarking exercise on the Agency's posts, with 21,67 % of the jobs dedicated to administrative support and coordination, 71,29 % to operational tasks and 7,05 % to control and financial tasks; regrets the continuous reduction of staffing level, while at the same time tasks given to the Agency are increasing;

Prevention and management of conflicts of interests and transparency

8. Observes that the Agency made publicly available the 'Declarations of Commitment and Confidentiality' signed by its administrative board members, as well as their CVs, as requested by the discharge authority in the previous discharge procedures;
9. Notes with concern that the declarations of interest of its administrative board members are not published on its website and that the Agency has not provided for any check or update of the declarations of interest of its management board members; encourages the Agency to remedy the situation by publishing such documents and introducing checks, in order to ensure necessary public oversight and scrutiny of its management;
10. Notes with satisfaction that the Agency's administrative board adopted in 2015 a fraud prevention and detection strategy which is based upon the methodology and guidance for anti-fraud strategy presented by OLAF as well as upon the Anti-Fraud Strategy of the Commission's DG MOVE;
11. Notes with concern that the Agency has not taken specific initiatives in order to increase transparency relating to its contacts with stakeholders and lobbyists; calls on the Agency to enact a proactive lobby transparency policy;

Internal audit

12. Acknowledges the fact that, in 2015, the Agency's auditing bodies have not issued any critical audit recommendations or observations that could lead to a reservation in the annual declaration of assurance; notes with satisfaction that all recommendations and observations stemming from various audits from years before 2015 were closed at 31 December 2015;

Internal control

13. Takes note of the fact that the Agency has developed and implemented a series of internal measures to ensure that its activities are subject to control and to provide reasonable assurance to management of the achievement of its objectives; observes that the Agency has implemented a full set of Internal Control Standards (ICS), based on equivalent standards established by the Commission, and minimum requirements which have been adopted by its administrative board;

Performance

14. Takes note of the fact that the Agency has cooperated extensively on the operational level, in the field of maritime monitoring, surveillance and information sharing, with other Union agencies and bodies (EFCA, Frontex, EU NAVFOR, MAOC-N), in order to capitalise on existing expertise and services in mutually beneficial ways; notes that as from December 2014, the Agency has been hosting the Business Continuity Facility of the Fusion for Energy Joint Undertaking (F4E) in Madrid; takes note of the fact that the Agency has continued cooperating with European Fisheries Control Agency (EFCA) so that it can also use the Agency's business continuity centre; acknowledges the fact that it has worked closely with European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) to develop cooperation and synergies between the two agencies with a view to increasing effectiveness, efficiency and saving costs, given the geographical proximity of the agencies;

Other comments

15. Notes with concern a significant gender imbalance of 20 %/80 % in respect of the Agency's management board members and alternate members; urges the Agency to correct this imbalance and to communicate progress made to the Parliament as quickly as possible;

16. Highlights the Agency's contribution to maritime safety, the prevention of pollution from ships as well as from offshore installations for gas and oil exploitation in Europe, and the assistance provided to Member States and the Commission under international and Union law; welcomes and encourages the Agency collaboration with other European Agencies regarding the refugees crisis and reaffirms that the Agency has to be given the financial, material and human resources it needs in order to perform its tasks effectively, including when dealing with critically important activities outside its mandate, i.e. contribution to the refugee crisis in the form of 'know-how', operational support and involvement of staff of the Agency;
 17. Highlights that the Agency's 'know-how' and in-house capabilities provide the opportunity to expand its action and service provision to a more global scale, thereby contributing to increasing the reach of Union regulatory frameworks and safety and environmental standards;
 18. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽¹⁾ on the performance, financial management and control of the agencies.
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⁽¹⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).

DECISION (EU) 2017/1689 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the European Maritime Safety Agency for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Maritime Safety Agency for the financial year 2015, together with the Agency's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0058/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 1406/2002 of the European Parliament and of the Council of 27 June 2002 establishing a European Maritime Safety Agency ⁽⁴⁾, and in particular Article 19 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0130/2017),
1. Approves the closure of the accounts of the European Maritime Safety Agency for the financial year 2015;
 2. Instructs its President to forward this decision to the Executive Director of the European Maritime Safety Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 133.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 208, 5.8.2002, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2017/1690 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the European Union Agency for Network and Information Security for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for Network and Information Security for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Union Agency for Network and Information Security for the financial year 2015, together with the Agency'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 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0062/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EU) No 526/2013 of the European Parliament and of the Council of 21 May 2013 concerning the European Union Agency for Network and Information Security (ENISA) and repealing Regulation (EC) No 460/2004 ⁽⁴⁾, and in particular Article 21 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0115/2017),
1. Grants the Executive Director of the European Union Agency for Network and Information Security discharge in respect of the implementation of the Agency's budget for the financial year 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Union Agency for Network and Information Security, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 138.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 165, 18.6.2013, p. 41.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2017/1691 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Union Agency for Network and Information Security for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Union Agency for Network and Information Security for the financial year 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0115/2017),
- A. whereas, according to its financial statements, the final budget of the European Union Agency for Network and Information Security (the 'Agency') for the financial year 2015 was EUR 10 064 274, representing an increase of 3,37 % compared to 2014,
- B. whereas the Union's contribution to the Agency's budget for the financial year 2015 amounted to EUR 9 155 661, representing an increase of 3,8 % compared to 2014,
- C. whereas the Court of Auditors (the 'Court'), in its report on the Agency's annual accounts for the financial year 2015 (the 'Court's report'), stated that it has obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular,
- D. whereas, in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, implementing the concept of performance-based budgeting and good governance of human resources,

Follow-up 2014

1. Acknowledges the fact that the Agency:
 - will include a standard chapter on transparency, accountability and integrity in its 2016 annual report;
 - as a follow up to the 2013 and 2014 discharges, still makes the payments of rent for the offices in Athens by the Greek authorities with considerable delay, which, in turn, delays payments to the landlords in Athens and Heraklion;
2. Acknowledges the fact that the Agency made continued significant efforts in liaising with the Greek authorities in order to remedy the situation, given that no other solution appears to be currently possible, and the Commission, the Agency and the Greek authorities should find a solution for this issue in order to reduce significantly the risks to which the Agency is exposed;

Budget and financial management

3. Notes that budget monitoring efforts during the financial year 2015 resulted in an exceptional budget implementation rate of 100 % and that the payment appropriations execution rate was 92,89 %, representing an increase of 7,28 % compared to 2014;

Commitments and carry-overs

4. Notes that the carry-overs of committed appropriations for Title II (administrative expenditure) were EUR 150 000 (22 %), which is lower compared to EUR 600 000 (49 %) in 2014; notes, furthermore, that those carry-overs were related mainly to investments in IT infrastructure that were ordered as planned at the end of 2015; points out that the overall rate of appropriations carried forward decreased from 15 % in 2014 to 7 % in 2015;
5. Notes that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance by the Agency and communicated to the Court;

Procurement and recruitment procedures

6. Notes that at the end of 2015 the Agency employed 69 members of staff; notes, furthermore, that 4 members of staff left the Agency and 17 new members of staff were recruited during 2015;
7. Notes that the Agency finds it difficult to recruit, attract and retain suitably qualified staff, mainly due to the types of post that are being offered (contract agents posts) and the low coefficient factor which applies to salaries of the Agency's employees in Greece; calls on the Agency and the Commission to report back to the discharge authority on the possible solutions to the problem;

Prevention and management of conflicts of interests and transparency

8. Notes that the Agency intends to adopt internal rules on whistleblowing during the first quarter of 2017; calls on the Agency to adopt an internal whistleblowing policy that will foster a culture of transparency and accountability in the workplace, to inform and train employees regularly of their duties and rights with regard to that policy, to ensure the protection of whistleblowers from reprisals, to follow up on the substance of whistleblowers' alerts in a timely manner, and to put in place a channel for anonymous internal reporting; calls on the Agency to publish annual reports on the number of whistleblower cases and on how they were followed up and to provide those reports to the discharge authority; asks the Agency to report to the discharge authority when its whistleblowing rules have been established and implemented;
9. Notes with concern that the CVs and declarations of interests of the Agency's management board members and of its executive board are not published on its website, except for the CV of the management board chair; notes with concern that the Agency has not provided for any arrangements for checking or updating the declarations of interests; calls on the Agency to remedy the situation and publish those the documents without further delay in order to ensure the necessary public oversight and scrutiny of its management; calls on the Agency to ensure that those declarations of interests are regularly checked and updated;
10. Notes with concern that the Agency has not provided for any specific initiative to improve transparency in its contacts with lobbyists and stakeholders; calls on the Agency to enact a proactive lobby transparency policy;

Internal audit

11. Notes that the Agency had one open recommendation by the Commission's internal audit service (IAS) which was closed in January 2015; notes, moreover, that the IAS was to undertake a risk assessment for the Agency in 2016; looks forward to the Agency's 2016 annual report and more information on the risk assessment undertaken;

Internal control

12. Notes that, according to the Agency, the extensive *ex-post* control of the financial year 2014, in line with internal control standard (ICS) No 8 'processes and procedures', resulted in a number of recommendations, all of which were addressed during 2015; acknowledges, furthermore, that 174 financial transactions representing 70,99 % of the 2014 Agency's budget were controlled, resulting in one issued recommendation regarding the delay of payments; acknowledges that the delay did not generate any interest to be paid;

Other comments

13. Notes that the preamble to Regulation (EU) No 526/2013 states that the staff primarily engaged in the administration should be based in Heraklion; notes the fact that, in accordance with settled case-law, the Agency did not consider the preamble of Regulation (EU) No 526/2013 to be a restrictive factor in its relocation;
14. Acknowledges the fact that the Agency, in its communication with the local authorities and the Commission, has continued to emphasise the advantages of relocating the Agency to the single office in Athens; notes, furthermore, that the estimated cost regarding the relocation of the remaining 14 members of staff in Heraklion as well as of all the furniture is approximately EUR 360 000; encourages the Greek authorities, the Commission and the Agency to find a solution for the issue of the Agency's two locations as soon as possible in order to ensure a much more efficient use of Union funds;

15. Notes that 68 members of staff participated in 2015 in an away day at a cost of EUR 9 585 (EUR 141 per person);
 16. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽¹⁾ on the performance, financial management and control of the agencies.
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⁽¹⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).

DECISION (EU) 2017/1692 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the European Union Agency for Network and Information Security for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for Network and Information Security for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Union Agency for Network and Information Security for the financial year 2015, together with the Agency'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 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0062/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EU) No 526/2013 of the European Parliament and of the Council of 21 May 2013 concerning the European Union Agency for Network and Information Security (ENISA) and repealing Regulation (EC) No 460/2004 ⁽⁴⁾, and in particular Article 21 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0115/2017),
1. Approves the closure of the accounts of the European Union Agency for Network and Information Security for the financial year 2015;
 2. Instructs its President to forward this decision to the Executive Director of the European Union Agency for Network and Information Security, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 138.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 165, 18.6.2013, p. 41.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2017/1693 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the European Railway Agency
(now European Union Agency for Railways) for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Railway Agency for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Railway Agency for the financial year 2015, together with the Agency's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0063/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 881/2004 of the European Parliament and of the Council of 29 April 2004 establishing a European Railway Agency ⁽⁴⁾, and in particular Article 39 thereof,
 - having regard to Regulation (EU) 2016/796 of the European Parliament and of the Council of 11 May 2016 on the European Union Agency for Railways and repealing Regulation (EC) No 881/2004 ⁽⁵⁾, and in particular Article 65 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁶⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0128/2017),
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 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Union Agency for Railways, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 151.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 164, 30.4.2004, p. 1.

⁽⁵⁾ OJ L 138, 26.5.2016, p. 1.

⁽⁶⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2017/1694 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Railway Agency (now European Union Agency for Railways) for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Railway Agency for the financial year 2015,
- having regard to Rule 94 of and Annex IV to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0128/2017),
- A. whereas, according to its financial statements, the final budget of the European Railway Agency (‘the Agency’) for the financial year 2015 was EUR 26 345 000, representing an increase of 2,45 % compared to 2014; whereas the entire budget of the Agency derives from the Union budget,
- B. whereas the Court of Auditors (the ‘Court’), in its report on the annual accounts of the European Railway Agency for the financial year 2015 (‘the Court’s report’), stated that it has obtained reasonable assurances that the Agency’s annual accounts are reliable and that the underlying transactions are legal and regular,
- C. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance based budgeting and good governance of human resources,

Follow-up of 2014 discharge

1. Acknowledges the fact that the Agency re-launched negotiations with the government of its host Member State on its headquarters agreement, which should lead to centralising all the Agency’s operations into one location and reducing of the costs; calls on the Agency to inform the discharge authority on the progress of the negotiations;

Budget and financial management

2. Notes that the budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 99,10 %, representing an increase of 1,76 % compared to 2014 and that the payment appropriations execution rate was 89,78 %, representing an increase of 3,96 % compared to 2014;
3. Notes that, in accordance with the provisions of the new Agency Regulation that entered into force in June 2016, the Agency is authorised to charge fees for some of its new competences including the issuing of safety certificates, vehicle authorisations and pre-approval of European Railway Traffic Management System (ERTMS) trackside projects; notes that the Agency is establishing a fee mechanism and is taking into account the practices of other agencies and relevant national bodies; asks the Agency to keep the discharge authority informed on the development and implementation of this new mechanism;

Commitments and carry-overs

4. Notes that, according to the Agency, the level of the carry-overs were below the indicative ceilings used by the Court to assess the budget execution (i.e. 10 % for Title I, 20 % for Title II and 30 % for Title III) for all budgetary titles;
5. Notes an improvement compared to 2014 with regard to the carry-overs (18,98 % compared to 24,53 % in 2014 for Title II and 29,42 % compared to 37,93 % in 2014 for Title III); welcomes the fact that the indicative ceilings used by the Court to assess the budget execution at the level of carry-overs (10 % for Title I, 20 % for Title II and 30 % for Title III) have been reached;

Procurement and recruitment procedures

6. Notes that, at the end of 2015, the Agency employed 154 permanent staff, of which 134 were temporary agents, 20 were contract agents and 3 were seconded national experts, compared to 151 members of permanent staff at the end of 2014; notes, moreover, that, according to the Agency, 62 % of its staff is male and 38 % female; observes that, according to the Agency's job screening exercise, 64,61 % of the Agency's jobs are related to its operational activities (compared to 67,59 % in 2014), 21,14 % are in the area of administrative support and coordination (compared to 20,72 % in 2014) and 14,25 % are neutral (compared to 11,69 % in 2014);
7. Regrets the fact that only 92,6 % of the invoices were paid within the set deadline of 30 days due to the delay in processing invoices by the Agency's staff, shortage of cash and disagreement with suppliers on the content of the invoices;

Prevention and management of conflicts of interest and transparency

8. Notes that, according to the Agency, its new policy on prevention and management of conflicts of interest for its administrative board members was approved; notes that the Agency consequently published the declarations of absence of conflicts of interests and CVs of its administrative board members on its website; notes furthermore that an action for publishing the CVs and declarations of interest of the Agency's management board will follow once the policy on conflict of interests is revised in 2017; calls on the Agency to publish CVs and declarations of interests of its management board members on Agency's website without further delay and carry out the revision of the policy parallel to it; calls on the Agency to report to the discharge authority on the result of the action;
9. Notes that the rules on protection of whistleblowers will be adopted in 2017; asks the Agency to inform the discharge authority on the implementation of these rules;
10. Notes that, according to the Agency, it started to implement the action plan defined in the Agency's Antifraud Strategy; notes in particular that the Agency organised two training sessions on ethics and integrity covering ethical values and on fraud prevention; notes that the attendance rate of the Agency's management was high, but was relatively low for the rest of the staff; notes that the training was to continue in 2016;
11. Notes that no cases of suspicion of fraud were transmitted by the Agency to the European Anti-Fraud Office (OLAF) in 2015; calls upon the Agency to inform the discharge authority on the results of OLAF's investigation and findings;

Internal audit

12. Acknowledges that no critical or very important recommendations were addressed to the Agency by the Commission's Internal Audit Service (IAS); notes that the IAS conducted an audit on Stakeholder Relationship Management and External Communication; notes that as a result, the IAS issued four important recommendations; acknowledges from the Agency that the recommendations were on track to be implemented in a timely manner within the framework of the Agency's Communication Strategy;
13. Notes that regarding the previous audits on Expert management in Interoperability, Annual Activity Reports and on The Planning and Budgeting Process the IAS concluded that all except one recommendation were implemented by the Agency, notes furthermore that, regarding the only recommendation still open, marked 'very important', on reinforcement of recruitment procedure, the Agency revised its Selection procedure and introduced as a temporary measure *ex-ante* control of all selection procedures by its Internal Control Coordinator; notes that the results of the *ex-ante* control were to be provided to the IAS as supportive evidence for the closure of the recommendation and looks forward to its evaluation;

Internal controls

14. Notes that the Agency has not yet fully complied with all the Internal Control Standards (ICS) in 2015; notes in particular that six of the ICS (namely No 2 'Ethics & Values', No 3 'Staff recruitment mobility, turn over', No 4 'Staff performance, management & development', No 9 'Management supervision', No 10 'Business continuity', and No 11 'Document management') were in the process of being implemented and that the ICS No 8 'Process and procedures' was already partially implemented; notes with satisfaction that the ICS No 12 on 'Information and communication' was implemented in 2015;
15. Notes that the Agency has adopted an Integrated Management System based on requirements specified in the Internal Control Standards and ISO 9001 series standards;

16. Notes that the 2015 risk assessment exercise highlighted risks related to the extension of the Agency's mandate in view of the entry into force of the technical pillar of the Fourth Railway Package as well as risks regarding potential security issues impacting interoperability and innovation challenges affecting railway competitiveness;

Communication policy

17. Notes with satisfaction that, in 2015, the Agency adopted a communication strategy that aimed to increase social media activities, to re-launch its public newsletter and its corporate design, to build up a repository of digital images to illustrate the Agency's work and accentuate its claim to work 'for society'; notes that the Agency will present a new public website (in line with the Single Programming Document 2017) by early 2017;
18. Notes, with satisfaction, that in 2016 the Agency undertook several actions in order to communicate its activities, achievements and added value to the outside world through several public events, including the InnoTrans fair in September 2016, a forum, held in Florence, on the digitalisation of railways, a celebration on the occasion of the positive vote on the 4th Railway Package and its subsequent name change and numerous workshops organised by its operational units across Europe;

Other comments

19. Notes with concern a significant gender imbalance of 86 %/14 % in respect of the Agency's senior management team and 85 %/15 % in respect of its management board members; urges the Agency to correct these imbalances and to communicate the results to the discharge authority as quickly as possible;
20. Notes that 43 members of staff participated in 2015 in away days for which the cost was EUR 5 000 (EUR 116 per person) and 320 members of staff participated in 'Other events' (total EUR 21 000, EUR 65 per person);
21. Highlights the Agency's strategic role in improving competitiveness of rail with other modes of transport, by reducing administrative and technical barriers, encouraging market entry and ensuring non-discrimination, spending public money more efficiently on public rail transport services and through better governance of the infrastructure;
22. Highlights the Agency's role in ensuring the safety and interoperability of European rail system; welcomes the Agency's role in the follow-up of the development, testing and implementation of ERTMS, as well as in evaluating the specific ERTMS projects; notes furthermore that a review of the Agency's role (e.g. one-stop-shop for vehicle authorisation and safety certification) and powers forms part of the Fourth Railway Package; stresses that, as the Agency receives greater responsibilities, it will need to be given the necessary financial, material and human resources to perform its new and additional tasks effectively and efficiently; notes, with concern, the contradiction between the recently approved legislation extending the scope of the Agency's mission and the budgetary cuts related to the Agency to be implemented within the scope of the multi-annual financial framework 2014-2020;
23. Supports the initiative taken by the Agency in 2015 to put in place a new process to get stronger engagement from Member States and stakeholders in the development of the 2016 work programme; welcomes the launch of the ERTMS Stakeholder platform and recalls that ERTMS is crucial for achieving a Single European Railway Area; stresses, therefore, that an optimised coordination of ERTMS development and deployment that ensures a single, transparent, stable, affordable, and interoperable ERTMS system throughout Europe is a key priority;
24. Welcomes the proactive approach of the Agency, which in 2016 has set up a task force in preparation for the adoption of the Fourth Railway Package and the new status of the Agency and its expanding role;
25. Welcomes the focused programme on the cleaning-up of national rules in order to reduce the impact or eliminate the existing barriers between Member States;
26. Supports the progress of the Agency towards an increased cooperation with the European Maritime Safety Agency (EMSA) and the European Aviation Safety Agency (EASA) in order to develop a common safety culture;

27. Recalls the European Parliament's position in the budgetary procedure for recovering of total amounts reallocated from the Connecting Europe Facility to the European Fund for Strategic Investments;
 28. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽¹⁾ on the performance, financial management and control of the agencies.
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⁽¹⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).

DECISION (EU) 2017/1695 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the European Railway Agency (now European Union Agency for Railways) for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Railway Agency for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Railway Agency for the financial year 2015, together with the Agency's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0063/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 881/2004 of the European Parliament and of the Council of 29 April 2004 establishing a European Railway Agency ⁽⁴⁾, and in particular Article 39 thereof,
 - having regard to Regulation (EU) 2016/796 of the European Parliament and of the Council of 11 May 2016 on the European Union Agency for Railways and repealing Regulation (EC) No 881/2004 ⁽⁵⁾, and in particular Article 65 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁶⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0128/2017),
1. Approves the closure of the accounts of the European Railway Agency for the financial year 2015;
 2. Instructs its President to forward this decision to the Executive Director of the European Union Agency for Railways, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 151.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 164, 30.4.2004, p. 1.

⁽⁵⁾ OJ L 138, 26.5.2016, p. 1.

⁽⁶⁾ OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2017/1696 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the European Securities and Markets Authority for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Securities and Markets Authority for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Securities and Markets Authority for the financial year 2015, together with the Authority's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0074/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC ⁽⁴⁾, and in particular Article 64 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A8-0124/2017),
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 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Securities and Markets Authority, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 162.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 331, 15.12.2010, p. 84.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2017/1697 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015**

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 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A8-0124/2017),
- A. whereas, according to its financial statements, the final budget of the European Securities and Markets Authority (the 'Authority') for the financial year 2015 was EUR 34 031 603, representing an increase of 2,3 % compared to 2014 due to the additional tasks entrusted to the Authority,
- B. whereas the overall contribution of the Union to the budget of the Authority for 2015 amounted to EUR 9 703 423, representing a decrease of 12,35 % compared to 2014,
- C. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the European Securities and Markets Authority for the financial year 2015 ('the Court's report') has stated that it has obtained reasonable assurances that the Authority's annual accounts for the financial year 2015 are reliable and that the underlying transactions are legal and regular,
- D. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, implementing the concept of performance based budgeting and good governance of human resources,
1. Underlines that the Authority's role is essential in fostering the consistent application of Union law and better coordination between national authorities, and in ensuring financial stability, transparency, better integrated and safer financial markets, as well as a high degree of consumer protection and convergent supervisory practices in this area;
 2. Recalls that Parliament was a driving force behind the establishment of a new and comprehensive European System of Financial Supervision (ESFS), including the three European Supervisory Authorities (ESAs), to ensure a better financial supervision system after the financial crisis;

Follow-up of 2011, 2012 and 2014 discharge

3. Notes with concern from the Court's report that regarding the three comments made in the Court's 2011 and 2012 reports, the status of corrective action is still marked as ongoing; urges the Authority to implement the corrective action as quickly as possible and to communicate the results of that implementation to the discharge authority;
4. Notes moreover that the status of the corrective action for the Court's 2014 comment regarding the fees charged to supervised entities appearing as revenue which are based on estimates rather than actual costs, is marked as ongoing; acknowledges that, in order to implement the Court's recommendation, the Authority developed an activity-based costing system for the calculation of fees of supervised entities; notes that the Authority and the discharge authority are still waiting for the Court's observation on the status of this corrective action;

Budget and financial management

5. Acknowledges that the budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 99,64 %, representing an increase of 0,08 % compared to 2014, and that the payment appropriations execution rate was at 84,54 %, representing an increase of 3,38 % compared to 2014;

6. Notes the reduction in the 2015 budget through two subsequent budget amendments, thereby using Union funds rationally; stresses the importance of ensuring an appropriate level, prioritisation and efficiency as regards resource allocation; emphasises that any potential increases in the Authority's means must be accompanied by adequate prioritisation measures; suggests that, as the Authority's workload is increasingly shifting from legislative tasks to supervisory convergence and enforcement, the Authority's budget and manpower should be allocated accordingly;

Commitments and carry-overs

7. Observes from the Court's report that the level of committed appropriations carried forward to 2016 was at 26 % for Title II (administrative expenditure) and at 33 % for Title III (operational expenditure); notes that those carry forwards are mainly related to the multiannual nature of the Authority's large IT projects, as well as to mission expenses that could only be reimbursed in 2016; notes that carry-overs may often be partly or fully justified by the multiannual nature of the Authority's operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annularity, in particular if they are planned in advance by the Authority and communicated to the Court;

Transfers

8. Notes with satisfaction that according to the Authority's annual activity report, the level and nature of transfers in 2015 remained within the limits of the financial rules; observes that the Authority's budget decreased by EUR 372 709 following the amending budget; observes furthermore that the Authority executed transfers in the amount of EUR 650 423 from Title I (Staff expenditure) and EUR 1 068 357 from Title III (operating expenditure) to cover budgetary needs of Title II (infrastructure and administrative expenditure);

Procurement, recruitment procedures and rules on obligations after leaving the service

9. Notes that the Authority employed 186 members of staff in 2015, compared to 168 members of staff in the previous year, representing a 10,7 % increase; observes that the Authority adopted new implementing rules on the engagement of temporary agents under Article 2(f) of the Conditions of Employment of Other Servants of the European Union; notes that the staff turnover rate for 2015 was 8,9 %, below the Authority's target of 10 %;
10. Acknowledges that the Authority amended its recruitment guidelines, outlining the various steps in the recruitment process and addressing several recommendations from the Court and other audit reviews; notes that the Authority adopted a new traineeship policy, seeking more transparency in the selection of trainees and simplifying the rules on traineeship grants;
11. Notes that the Authority aims to reach the best possible gender and geographical balance during its recruitment process; notes that the Authority's global gender balance was at 44 % female and 56 % male; observes that the Authority's staff includes 22 different Union nationalities, and 1 national from the European Economic Area (Norway);
12. Notes with satisfaction that the Authority has set up a number of important rules on obligations after leaving the service for its experts and staff, involving the signature of a declaration acknowledging their awareness of their continuing obligations to the Authority;

Prevention and management of conflicts of interests and transparency

13. Notes that, in 2015, the Authority implemented a policy on conflict of interest for non-staff, including the members of its board of supervisors, management board and board of appeal; acknowledges from the Authority that that policy was developed using the conclusions of the workshop on 'Better avoidance of conflict of interest' organised by Parliament in February 2013, the recommendations from the Court's Special Report No 15/2012, as well as the draft guide-lines for a common approach on decentralised Union agencies; notes moreover that, in 2015, the Authority implemented a policy on conflict of interest for staff, which, inter alia, requires all members of staff to fill out an annual declaration regarding potential conflicts of interest; notes that the CVs and declarations of interest of all of the Authority's senior management are published on its website;

14. Notes that, in January 2015, the Authority's management board adopted the Anti-Fraud Strategy 2015-2017, which aims at enhancing the Authority's capabilities in preventing, detecting, investigating and sanctioning potential fraud cases;
15. Notes that management board members of the Authority are required to sign a declaration of the absence of conflict of interest in contrast to a declaration of interests, regrets, however, that the declarations and the CVs of its board members are not published on the Authority's website; calls on the Authority to remedy the situation by publishing such documents to ensure necessary public oversight and scrutiny of its management;
16. Notes with satisfaction that the factual correctness of the declarations of interests are assessed regularly, at least once a year, and that *ad hoc* declarations are also assessed when received by the ethics team, and that where factual inaccuracies and inconsistencies are identified relevant steps are taken to provide clarifications;
17. Notes that the conclusion of internal rules on whistleblowing is foreseen by the Authority in the first half of 2017; asks the Authority to report to the discharge authority when its whistleblowing rules have been established and implemented;
18. Notes with satisfaction that the Authority has taken specific initiatives in order to increase transparency relating to its contacts with stakeholders and that are governed by its ethics rules; notes also that engagements with stakeholders are centrally coordinated and recorded as part of its external communications policy and procedures; observes that the Authority publishes the agendas of the Chairman and the Executive Director on its website, indicating their participation in conferences, meetings with stakeholders, media representatives as well as any other institutions and relevant activities, and furthermore since July 2016, the Authority also publishes on its website meetings between external stakeholders and the Authority's staff;
19. Considers that the minutes of meetings of the Board of Supervisors and of the Stakeholder Groups, which are publicly available, should be published immediately after the meeting to reduce the current time lag of up to three months between meetings and disclosure of minutes and to provide better insight into the discussions held, members' positions and voting behaviour; believes that outreach to Union citizens could also be enhanced by web streaming events; is concerned about *de facto* unequal accessibility of documents and information from internal meetings to different stakeholders, including Parliament; is of the opinion that the Authority should establish a secure channel for whistleblowers in the framework of its action plan for the years to come;
20. Notes that the Authority undertakes an active and targeted policy aimed at raising awareness amongst Union citizens about its objectives, challenges and activities; notes also that a Joint Consumer Protection Day is held in conjunction with the European Banking Authority (EBA) and the European Insurance and Occupational Pensions Authority (EIOPA);

Internal audit

21. Notes that the Commission's Internal Audit Service (IAS) performed in 2015 an audit on 'Stakeholder Management and External Communication'; notes that the Authority, based on the five recommendation issued by the IAS, developed an action plan which was accepted by the IAS; acknowledges that the implementation of actions described in the action plan is being followed up regularly by the Authority;
22. Acknowledges from the Authority that all critical or very important recommendations issued by the IAS in previous years were closed;

Performance

23. Notes that the Court performed an audit on Credit Rating Agencies supervision in the Authority; acknowledges that the Authority set up an action plan following the audit in order to implement the Court's recommendations; calls on the Authority to report to the discharge authority on the implementation of the action plan and results achieved;

Other comments

24. Stresses that, while ensuring that all assignments are carried out in full and within the deadline, the Authority should carefully adhere to the tasks assigned to it by Parliament and the Council; believes that the Authority should fully use its mandate to effectively foster proportionality in all its activities; notes that, wherever the Authority is authorised to draw up Level 2 and Level 3 measures, it should pay particular attention when drafting these standards to the specific features of the various national markets and that market participants and consumer protection organisations concerned should be involved at an early stage in the standard-setting process and during drafting and implementation stages;
25. Notes with concern that the Authority does not exercise all the prerogatives established in its legal framework; underlines that the Authority should ensure that resources are maximised in order to fully fulfil its legal mandate; notes in this connection that a closer focus on the mandate given to it by Parliament and the Council could result in a more efficient use of its resources and a more effective achievement of its objectives; stresses that, while carrying out its work and in particular when drafting implementing legislation, the Authority needs to inform Parliament and the Council about its activities in a timely, regular and comprehensive manner;
26. Concludes that the Authority's financing arrangement is to be reviewed; calls on the Commission to examine the possibility of modifying the current financing arrangement by introducing additional appropriately and proportionately calibrated fees for market participants, possibly replacing in part the contributions of national competent authorities whilst ensuring its autonomy and supervisory action;
27. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).

DECISION (EU) 2017/1698 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the European Securities and Markets Authority for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Securities and Markets Authority for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Securities and Markets Authority for the financial year 2015, together with the Authority's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0074/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC ⁽⁴⁾, and in particular Article 64 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A8-0124/2017),
1. Approves the closure of the accounts of the European Securities and Markets Authority for the financial year 2015;
 2. Instructs its President to forward this decision to the Executive Director of the European Securities and Markets Authority, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 162.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 331, 15.12.2010, p. 84.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2017/1699 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the European Training Foundation
for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Training Foundation for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2015, together with the Foundation's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0057/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation ⁽⁴⁾, and in particular Article 17 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0118/2017),
1. Grants the Director of the European Training Foundation discharge in respect of the implementation of the Foundation's budget for the financial year 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the European Training Foundation, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 168.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 354, 31.12.2008, p. 82.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2017/1700 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015**

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 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0118/2017),
- A. whereas, according to its financial statements, the final budget of the European Training Foundation (the 'Foundation') for the financial year 2015 was EUR 20 153 042, representing a decrease of 0,02 % compared to 2014; whereas the entire budget of the Foundation derives from the Union budget,
- B. whereas the Court of Auditors (the 'Court'), in its report on the Foundation's annual accounts for the financial year 2014 (the 'Court's report'), stated that it obtained reasonable assurances that the Foundation's annual accounts are reliable and that the underlying transactions are legal and regular,
- C. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, implementing the concept of performance-based budgeting and good governance of human resources,

Follow-up to 2014 discharge

1. Notes with concern that, according to the Court's report, funds amounting to EUR 7,5 million deposited at a single bank with a low credit rating made in the Court's 2013 report and marked as 'ongoing' in the Court's 2014 report are still marked as on 'ongoing'; acknowledges, however, that the funds held at that bank were reduced to EUR 1,8 million in 2015; notes, furthermore, that due to specific banking issues, the Foundation is obliged to keep an Italian bank;
2. Notes that, according to the Court's report, corrective action was taken with regard to a note in the Court's 2014 report and the comment is now marked as 'completed';

Budget and financial management

3. Notes that budget monitoring efforts during the financial year 2015 resulted in a high budget implementation rate of 99,89 %, indicating that commitments were made in a timely manner, and that the payment appropriations execution rate was high at 96,04 %;

Commitments and carry-overs

4. Notes that the Foundation's overall carry-forwards in Titles I and II decreased to 3,3 % compared to 6,4 % in 2014; notes that the carry-overs amounted to EUR 180 398 (1,4 %) for Title I (staff expenditure); notes, furthermore, that the carry-overs amounted to EUR 316 442 (16,1 %) for Title II (administrative expenditure) representing a considerable decrease of 20,1 % compared to the previous year; notes that the carry-overs for Title III (operational expenditure) increased by 4 % to 36,4 %, mainly due to an increase in activities planned in the second half of 2015 and the effects of a transfer of funds to Title III in December 2015, which was effected in order to maximise the Foundation's support to operational activities;
5. Notes that the carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annularity, in particular if they are planned in advance by the Foundation and communicated to the Court;

Transfers

6. Notes that the Foundation made nine budgetary transfers in 2015, one more than in 2014, in continued compliance with the recommendations received from the Court; acknowledges that the increased amount of payment appropriations transferred is linked to the budget restructuring undertaken in 2015, and was needed to pay for the previous year's activities, in which budget lines were discontinued; acknowledges, furthermore, that the level and nature of transfers in 2015 remained within the limits of the Foundation's financial rules;

Prevention and management of conflicts of interests and transparency

7. Notes that the Foundation has not collected or published declarations of conflicts of interests of all of its governing board members; notes that there is no mechanism which obliges the members to provide such declarations; notes that even some of the available declarations and CVs on the Foundation's website are accessible only with a password; calls on the Foundation to adopt strict guidelines for a coherent policy on the prevention and management of conflicts of interest for members of the management board and to adopt and implement a clear policy on conflicts of interest, in accordance with the Roadmap on the follow-up to the Common Approach on EU decentralised agencies; calls on the Foundation to publish all such documents, in accordance with those guidelines, and allows the public the necessary overview on its senior management; welcomes the fact that all declarations of conflicts of interests of the Foundation's relevant staff have been collected;
8. Notes that, according to the Foundation, an awareness-raising presentation on fraud and conflicts of interests for all staff was planned for the end of 2016; notes, moreover, that the selection assessment board members sign a declaration of conflicts of interests upon receipt of the list of applicants; acknowledges that all new members of staff attend a presentation on ethics and integrity including conflicts of interests and fraud;

Internal audit

9. Notes that, in accordance with the audit plan, the Commission's internal audit service (IAS) did not carry out an audit during the course of 2015; notes that at the end of 2015 the Foundation had one open audit recommendation regarding 'formal appointment of selection panels in procurement'; acknowledges that the IAS downgraded the recommendation from 'very important' to 'important' in September 2015, and that the recommendation will be formally closed through on-the-spot testing by the IAS during its next visit to the Foundation;
10. Notes that the Foundation commissioned three *ex-post* audits through the Commission's inter-institutional framework contracts for audits; notes, furthermore, that the results of the audits were positive overall although the performance and system audit and the audit 'on ETF practices in deploying its Performance Management Framework and its Improvement Plan' identified issues for improvement; acknowledges the fact that the Foundation immediately put in place actions in order to mitigate the identified issues;

Other comments

11. Acknowledges and welcomes the Foundation's continued contribution to modernising the education and training systems and to strengthening the human capital of partner countries, including the support provided to the Union's migration dialogue and Mobility Partnerships with neighbourhood countries; notes the Foundation's inventory on migrant support measures from an employment and skills perspective (MISMES) and its recommendations regarding skills and migration; welcomes the collaboration between the Foundation and the partner countries in order to analyse the 'NEETS' phenomenon (Young people Not in Employment, Education or Training);
12. Note that the Foundation's internal reorganisation came into effect on 1 January 2015 and hopes that the changed internal organisation will help the Foundation achieve better results;
13. Commends the Foundation's high achievement rate of 96 % in respect of the target set out in its work programme;
14. Welcomes warmly the full compliance of the Foundation with the 2004 EU Staff Regulations;

15. Notes the efforts made by the Foundation to ensure security of its assets and hopes this process will be completed in the near future;
 16. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽¹⁾ on the performance, financial management and control of the agencies.
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⁽¹⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).

DECISION (EU) 2017/1701 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the European Training Foundation for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Training Foundation for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2015, together with the Foundation's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0057/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation ⁽⁴⁾, and in particular Article 17 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0118/2017),
1. Approves the closure of the accounts of the European Training Foundation for the financial year 2015;
 2. Instructs its President to forward this decision to the Director of the European Training Foundation, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 168.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 354, 31.12.2008, p. 82.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2017/1702 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice for the financial year 2015, together with the Agency's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0079/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EU) No 1077/2011 of the European Parliament and of the Council of 25 October 2011 establishing a European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice ⁽⁴⁾, in particular Article 33 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0105/2017),
1. Grants the Executive Director of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice discharge in respect of the implementation of the Agency's budget for the financial year 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 173.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 286, 1.11.2011, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2017/1703 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice for the financial year 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0105/2017),
- A. whereas, according to its financial statements, the final budget of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice ('the Agency') for the financial year 2015 was EUR 67 559 100, representing an increase of 13,77 % compared to the year 2014; whereas the entire budget of the Agency derives from the Union budget,
- B. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom for the financial year 2015 ('the Court's report'), has stated that it has obtained reasonable assurances that the annual accounts of the Agency are reliable and that the underlying transactions are legal and regular,
- C. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance based budgeting and good governance of human resources,

Comments on the legality and regularity of transactions

1. Notes that, according to the Court's report, the Agency signed a framework contract amounting to EUR 2 000 000 for procurement services, including training, coaching and learning services, by a contractor and that the framework contract did not specify that the procurement services should have been in compliance with the procurement provisions in the Agency's financial rules; acknowledges that the framework contract in question was awarded through an open procedure under the Agency's financial rules; acknowledges furthermore that while there was no explicit provision that the contractor was bound to those financial rules, the specifications of the contract included a mandatory requirement that the lowest price on the market would be provided, as well as that the Agency had the right to impose a price review if a lower price could be found;
2. Notes that, according to the Court's report, the Agency launched a call for expressions of interest and pre-selection of candidates for participation in a negotiated procedure with an estimated value of EUR 20 000 000 without a delegation by the authorising officer; notes that no pre-selection, within the meaning of Regulation (EU, Euratom) No 966/2012 and its rules of application, took place before the launch of the negotiated procedure; notes furthermore that the call for expressions of interest was used as a means of market prospection and not as a tender procedure; understands that the market prospection was carried out by the operational initiating agent, under the supervision of his line manager, by applying a two-step approach assisted by an external consultant for the technical aspects, which consisted of a desk survey and a call for expressions of interest;

Budget and financial management

3. Notes that budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 99,68 % and that the payment appropriations execution rate was high at 99,4 %;
4. Acknowledges that the Agency introduced a budget ownership model in 2016 as planned; takes note of the fact that the budget ownership model formalised and distributed budgetary responsibility for planning, implementation and monitoring among managers in the Agency, at the level of Head of Unit and above;

5. Recalls that, according to Regulation (EU) No 1077/2011, countries associated with the implementation, application and development of the Schengen *acquis* and Eurodac-related measures (Schengen Associated Countries) must make a contribution to the Agency's budget; notes that the arrangements with Schengen Associated Countries defining detailed rules for their participation in the work of the Agency, including provisions on voting rights and their contribution to the Agency's budget, have still not been concluded; notes with concern that, in the absence of such arrangements, Schengen Associated Countries contribute to Title III (operational expenditure) of the Agency's budget following a provision in the association agreements signed with the Union, but they do not yet contribute to activities under Titles I and II (salaries and other administrative expenditure) of the Agency's budget; acknowledges that all legally possible actions have been taken in order to acquire financial contributions from Schengen Associated Countries to the Agency's budget; recalls that the negotiations with Schengen Associated Countries on budgetary contributions are led by the Commission rather than the Agency;

Procurement and recruitment procedures

6. Notes that, further to its audit of the Agency's procurement procedures, the Court concluded that the Agency in 2015 entered into contractual agreements or engaged in negotiations with a single contractor without precisely defining the services requested; is deeply concerned as the agreements signed in 2015 ran a high risk of being contrary to the principle of economy and damaging the cost-effectiveness of such procurements and are much more exposed to the risk of corruption; observes that such agreements could also further limit competition and increase dependence upon the contractor; acknowledges that, in particular for the systems under management, factors outside the control of the Agency limit the possibility to systematically re-open competitions; encourages the Agency to conclude agreements with multiple suppliers or to define the services required more precisely, whenever possible; awaits the Court's audit of the Agency's procurement procedures for 2016 and trusts that the Agency has improved on the observed procurement procedures in 2016;
7. Notes that in 2015 the total staff of the Agency consisted of 135 members (117 temporary agents, 12 contract agents and 6 seconded national experts); notes furthermore that the staff consisted of 33 % female members and 67 % male members;

Commitments and carry-overs

8. Notes that the committed appropriations for Title II (administrative expenditure) carried over amounted to EUR 9 000 000 (50 % of committed appropriations), compared to EUR 15 000 000 (87 %) in 2014; notes furthermore that these carry-overs were mainly due to a large contract for the extension of the Agency's Strasbourg building and services provided under multi-annual contracts; acknowledges that the Agency deployed a considerable effort in planning and coordination in order to verify that all business cases for the carry-overs of non-differentiated appropriations were indeed justified;
9. Notes that carry-overs may often be partly or fully justified by the multiannual nature of agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance by the Agency and communicated to the Court;

Internal controls

10. Recognises the efforts of the Agency in the implementation of the Internal Control Standards (ICS), which enabled significant progress towards the full implementation of the baseline requirements within the relatively short timeframe since the Agency was granted its financial autonomy in May 2013; notes, however, that the implementation of the ICS does not yet correspond in all respects to the baseline requirements, as well as the fact that four ICS were yet to be implemented, six were considered as largely implemented, and six were fully implemented;
11. Notes that the Commission's Internal Audit Service issued 14 recommendations regarding the implementation of the ICS of which five were rated as 'Very Important' and nine as 'Important'; notes furthermore that the Internal Audit Service identified no critical issues;
12. Acknowledges the fact that the Agency acquired necessary insurance coverage for fixed tangible assets, as requested by the discharge authority and the Court in 2014;

13. Regrets that two data breach incidents were reported in 2015 related to the internal administrative process in the Agency; welcomes the strengthening of data protection and data security in the Agency by additional awareness sessions, training for staff and by the production of data breach policy and procedures, and the action plan and work programme;

Internal audit

14. Notes that the Internal Audit Capability (IAC) conducted an audit on the effectiveness of the internal control system as regards contract management in the Agency; takes note of the fact that the IAC identified no critical issues; notes moreover that the IAC issued five recommendations regarding the definition and organisation of contract management, as well as regarding contract governance;

Prevention and management of conflicts of interest and transparency

15. Notes that the Agency expects to conclude its internal rules on whistleblowing during the course of 2017; calls on the agency to adopt an internal whistleblowing policy which will foster a culture of transparency and accountability in the workplace, to inform and train employees regularly of their duties and rights with regard to that policy, to ensure the protection of whistleblowers from reprisals, to follow up on the substance of whistleblowers' alerts in a timely manner and to put in place a channel for anonymous internal reporting; calls on the Agency to publish annual reports on the number of whistleblower cases and on how they were followed up and to provide those annual reports to the discharge authority; asks the Agency to report to the discharge authority when its whistleblowing rules have been established and implemented;
16. Notes with concern that the CVs of the Agency's management board members and the CVs and declarations of interest of the members of its Advisory Groups are not published on the Agency's website; regrets that the Agency did not check the factual correctness of the declarations of interest, nor did it provide a process for updating them; urges the Agency to adopt guidelines for a coherent policy on the prevention and management of conflicts of interest and to adopt and implement a clear policy on conflicts of interest, in accordance with the Commission's Roadmap on the follow-up to the Common Approach on Union decentralised agencies and to publish those policies in order to ensure necessary public oversight and scrutiny of its management;
17. Notes that the first annual monitoring report on the implementation of the Agency's anti-fraud strategy was issued in April 2016 and that it showed a level of implementation close to 60 %; notes that the next monitoring report was to be issued by March 2017; asks the Agency to inform the discharge authority of the results of that report; notes that the Agency's management board adopted the Agency's anti-fraud strategy and an action plan in November 2015; notes furthermore that the Agency aims to adopt the new rules resulting from the action plan by the end of 2017 and to start implementing them immediately after their adoption;

Communication and cooperation with other agencies

18. Notes with satisfaction that 12 major awareness and visibility activities were carried out by the Agency in 2015; notes that these included the annual conference, two roundtables with industry, Europe Day celebrations, activities for border guards at the Europe Day celebrations, three information sessions with stakeholders and information multipliers, a film about the justice and home affairs Agencies' cooperation and their role in implementing Union policies for the benefit of citizens, and an information campaign on the Smart Borders pilot project, resulting in the production and dissemination of information material in various linguistic versions, as well as enhanced visibility and media coverage;

Other comments

19. Notes with satisfaction that the Agency concluded the negotiations and signed the headquarters agreement with France for its operational site in Strasbourg; notes that the agreement has yet to be ratified by the French parliament;
20. Notes with satisfaction that the Agency, at the end of 2014, concluded the negotiations and signed the headquarters agreement with Estonia for its seat in Tallinn; notes that the Estonian parliament ratified the Agency's headquarters agreement on 18 February 2015;

21. Takes note of the fact that, in light of the reform of the Dublin system and as provided in the European Agenda on Migration, the Agency performed an initial assessment of the possible impact of the reform on the management of the Eurodac system; acknowledges that the results of the assessment have been provided to the Commission and incorporated into the proposal for reform of the Dublin system;
22. Notes with concern a significant gender imbalance in the composition of the Agency's management board; urges the Agency to correct this imbalance and to communicate the results to Parliament promptly;
23. Takes note of the fact that the Agency's available office space is at maximum occupancy, which has consequently minimised the unit cost per workstation; expects, nevertheless, that the legal requirements for a healthy and safe workplace for its employees be fully respected;
24. Takes note of the fact that in 2015 the Agency's 97 staff members participated in away days for which the cost was EUR 9 227 (EUR 95,13 per person), as well as the fact that 448 staff members participated in 'other events' for which the cost was EUR 29 807,65 (EUR 66,54 per person);
25. Welcomes the adoption by the management board in March 2015 of a set of performance indicators for the work of the Agency; takes the view that such indicators should better reflect the effects and impact of its actions on security, migration, border management and fundamental rights; looks forward to seeing the results of the implementation of such indicators for the year 2016; invites the Agency to improve the visibility of its work through online platforms;
26. Welcomes efforts to keep justice and home affairs systems aligned with evolving political priorities and unforeseen events through the year; acknowledges the growing importance of the Agency for the functioning of the Schengen area; calls on the Agency to closely monitor its financial and human resources and, if needed, to submit timely and justified requests for adjustments;
27. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).

DECISION (EU) 2017/1704 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice for the financial year 2015, together with the Agency's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0079/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EU) No 1077/2011 of the European Parliament and of the Council of 25 October 2011 establishing a European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice ⁽⁴⁾, in particular Article 33 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0105/2017),
1. Approves the closure of the accounts of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice for the financial year 2015;
 2. Instructs its President to forward this decision to the Executive Director of the European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 173.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 286, 1.11.2011, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2017/1705 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the European Agency for Safety and Health at Work for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Agency for Safety and Health at Work for the financial year 2015, together with the Agency's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0053/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 2062/94 of 18 July 1994 establishing a European Agency for Safety and Health at Work ⁽⁴⁾, and in particular Article 14 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0116/2017),
1. Grants the Director of the European Agency for Safety and Health at Work discharge in respect of the implementation of the Agency's budget for the financial year 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the European Agency for Safety and Health at Work, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 179.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 216, 20.8.1994, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2017/1706 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Agency for Safety and Health at Work for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Agency for Safety and Health at Work for the financial year 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0116/2017),
- A. whereas according to its financial statements the final budget of the European Agency for Safety and Health at Work (the 'Agency') for the financial year 2015 was EUR 16 852 526, representing a decrease of 2,34 % compared to 2014,
- B. whereas the Union's contribution for the financial year 2015 to the Agency's budget amounted to EUR 14 732 995, representing an increase of 3,54 % compared to 2014,
- C. whereas the Court of Auditors (the 'Court'), in its report on the Agency's annual accounts for financial year 2015 (the 'Court's report'), stated that it has obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular,
- D. whereas, in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of the performance-based budgeting and good governance of human resources,

Follow-up of 2014 discharge

1. Notes that, according to the Court's report, regarding two comments made in its 2014 report, corrective actions were taken and the two comments are now marked as 'not applicable' or 'completed';

Budget and financial management

2. Notes that the budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 97,5 %, representing a decrease of 1,2 % compared to 2014, and that the payment appropriations execution rate was at 72,1 %, representing a decrease of 3,50 % compared to 2014;
3. Acknowledges the fact that the Agency's activity-based approach to budgeting, piloted in 2014, was fully implemented in 2015, allowing the Agency to plan further ahead as well as to put greater emphasis on collaboration and teamwork within the organisation; acknowledges, moreover, that the Agency made a great deal of progress on the development of an e-tool for activity-based management and budgeting which was to be implemented in 2016; calls on the Agency to inform the discharge authority on the effects the e-tool's implementation will have on its organisation;

Commitments and carry-overs

4. Notes that the budget allocated under Title II (administrative expenditure) was implemented to 97,4 %; notes that, according to the Court's report, the level of committed appropriations for Title II amounted to 25,56 %, mainly due to the services that are contracted for a period covering two calendar years, as well as IT services which had not yet been fully delivered or been invoiced by the end of 2015;
5. Notes, moreover, that the budget allocated under Title III (operational expenditure) was implemented to 98,36 %; notes from the Court's report that the level of committed appropriations for Title III amounted to 40,80 %, mainly due to the large-scale research projects with a duration of more than one year, and a board meeting held in January 2016 which was supposed to be organised in the last quarter of 2015;

6. Notes that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance by the Agency and communicated to the Court;

Transfers

7. Notes that during the financial year 2015, 10 budgetary transfers, totalling EUR 723 300, were carried out in order to reallocate resources from areas where budgetary savings were identified towards areas of scarce resources, to ensure the achievement of the year's objectives; notes with satisfaction that, according to the annual activity report, the level and nature of transfers in 2015 remained within the limits of the financial rules;

Procurement and recruitment procedures

8. Notes that in 2015 the Agency contracted out goods and services for a total amount of EUR 7 926 184; notes, moreover, that 16,64 % of the procurement amount was awarded through four open procedures and 11,41 % through 77 negotiated procedures; notes that 64,73 % of the procurement amount was committed through 170 specific contracts or purchase orders under framework contracts and 7,22 % through Commission service-level agreements and framework contracts;
9. Observes that in 2015 the Agency made significant progress regarding the implementation of the 2013 Staff Regulations, making sure that its internal rules and procedures were aligned; notes that a procurement process was launched for external consultants to advise on the Agency's structure and work organisation and to identify options for maximising human and financial resources by improving efficiency and effectiveness to best meet the objectives set out in the Agency's multi-annual strategic programme 2014 to 2020; notes that the Agency filled six vacancies during 2015 while two recruitment procedures were to be completed in 2016;
10. Acknowledges the fact that, by cancelling two temporary agent AST posts in 2015, the Agency reduced the number of its staff members by 5 %, in line with the overall principles laid down in the Interinstitutional Agreement on budgetary discipline ⁽¹⁾; notes that the Commission classified the Agency as a 'cruising speed agency', implying an additional 5 % reduction and cancellation of one AST post in 2016; calls on the Commission to ensure that potential further cost-saving measures do not hinder the Agency's ability to fulfil its mandate;

Prevention and management of conflicts of interests and transparency

11. Acknowledges that the Agency's governing board adopted an anti-fraud strategy on the basis of the guidelines issued by the European Anti-Fraud Office (OLAF) for the Union agencies; notes that the objectives of the anti-fraud strategy, which covers 2015 to 2018, were operationalised by a detailed action plan and its implementation is being monitored by the Agency's bureau; notes with satisfaction that during 2015, no cases were transmitted to OLAF and OLAF did not initiate any cases concerning the Agency's activity on the basis of other sources of information;
12. Notes that the Agency has yet to implement internal rules on whistleblowing; notes that the Agency is awaiting guidelines from the Commission; calls on the Agency to adopt the rules that will allow its internal whistleblowing policy to foster a culture of transparency and accountability in the workplace, to inform and train employees regularly of their duties and rights with regard to that policy, to ensure protection of whistleblowers from reprisal, to follow up on the substance of whistleblowers' alerts in a timely manner and to put in place a channel for anonymous internal reporting; calls on the Agency to publish annual reports on the number of whistleblower cases and on how they were followed up and to provide those annual reports to the discharge authority; asks the Agency to report to the discharge authority when its whistleblowing rules have been established and implemented;
13. Notes with concern that the Agency's policy on the prevention and management of conflicts of interests does not take into account external staff members, interim staff and seconded national experts; calls on the Agency to update its policy to include external members of staff, interim staff and seconded national experts and to report back to the discharge authority;

⁽¹⁾ Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management (OJ C 373, 20.12.2013, p. 1).

14. Notes that the Agency's website was completely redesigned and re-launched in 2015, is available in 25 languages, and has been complemented by an 'OSH wiki', which provides detailed information across a wide range of safety and health topics; notes with satisfaction that, as part of the project, the Agency worked with the Translation Centre to develop a new functionality in the website's back office that greatly facilitates the management of translations, and that this functionality is now being made available to other agencies and bodies;

Internal audit

15. Notes that, the Agency had no 'critical' or 'very important' open recommendations from the audits performed by the Commission's internal audit service (IAS) at the end of 2015; acknowledges the fact that IAS marked the last open recommendation, marked as 'very important' and arising from its 2013 audit on 'reporting and building blocks of assurance' as 'closed' in June 2015; notes, moreover, that the Agency followed up on the last open recommendations from the 2012 and 2013 IAS audits, which were submitted to the IAS for review;

Performance

16. Acknowledges the fact that the Agency's business continuity plan was fully revised, tested, and the final version was adopted; notes that the Agency's ICT team entered into a collaboration with the Union's Computer Emergency Response Team to improve IT security; observes that the Agency implemented its own tool for recording software issues, thereby making suppliers more accountable and allowing the history of an issue to be accessed more easily;

Other comments

17. Recognises the role that the Agency is playing in the implementation of the EU Strategic Framework on Health and Safety at Work 2014 to 2020; notes the value of the Agency's work in this regard, as well as the work carried out by the Scientific Committee on Occupational Exposure Limits' and the Advisory Committee on safety and health at work in the context of the binding occupational exposure limits for carcinogens and mutagens in Directive 2004/37/EC ⁽¹⁾.
18. Appreciates the Agency's contribution to promoting healthy and safe workplaces across the Union and beyond; notes the progress in the implementation of its Multiannual Strategic Programme, in particular the pilot project on 'Safer and healthier work at any age' and the online interactive risk assessment (OiRA);
19. Calls on the Agency to continue to monitor closely, analyse and report on health and safety conditions at work and to propose initiatives for improving them;
20. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽²⁾ on the performance, financial management and control of the agencies).

⁽¹⁾ 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) (OJ L 158, 30.4.2004, p. 50).

⁽²⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).

DECISION (EU) 2017/1707 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the European Agency for Safety and Health at Work for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Agency for Safety and Health at Work for the financial year 2015, together with the Agency's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0053/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 2062/94 of 18 July 1994 establishing a European Agency for Safety and Health at Work ⁽⁴⁾, and in particular Article 14 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0116/2017),
1. Approves the closure of the accounts of the European Agency for Safety and Health at Work for the financial year 2015;
 2. Instructs its President to forward this decision to the Director of the European Agency for Safety and Health at Work, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 179.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 216, 20.8.1994, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

DECISION (EU, Euratom) 2017/1708 OF THE EUROPEAN PARLIAMENT
of 27 April 2017
on discharge in respect of the implementation of the budget of the Euratom Supply Agency for
the financial year 2015

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Euratom Supply Agency for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the Euratom Supply Agency for the financial year 2015, together with the Agency's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0069/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 1(2) thereof,
 - having regard to Council Decision 2008/114/EC, Euratom of 12 February 2008 establishing Statutes for the Euratom Supply Agency ⁽⁴⁾, and in particular Article 8 of the Annex thereto,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0126/2017),
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 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director-General of the Euratom Supply Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 184.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 41, 15.2.2008, p. 15.

RESOLUTION (EU, Euratom) 2017/1709 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015**

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 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0126/2017),
- A. whereas, according to its financial statements, the final budget of the Euratom Supply Agency (the 'Agency') for the financial year 2015 was EUR 125 000, representing an increase of 20,19 % compared to 2014; whereas EUR 119 000 (95,2 %) of the budget of the Agency derives from the Union budget and EUR 6 000 (4,8 %) from its own revenues (bank interest on the paid-up capital);
- B. whereas the Court of Auditors (the 'Court'), in its report on the Agency's annual accounts for the financial year 2015 (the 'Court's report'), stated that it has obtained reasonable assurances that the annual accounts for the financial year 2015 are reliable and that the underlying transactions are legal and regular,
- C. whereas, in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, implementing the concept of performance-based budgeting and good governance of human resources,

Budget and financial management

1. Notes that budget monitoring efforts during the financial year 2015 resulted in a commitment appropriations execution rate of 98,92 %, representing an increase of 7,84 % compared to 2014; notes that the payment appropriation execution rate was 62,86 %, representing a decrease of 18,27 % compared to 2014; urges the Agency to respect the principle of annuality to the maximum extent possible in the future;
2. Notes that, according to the Court's report, the level of carry-overs of committed appropriations was EUR 41 482 (50,5 %) for Title II (administrative expenditure), compared to EUR 8 970 in 2014 (14,9 %); notes that, according to the Agency, those carry-overs related to the purchase of IT hardware and consulting services ordered in the fourth quarter of 2015 that went beyond the year-end, mainly due to a delay in decision-making on the possibility to use the Commission's DIGIT framework contracts;

Procurement and recruitment procedures

3. Notes that the Agency had 17 members of staff at the end of 2015, all of whom were Commission officials; notes, furthermore, that one contractual agent post was not replaced after the holder of the post resigned;

Other comments

4. Notes that, according to the Agency, it processed 375 transactions in 2015, including contracts, amendments and notifications of front-end activities in order to ensure the security of supply of nuclear materials;
5. Notes that in 2015 the Agency prepared and presented to its advisory committee a draft proposal to amend its rules in order to bring them into line with current market practices; notes, furthermore, that if adopted, this would be the first revision of the rules since 1975; calls on the Agency to inform the discharge authority of further developments regarding the amendment of its rules;
6. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).

DECISION (EU, Euratom) 2017/1710 OF THE EUROPEAN PARLIAMENT
of 27 April 2017
on the closure of the accounts of the Euratom Supply Agency for the financial year 2015

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Euratom Supply Agency for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the Euratom Supply Agency for the financial year 2015, together with the Agency's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0069/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 1(2) thereof,
 - having regard to Council Decision 2008/114/EC, Euratom of 12 February 2008 establishing Statutes for the Euratom Supply Agency ⁽⁴⁾, and in particular Article 8 of the Annex thereto,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0126/2017),
1. Approves the closure of the accounts of the Euratom Supply Agency for the financial year 2015;
 2. Instructs its President to forward this decision to the Director-General of the Euratom Supply Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 184.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 41, 15.2.2008, p. 15.

DECISION (EU) 2017/1711 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2015, together with the Foundation's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0049/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EEC) No 1365/75 of the Council of 26 May 1975 on the creation of a European Foundation for the improvement of living and working conditions ⁽⁴⁾, and in particular Article 16 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0111/2017),
1. Grants the Director of the European Foundation for the Improvement of Living and Working Conditions discharge in respect of the implementation of the Foundation's budget for the financial year 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the European Foundation for the Improvement of Living and Working Conditions, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 188.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 139, 30.5.1975, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2017/1712 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0111/2017),
- A. whereas, according to its financial statements, the final budget of the European Foundation for the Improvement of Living and Working Conditions (the 'Foundation') for the financial year 2015 was EUR 20 860 000 representing an increase of 0,42 % compared to 2014,
- B. whereas the Court of Auditors (the 'Court') in its report on the Foundation's annual accounts for the financial year 2015 (the 'Court's report'), stated that it has obtained reasonable assurances that the Foundation's annual accounts for the financial year 2015 are reliable and that the underlying transactions are legal and regular,
- C. whereas, in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, implementing the concept of performance based budgeting and good governance of human resources,

Follow-up of 2014 discharge

1. Notes that the Foundation was committed to increasing the number of declarations of interest and CVs available on its website and that it aimed to collect declarations from all board members as the new governing board was to be appointed after the expiry of the mandate of the current board in November 2016; notes, however, that some of the governing board's CVs and declarations of interests are still missing; calls on the Foundation to acquire and publish those documents to ensure necessary public oversight and scrutiny of its management;
2. Notes that, according to the Court's report, the observation in the Court's 2013 report regarding a comprehensive headquarters agreement between the Foundation and the Member State hosting the Foundation is marked as 'completed';
3. Notes that, according to the Court's report, the observation in the Court's 2014 report regarding non-compliance of the Foundation with the Staff Regulations is marked as 'completed';

Budget and financial management

4. Notes that the Foundation is making efforts to ensure a full delivery of the work programme, which requires full use of the budgetary funds; notes that the budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 99,9 % and that the payment appropriations execution rate was 87,35 %, representing an increase of 7,55 % compared to 2014;

Commitments and carry-overs

5. Notes that, according to the Court's report, the level of committed appropriations carried forward to 2016 was at EUR 2 135 164 (31,2 %) for Title III (operational expenditure), compared to EUR 3 814 156 (53,7 %) in 2014; acknowledges the fact that the Foundation's committed appropriations are high mainly due to multi-annual projects implemented according to schedule;
6. Notes that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance and communicated to the Court; welcomes the fact that the Foundation, together with the Court, established a procedure which allows a transparent distinction between 'planned' and 'unplanned' carry-overs;

Procurement and recruitment procedures

7. Notes that the Foundation's advisory committee on procurement and contracts (ACPC), which gives an opinion on contract proposals with a value of at least EUR 250 000, examined five dossiers in 2015 and that all its opinions were favourable; notes, in addition, that the ACPC carried out an annual *ex-post* verification of two out of five contracts awarded in 2015; notes that although the ACPC issued specific comments and recommendations, it was satisfied that the Foundation adhered to the procurement procedures;

Performance

8. Notes that the Foundation's target of 80 % regarding the number of planned outputs in its work programme was not achieved, even though the Foundation improved its performance in comparison to 2014; notes that the reasons why the Foundation missed the target are principally related to delays by contractors and the scarcity of staff resources; notes, furthermore, that a more realistic number of projects and deliverables was planned and implemented in 2016, in line with the Foundation's reduced resources; is concerned that, with the current resources outlook, the Foundation's pan-European surveys are not secured in the long term as well as that the Foundation cannot commit to embark on further work, such as on migrants and refugees or undeclared work, despite strongly worded requests by its governing board; calls on the Foundation and the Commission to tackle the scarcity of staff resources and report back to the discharge authority on the possible solutions;
9. Is concerned that the overall 10 % reduction of staff has had an impact on the delay of some of the Foundation's projects and contributed to difficult discussions in relation to negative priorities with the governing board's bureau; acknowledges the fact that the Foundation managed to comply with the reductions imposed by the Commission even though all its establishment plan posts were filled in the previous years; calls on the Commission to ensure that potential further cost-saving measures do not hinder the Foundation's ability to fulfil its mandate; calls on the budgetary authority to take this into account during the budgetary procedure;

Internal controls

10. Notes that, in line with the prioritisation made in 2014, the Foundation's internal control coordinator focused on further developing the three internal control standards relating to staff allocation and mobility, processes and procedures, as well as to document management; notes, in addition, that two members of the internal control committee attended a 'train the trainer' course on anti-fraud organised by the European Anti-fraud Office;

Internal audit

11. Notes that the internal audit service (IAS) did not carry out any audit in the Foundation during 2015; notes that the three pending recommendations, stemming from the audit on 'customer relations and stakeholder relations management' conducted by the IAS in 2013, were closed in 2015;

Prevention and management of conflicts of interests and transparency

12. Welcomes the fact that in 2016 the Foundation raised awareness of its conflicts of interests and anti-fraud policies among its staff by using specific training offered to all members of staff; notes with satisfaction, furthermore, that that training is intended to become a standard part of the induction programme for new members of staff;

Other comments

13. Notes that 17 members of staff participated in 2015 in two away days for which the cost was EUR 2 136 (namely, EUR 126 per person);
14. Notes the efficiency of the eTendering platform for managing calls for tender, which consists of the publication of tender documents and the management of questions and answers concerning the specifications and the procedure;
15. Welcomes the publishing of the current programming document 2017 to 2020, which sets out the policy and institutional context for the programme, describes the multiannual programme for the four-year period, and sets out the work programme for 2017;

16. Stresses that the Foundation's host Member State is to provide the best possible conditions to ensure the functioning of the Foundation, including multilingual, European-oriented schooling and appropriate transport connections;
17. Notes that necessary arrangements concerning the accommodation to be provided for the Foundation in the host Member State is to be laid down in a Headquarters Agreement between the Foundation and that Member State;
18. Acknowledges the Foundation's progress in the implementation of the current four-year programme for 2013 to 2016 on research to assist the development of social and labour policies; welcomes its input to policy development through a consistently high number of quality surveys, studies, presentations, events and projects in order to constantly improve the living and working conditions in the Union; notes the start of the European Parliament's pilot project, 'The future of manufacturing in Europe'; considers it to be important to maintain strong cooperation between the Foundation and Parliament's Committee on Employment and Social Affairs in order to continue to engage in constructive and evidence-based discussions; calls on the Foundation to continue to closely monitor, analyse and report on living and working conditions and to provide expertise for their improvement;
19. Notes the high-level impact of the Foundation, particularly in supporting the Union institutions, as reflected in the performance indicators presented in the consolidated annual activity report;
20. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).

DECISION (EU) 2017/1713 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2015, together with the Foundation's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Foundation in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0049/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EEC) No 1365/75 of the Council of 26 May 1975 on the creation of a European Foundation for the improvement of living and working conditions ⁽⁴⁾, and in particular Article 16 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A8-0111/2017),
1. Approves the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2015;
 2. Instructs its President to forward this decision to the Director of the European Foundation for the Improvement of Living and Working Conditions, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 188.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 139, 30.5.1975, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2017/1714 OF THE EUROPEAN PARLIAMENT
of 27 April 2017
on discharge in respect of the implementation of the budget of Eurojust for the financial year 2015

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of Eurojust for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of Eurojust for the financial year 2015, together with Eurojust's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to Eurojust in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0056/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime ⁽⁴⁾, and in particular Article 36 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0129/2017),
1. Grants the Administrative Director of Eurojust discharge in respect of the implementation of Eurojust's budget for the financial year 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Administrative Director of Eurojust, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 193.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 63, 6.3.2002, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2017/1715 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of Eurojust for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of Eurojust for the financial year 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0129/2017),
- A. whereas, according to its financial statements, the final budget of Eurojust for the financial year 2015 was EUR 33 818 351; whereas the entire budget of Eurojust derives from the Union budget,
- B. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of Eurojust for the financial year 2015 ('the Court's report'), has stated that it has obtained reasonable assurances that Eurojust's annual accounts are reliable and that the underlying transactions are legal and regular,
- C. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources,

Follow-up of 2014 discharge

1. Acknowledges that, according to the Court's report, regarding follow-up of previous discharges, corrective actions have been taken and two comments were marked as 'Ongoing', while one comment was marked as 'Not Applicable';
2. Acknowledges that Eurojust evaluates, in consultation with the Commission's Directorate-General for Justice and Consumers and Directorate-General for Budget, the use of differentiated appropriations to ensure the financing of operational activities, which cannot be planned in advance and need to continue throughout the entire year;

Budget and financial management

3. Notes with satisfaction that the budget monitoring efforts during the financial year of 2015 resulted in a budget implementation rate of 99,99 %, representing an increase of 0,17 % from 2014; notes furthermore that the payment appropriations execution rate was 89 %, representing an increase of 1,69 % from 2014;
4. Regrets that Eurojust faced budgetary availability issues due to known structural problems with its funding and that for the second successive year was forced to resort to mitigation measures subject to an amending budget; regrets that the financial uncertainty with which Eurojust was confronted required the postponement of some of its ongoing activities and the deferral of valuable technological developments; requests that Eurojust and the Commission solve these known structural problems and secure a proper level of funding for the coming years;

Commitments and carry-overs

5. Notes that the amount carried over from 2014 to 2015 was EUR 4 246 726 of which 87,6 % was used; notes, in addition, that an amount of EUR 525 194 was cancelled at the year-end, representing a similar amount as in 2014;
6. Notes that, according to the Court's report, the level of committed appropriations carried over for Title II (administrative expenditure) was at EUR 1 600 000 (21 %) compared to EUR 1 500 000 (20 %) in 2014; acknowledges that these carry-overs are mainly related to specific contracts for security and hospitality services and ICT projects, hardware and maintenance, consultancy and project costs for the new premises, as well as to services ordered before year-end and provided in 2016;

7. Notes that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance and communicated to the Court;

Procurement and recruitment procedures

8. Notes that Eurojust signed 23 contracts with a value above EUR 15 000 representing a slight decrease of 14 % compared with 2014; observes that an open procurement procedure was followed for 82,6 % of the contracts, representing 95,44 % of the procured amount;
9. Notes that Eurojust's vacancy rate as of 31 December 2015 was 2,4 % as opposed to 4,8 % on 31 December 2014; notes with satisfaction that 97,6 % of the 2015 establishment plan was executed;
10. Observes that in 2015 Eurojust implemented the second wave of post reductions, corresponding to 2 % or four posts, in order to achieve the 5 % staff reduction target agreed by Parliament and the Council; notes moreover that the final wave of staff reductions, corresponding to 1 % or three posts, was to be implemented in 2016 in the area of administrative support; acknowledges that the staff reduction strengthened the share of operational jobs in the organisation;

Prevention and management of conflicts of interests and transparency

11. Notes Eurojust's reaffirmation that clear rules for the protection of whistleblowers play an integral part in achieving a culture of trust and in the fight against fraud, as provided for in Article 22c of the Staff Regulations; notes that Eurojust is in the process of drafting new rules for the protection of whistleblowers; points out that a preliminary discussion regarding the draft rules already took place in the College of Eurojust on 4 October 2016; invites Eurojust to further report on the process and on the subsequent adoption of its rules for the protection of whistleblowers;
12. Observes that short summaries of the CVs of College members are published online but that declarations of interest are not; notes in this regard that the College of Eurojust adopted guidelines on the prevention and management of conflicts of interest in January 2016; notes also that Eurojust is currently finalising the process of compiling declarations of interest and that its outcomes will subsequently be published on its website; asks Eurojust to report to the discharge authority on the progress on this issue;
13. Notes with concern that Eurojust has not foreseen any check or updating of the declarations of interest of experts, members of the College and members of staff;
14. Regrets that the administration and the members of the independent joint supervisory body did not publish their declarations of interest; calls for the immediate publication of these declarations; calls upon Eurojust to adopt a practical guide on institutional management and one on conflicts of interest, according to the guidelines published by the Commission in December 2013 and to establish clear rules against 'revolving doors';

Internal audit

15. Acknowledges that, according to Eurojust's annual report, the Commission's Internal Audit Service (IAS) postponed its audit on 'Monitoring and Reporting/Building Blocks of Assurance' due to its scarce IT audit resources, which was finally conducted in January 2016; looks forward to the next annual report of Eurojust and further details regarding the audit;
16. Observes that as of 27 March 2015 all previously outstanding recommendations were closed by the IAS; recalls that the IAS audited in 2014 the management and organisation of coordination meetings and coordination centres in Eurojust; notes that the IAS issued in 2015 a final audit report with one recommendation marked as 'Important'; notes with satisfaction that Eurojust implemented the corrective action marking the recommendation as 'Completed';
17. Notes that the implementation of the Accrual Based Accounting System Enhancement project allowed for more efficient utilisation of the Eurojust administration's human resources, while the new time registration tool (eRecording), implemented by the administrative director for all administration staff as of April 2015, represented a step towards activity-based monitoring and reporting;

Other comments

18. Encourages Eurojust to continue to treat terrorism, trafficking and smuggling, and cybercrime as priorities; welcomes the fact that Member States increasingly make use of coordination meetings and coordination centres and that they value the increased involvement of third countries in joint investigation teams; welcomes the fact that the number of cases for which Member States have requested Eurojust's assistance continues to grow and increased by 23 % compared to 2014; considers that its budget should be increased accordingly;
19. Acknowledges that Eurojust is currently, together with its host Member State, in the process of preparing for the transition to its new premises; notes that the construction of the premises started in spring 2015 and the expected move was planned for spring 2017; invites Eurojust to report further to the discharge authority on the transition to its new premises, as well as to outline total incurred transition costs;
20. Notes with concern a significant gender imbalance both in Eurojust's senior management and College members; urges Eurojust to correct this imbalance as quickly as possible and to communicate the results to Parliament and to the Council;
21. Notes that Eurojust has seven duty cars at a cost of EUR 20 000 per year;
22. Notes that 64 staff members participated in 2015 in away days for which the cost was EUR 9 346,98 (EUR 146,04 per person);
23. Regrets that in its 2015 annual report, Eurojust stated that corruption is not a Union priority; notes that this statement was contradicted by the 90 corruption cases for which Eurojust expertise was requested in 2015 (twice as many as in 2014) according to the Eurojust annual report; acknowledges that Greece, Romania and Croatia were the Member States to request the most assistance in corruption-related cases;
24. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).

DECISION (EU) 2017/1716 OF THE EUROPEAN PARLIAMENT
of 27 April 2017
on the closure of the accounts of Eurojust for the financial year 2015

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of Eurojust for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of Eurojust for the financial year 2015, together with Eurojust's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to Eurojust in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0056/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime ⁽⁴⁾, and in particular Article 36 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0129/2017),
1. Approves the closure of the accounts of Eurojust for the financial year 2015;
 2. Instructs its President to forward this decision to the Administrative Director of Eurojust, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 193.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 63, 6.3.2002, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2017/1717 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the European Police Office (Europol) for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Police Office for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Police Office for the financial year 2015, together with the Office's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Office in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0070/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Decision 2009/371/JHA of 6 April 2009 establishing the European Police Office (Europol) ⁽⁴⁾, and in particular Article 43 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0107/2017),
1. Grants the Director of the European Police Office discharge in respect of the implementation of the Office's budget for the financial year 2015;
 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 Police Office, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 198.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 121, 15.5.2009, p. 37.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2017/1718 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Police Office (Europol) for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Police Office (Europol) for the financial year 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0107/2017),
- A. whereas, according to its financial statements, the final budget of the European Police Office ('the Office') for the financial year 2015 was EUR 94 926 894, representing an increase of 12,55 % compared to 2014; whereas the increase was due to new or additional tasks expanding its mandate,
- B. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the Office for the financial year 2015 ('the Court's report'), has stated that it has obtained reasonable assurances that the Office's annual accounts are reliable and that the underlying transactions are legal and regular,
- C. whereas in the context of the discharge procedure, the discharge authority stresses the special importance of further strengthening the democratic legitimacy of the institutions of the Union by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources,

Follow-up to 2014 discharge

1. Notes that the note regarding the effectiveness of the procurement procedures made in the Court's 2013 report was marked as 'Completed' in the Court's 2015 report;

Budget and financial management

2. Notes with satisfaction that the budget monitoring efforts during the financial year 2015 resulted in a high budget implementation rate of 99,80 %, indicating that commitments were made in a timely manner; notes that the payment appropriations execution rate was 89 %, indicating an increase of 4 % compared to 2014;

Commitments and carry-overs

3. Notes that, according to the Court's report, the carry-overs of committed appropriations for Title II (administrative expenditure) were at EUR 42 000 000 (41 %), compared to EUR 1 900 000 (27 %) in 2014; notes that these carry-overs mainly concerned building works for which the invoices had not been received or were still ongoing by the end of 2015; acknowledges that the Office will continue its efforts to ensure efficient and compliant budget implementation, especially concerning carry-forwards in relation to administrative expenditure; notes that carry-overs may often be partly or fully justified by the multiannual nature of agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance and communicated to the Court;

Procurement and recruitment procedures

4. Notes that at the end of 2015 the total number of members of staff employed by the Office was 627, consisting of 483 members of staff in the establishment plan, 140 contract agents and 4 local members of staff; notes furthermore that the number of non-Office members of staff (seconded national experts, liaison officers and staff of the liaison bureaus, trainees and contractors) was 386; notes that in 2015 the Office hired 86 new members of staff (45 temporary agents and 41 contract agents) and that 62 members of staff left the organisation (49 temporary agents and 13 contract agents);

Prevention and management of conflicts of interest and transparency

5. Notes that the CVs and declarations on the absence of conflicts of interest of the Office's director and deputy directors have been published on its website since September 2015; notes with concern that the CVs and declarations of interest of the Office's management board have not been published on its website; notes that Regulation (EU) 2016/794 of the European Parliament and of the Council ⁽¹⁾ (the new Europol Regulation) is set to apply from 1 May 2017; notes that once the new Europol Regulation applies, the Office's management board will adopt rules for the prevention and management of conflicts of interest in respect of its members, including in relation to their declarations of interest; asks the Office to publish the CVs and declarations of interest of the Office's management board on its website and to grant the public any necessary oversight on its senior management, and to report to the discharge authority on the establishment and implementation of its conflict of interest rules;
6. Notes with satisfaction that the Office applies a strict regulatory framework as regards checking the factual correctness of declarations of interest provided by experts, members of the management board and members of staff in line with the particular nature and role of the Office, and that it cooperates with the European Anti-Fraud Office (OLAF) when necessary;
7. Notes with satisfaction that in order to ensure the absence of a conflict of interest situation, open source research is triggered on a case-by-case basis in the relevant key areas (recruitment, procurement and staff leaving the organisation) and that for competitions under existing ICT (consultancy) framework contracts and for negotiated procedures under Article 134 of the rules of application of the Financial Regulation ⁽²⁾, the conflict of interest declarations of involved staff is systematically checked as regards possible links with the companies involved in the competitions and additional checks are carried out on a case-by-case basis;
8. Notes with satisfaction that the Office put in force additional arrangements regarding whistleblowing at the end of 2016;
9. Observes that the Office currently applies the anti-fraud strategy of the Commission; notes that the legal requirement for the Office to establish its own anti-fraud strategy will take effect once the new Europol Regulation applies in May 2017; notes also that the Office intends to present a draft strategy to its management board in order to ensure that it is adopted before the new Europol Regulation takes effect; calls on the Office to report to the discharge authority on developments related to its anti-fraud strategy;

Internal controls

10. Notes that in the course of 2015 risk management activities at the Office focused on addressing both internal risks and improvement areas identified by the Court, the Internal Audit Service (IAS), the Internal Audit Function and the Ombudsman; notes moreover that risk activities also included monitoring the risks affecting the core business objectives set for the 2015 Work Programme; notes that by the end of 2015 the Office's corporate risk log contained 12 corporate risks with 19 corresponding mitigation actions, of which 84 % were implemented or addressed in 2015;

Internal audit

11. Notes that 75 % of all pending audit recommendations by the Court, the IAS, the Europol Joint Supervisory Body, the Data Protection Officer of the Commission, and the Internal Audit Function, marked as critical or very important, were addressed in 2015; asks the Office to report to the discharge authority on the progress of implementing the remaining recommendations or the reasons as to why it decided not to address them;
12. Notes that in 2015 the IAS conducted an audit on stakeholder management; notes furthermore that it issued four recommendations, of which none were marked as critical or very important;

⁽¹⁾ 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 (OJ L 135, 24.5.2016, p. 53).

⁽²⁾ Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p. 1).

Other comments

13. Observes that the competent authorities of the Netherlands, where the headquarters of the Office is based, have assessed the current threat as substantial (level 4 out of 5); notes that the Office is in close contact with the competent authorities of the Netherlands with a view to continuously assessing the related implications for the Office, including situational security measures as well as the adjustment of business continuity arrangements;
14. Notes that the Office's evolving capabilities, in particular the European Cybercrime Centre and, since 2016, the European Counter Terrorism Centre, have increased its cyber threat profile; notes furthermore that the Office has an information security management system in place, which is adapted on an ongoing basis, in line with relevant international standards and best practice examples from the industry;
15. Notes that in 2016 the Office updated its ICT network architecture with a view to strengthening the protection of its core business data and related systems, including information exchange capabilities with the Member States and third parties; notes in addition that, as part of those measures, the network hosting core business data and systems was classified at the level CONFIDENTIEL UE/EU CONFIDENTIAL;
16. Notes with satisfaction that the Office's new legal framework, which will become applicable in May 2017, provides for additional measures in terms of providing the discharge authority with dedicated information about the Office's work, including sensitive operational matters;
17. Notes with satisfaction that the Office has extensive arrangements and agreements on the sharing of services of capabilities, including joint tender procedures with its Host State, several operational and strategic agreements with various other agencies, a grant agreement with European Union Intellectual Property Office, and close cooperation with Frontex on the hotspots approach;
18. Notes that the Office has 16 duty cars, including one specialised vehicle for its operational business, for which the cost was EUR 73 000 (EUR 37 000 for maintenance, EUR 16 000 for insurances/permits and EUR 20 000 for fuel);
19. Notes with concern the use by the Office of the controversial private database WorldCheck, which often links individuals and organisations to terrorism only on the basis of public resources, without any proper investigation, transparency or provision of effective means of redress; calls on the Office to explain to Parliament's Committee on Civil Liberties, Justice and Home Affairs the way it uses this private database in its work in order to assess the relevance of the use of public funds for acquiring licences for WorldCheck;
20. Welcomes the fact that the Office is effectively and efficiently delivering the expected products and services by the competent law enforcement authorities of the Member States and cooperation partners; acknowledges that over 732 000 operational messages were processed through the Secure Information Exchange Network Application (SIENA) and that almost 40 000 related cases were initiated, that the Europol Information System (EIS) processed over 633 000 searches, and that the Office supported 812 operations, produced over 4 000 operational reports and coordinated 98 joint actions;
21. Highlights the fact that, in response to terrorist attacks and the migration crisis and in light of the Commission's Agenda on Security and Migration, the Office's mandate was strengthened, its budget increased and its staff reinforced; welcomes the successful efforts of the Office in setting up the EU internet Referral Unit, the European Migrant Smuggling Centre (EMSC) and the European Counter Terrorism Centre (ECTC); encourages the Office to focus on the development of these three new instruments;
22. Encourages the Office to streamline the processes concerning the Analysis Work Files and the establishment of the new Europol Analysis System and to devote the necessary resources to ensure a high level of data security, privacy and data protection;
23. Encourages the Office to continue to improve information sharing among its partners as well as cooperation with Member States, national law enforcement and Eurojust for the purposes of counter-terrorism, while fully respecting data protection and privacy rules, including the purpose limitation principle; invites the Office to pay more attention to the presentation of its work via online platforms.

24. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽¹⁾ on the performance, financial management and control of the agencies.
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⁽¹⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).

DECISION (EU) 2017/1719 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the European Police Office (Europol) for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Police Office for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Police Office for the financial year 2015, together with the Office's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Office in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0070/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Decision 2009/371/JHA of 6 April 2009 establishing the European Police Office (Europol) ⁽⁴⁾, and in particular Article 43 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0107/2017),
1. Approves the closure of the accounts of the European Police Office for the financial year 2015;
 2. Instructs its President to forward this decision to the Director of the European Police Office, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 198.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 121, 15.5.2009, p. 37.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2017/1720 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the European Union Agency for Fundamental Rights for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for Fundamental Rights for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Union Agency for Fundamental Rights for the financial year 2015, together with the Agency's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0050/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 168/2007 of 15 February 2007 establishing a European Union Agency for Fundamental Rights ⁽⁴⁾, and in particular Article 21 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0146/2017),
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 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the European Union Agency for Fundamental Rights, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 203.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 53, 22.2.2007, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2017/1721 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015**

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 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0146/2017),
- A. whereas, according to its financial statements, the final budget of the European Union Agency for Fundamental Rights ('the Agency') for the financial year 2015 was EUR 21 229 000 representing no change compared to 2014; whereas 98,23 % of the budget of the Agency derives from the Union budget,
- B. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources,
- C. whereas the Court of Auditors ('the Court'), in its report on the annual accounts of the Agency for the financial year 2015 ('the Court's report'), has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2015 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 2015 resulted in a budget implementation rate of 100 %, the same as the previous year, and that the payment appropriations execution rate was 71,62 %, representing an increase of 2,17 % compared to the previous year; acknowledges the high overall level of committed appropriations, which indicates that commitments were made in a timely manner;

Commitments and carry-overs

2. Notes that, according to the Court's report, the level of committed appropriations carried over to 2016 for Title III (operating expenditure) was at EUR 5 723 282 (70 %), compared to EUR 5 848 956 (75 %) in the previous year; acknowledges that, according to the Court's report, these carry-overs mainly reflect the nature of the Agency's activities which involve procuring studies that span many months, often beyond year-end;
3. Notes that the implementation rate of appropriations carried forward from 2014 to 2015 was at 98,32 % in 2015, with only EUR 104 366,35 having been cancelled, representing 1,61 % out of the total amount;
4. Notes that carry-overs can often be partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance and communicated to the Court;

Transfers

5. Notes that in 2015 two budgetary transfers were submitted to the management board for approval and that the total amount transferred among Titles by these transfers was EUR 835 734; notes moreover that these transfers related mainly to the reallocation of the surplus under administrative expenditure, to operational projects or within operational expenditure; notes with satisfaction that the level and nature of transfers in 2015 remained within the limits of the financial rules;

Procurement and recruitment procedures

6. Acknowledges that the Agency's establishment plan was decreased by cancelling two temporary agent posts in 2015 (one AD and one AST post) in line with the overall principles laid down in the Interinstitutional Agreement on budgetary discipline ⁽¹⁾; notes, in addition, that in November 2015 the budgetary authority authorised two new AD posts in the Agency's establishment plan in relation to the ongoing asylum/migration situation;

Performance

7. Notes that in recent years the Agency has undertaken a broad process of reform, which has led to the progressive redefinition of its planning, monitoring and evaluation functions, including a more comprehensive system for internal performance monitoring, a fully-fledged monitoring and evaluation policy and an annual monitoring and evaluation action plan; notes that five *ex-ante* and four *ex-post* evaluations are currently underway and the results of this exercise will be published in the Agency's 2016 annual activity report;
8. Regrets the fact that the Agency's mandate still limits its role as regards the support for fundamental rights; stresses that the Agency should be able to offer opinions on legislative proposals on its own initiative and that its remit should extend to all areas of rights protected under the Charter of Fundamental Rights of the European Union, including, for example, issues of police and judicial cooperation;
9. Welcomes the solid output of the Agency; notes that it organised 60 events bringing together its key partners and stakeholders to discuss fundamental rights issues in various thematic areas; acknowledges that the Agency offered its expertise at 240 presentations and hearings and that it published its research in 32 reports and papers; recalls the fact that the Agency formulated 122 opinions in response to requests from Member States, Union institutions and other international organisations; further welcomes its pro-active approach towards Parliament;

Internal audit

10. Notes with satisfaction that at the end of the reporting period the results of *ex-post* controls did not reveal any amounts to be recovered;
11. Notes that the Commission's Internal Audit Service (IAS) performed a follow-up audit in 2015 on two engagements performed at the end of 2013 related to the management of human resources and contract management; notes that as a result all the recommendations were closed with the exception of one marked as 'Very Important' and one which was downgraded from 'Very Important' to 'Important'; notes with satisfaction that all the recommendations issued by the IAS prior to 2015 were addressed and closed;

Prevention and management of conflicts of interests and transparency

12. Notes that, with regard to the legal proceedings brought against the Agency before the Civil Service Tribunal in 2015, the judgement was in favour of the Agency in Case T-107/13 P and that it is in the process of recovering the legal costs from the appellant, while in Case T-658/13 P, the Agency complied with the ruling; notes moreover that in Joined Cases F-25/14 and F-106/13, the implementation of the ruling is in progress and the Agency has reintegrated the appellant and paid his legal costs, while an appeal is pending; acknowledges that Case 178/2013/LP of the Ombudsman is not related to any of the court cases to which the Agency was or is a party;
13. Notes that, in addition to the Staff Regulations, the Agency has introduced for its staff a practical guide on the management and prevention of conflicts of interest, which offers wide-ranging information and advice on a variety of issues; notes moreover that the Agency regularly provides compulsory training for staff on ethics and integrity, as well as publishes the curricula vitae and declarations of interests of all active members of its management board, scientific committee and management team;
14. Notes with satisfaction that since 2012 the Agency has applied the Commission's whistleblowing guidelines in accordance with Executive Board Decision No 2012/04 ⁽²⁾;

⁽¹⁾ Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management (OJ C 373, 20.12.2013, p. 1).

⁽²⁾ http://fra.europa.eu/sites/default/files/eb_decision_2012_04-whistleblowing_rules.pdf

15. Notes that the Agency applies the Code of Good Administrative Behaviour, as well as that the checks on financial interests declared by management, management board members and scientific committee members are assessed and declarations are published on the Agency's website as part of its policy on the prevention and management of conflicts of interest;
16. Notes that, further to the adoption of Directive (EU) 2016/943 of the European Parliament and of the Council ⁽¹⁾, the Agency is to consider how to transpose the Directive internally; encourages the Agency to implement the relevant provisions of the Directive and to report to the discharge authority upon implementation; acknowledges that the Agency currently applies by analogy the Commission's whistleblowing guidelines in accordance with Executive Board Decision No 2012/04; asks the Agency to evaluate whether specific measures on the protection of whistleblowers in the same line as other agencies might be more appropriate;
17. Notes that the Agency developed an anti-fraud strategy, evaluating the introduction of new controls, where necessary, after a dedicated risk assessment; notes moreover that the strategy was adopted by the Agency's management board during its December 2014 meeting, together with a related action plan, which was implemented during the course of 2015;
18. Notes that the Agency is planning to include a standard chapter on transparency, accountability and integrity in its annual report;

Other comments

19. Notes with concern a significant gender imbalance in the six senior management positions of the Agency, five of which are of the same gender; urges the Agency to correct this imbalance and to communicate the results to the discharge authority as soon as possible;
20. Notes that 199 members of staff participated in 2015 in four away days for which the total cost was EUR 13 860,62 (EUR 70 per person);
21. Welcomes the fact that in the course of 2015 the Agency strongly focused on fundamental rights issues related to the situation of refugees and migrants coming to the Union as demonstrated, in particular, by the Agency's opinion on fundamental rights in the 'hotspots' set up in Greece and Italy; notes, in particular, that the Agency considerably stepped up its activities in the area of immigration and integration of migrants, and visa, border control and asylum procedures;
22. Welcomes the fact that in 2015 the Agency continued with its research on the situation of Roma in the Union and thus contributed to monitoring the efficiency and shortcomings of the integration policies of the Union and those of its Member States; especially welcomes the research-based policy recommendations of the Agency concerning the successful fight against anti-Gypsyism and the fight for the social inclusion of Roma;
23. Welcomes the continued efforts of the Agency to present its findings in an accessible manner via social media platforms, reaching a wide audience; strongly encourages further dissemination of the works of the Agency via online platforms;
24. Recommends the inclusion of the proposed new thematic areas of police cooperation and judicial cooperation in criminal matters in the new Multiannual Framework, currently under negotiation; highlights the fact that, following the entry into force of the Treaty of Lisbon, police cooperation and judicial cooperation in criminal matters have become part of the law of the Union and are therefore covered by the scope of the tasks of the Agency;
25. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽²⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Directive (EU) 2016/943 of the European Parliament and of the Council of 8 June 2016 on the protection of undisclosed know-how and business information (OJ L 157, 15.6.2016, p. 1).

⁽²⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).

DECISION (EU) 2017/1722 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the European Union Agency for Fundamental Rights for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for Fundamental Rights for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Union Agency for Fundamental Rights for the financial year 2015, together with the Agency's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0050/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 168/2007 of 15 February 2007 establishing a European Union Agency for Fundamental Rights ⁽⁴⁾, and in particular Article 21 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0146/2017),
1. Approves the closure of the accounts of the European Union Agency for Fundamental Rights for the financial year 2015;
 2. Instructs its President to forward this decision to the Director of the European Union Agency for Fundamental Rights, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 203.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 53, 22.2.2007, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2017/1723 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (now European Border and Coast Guard Agency (Frontex)) for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (the Agency) for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2015, together with the Agency's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0065/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 2007/2004 of 26 October 2004 establishing a European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union and in particular Article 30 thereof ⁽⁴⁾,
 - having regard to Regulation (EU) 2016/1624 of the European Parliament and of the Council of 14 September 2016 on the European Border and Coast Guard and amending Regulation (EU) 2016/399 of the European Parliament and of the Council and repealing Regulation (EC) No 863/2007 of the European Parliament and of the Council, Council Regulation (EC) No 2007/2004 and Council Decision 2005/267/EC ⁽⁵⁾, in particular Article 76 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁶⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0137/2017),
1. Grants the executive director of the European Border and Coast Guard Agency discharge in respect of the implementation of the Agency's budget for the financial year 2015;

⁽¹⁾ OJ C 449, 1.12.2016, p. 208.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 349, 25.11.2004, p. 1.

⁽⁵⁾ OJ L 251, 16.9.2016, p. 1.

⁽⁶⁾ OJ L 328, 7.12.2013, p. 42.

2. Sets out its observations in the resolution below;
3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the executive director of the European Border and Coast Guard Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

RESOLUTION (EU) 2017/1724 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (now European Border and Coast Guard Agency ('Frontex')) for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (now European Border and Coast Guard Agency) for the financial year 2015,
 - having regard to Special report No 12/2016 of the Court of Auditors, 'Agencies' use of grants: not always appropriate or demonstrably effective',
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0137/2017),
- A. whereas, according to its financial statements, the final budget of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (now European Border and Coast Guard Agency) (the Agency) for the financial year 2015 was EUR 143 300 000, representing an increase of 46,31 % compared to 2014; whereas the increase was mainly due to two amendments for the relevant operations in the Mediterranean amounting to EUR 28 000 000,
- B. whereas, according to its financial statements, the overall contribution of the Union to the Agency's budget for 2015 amounted to EUR 133 528 000, representing an increase of 53,82 % compared to 2014,
- C. whereas the Court of Auditors (the Court), in its report on the annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States for the financial year 2015 ('the Court's report'), has stated that it has obtained reasonable assurances that the transactions underlying the Agency's annual accounts are legal and regular,

Basis for the qualified opinion on the reliability of the accounts

1. Acknowledges that the Court issued a qualified opinion on the reliability of the Agency's accounts; notes that the basis for the qualified opinion was the underestimation of the cost incurred in 2015 but not yet invoiced for pre-financed services related to maritime surveillance by EUR 1 723 336; notes moreover that this accounting error affected the accrued charges and resulted in a material misstatement in the Agency's balance sheet and statement of financial performance; points out however that the accounting error did not lead to any irregular or illegal transactions, and that no funds were misspent;
2. Regrets that the estimation of costs to be accrued was carried out by the accounting officer based on a report which excluded a part of the pre-financing to be accrued; is concerned that this omission was not realised on time by the accounting officer, and that the accounting officer did not consult his counterpart in the partner agency; notes that, as a result, a part of the potentially to be accrued costs was not taken into consideration during the preparation of the accounts;
3. Acknowledges that the Agency has already taken corrective measures to prevent such issues from taking place in the future; notes in particular that the Agency's accounting officer responsible for estimating correctly the accruals will base the estimations on all relevant data and information available, including information from partner agencies which are concerned by the accruals; accepts that the Agency's authorising officer will increase the efforts on his part to ensure that such shortfalls are not repeated by cross-checking the available data and by cooperating more closely with the accounting officer;
4. Notes that, in the Court's opinion, except for the effects of the matter regarding the underestimation of the incurred but not yet invoiced costs, the Agency's annual accounts present fairly, in all material respects, its financial position as at 31 December 2015 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its financial regulation and the accounting rules adopted by the Commission's accounting officer;

Comments on the legality and regularity of transactions

5. Notes that, according to the Court's report, in 2015 the Agency carried out the *ex post* audit in relation to Iceland and detected irregular payments, relating to the depreciation of a vessel participating in seven joint operations from 2011 to 2015, amounting to EUR 1 400 000; notes in particular that the Icelandic coast guard claimed the reimbursement of depreciation for the vessel which had exceeded its useful life as provided for in the Agency's guidelines;
6. Acknowledges that the implementing rules to the Agency's financial regulation provide that the authorising officer may waive recovery of an established amount where recovery is inconsistent with the principle of proportionality; acknowledges furthermore that, in line with that principle, and after having received external legal advice, the authorising officer announced the recovery of EUR 600 000, which covers the grants awarded since 2014; notes that for the same reason the authorising officer announced the decision not to reimburse EUR 200 000 due in 2016; understands that, since the inception of *ex post* controls by the Agency and in order to respect the principle of transparency and equal treatment towards the Agency's beneficiaries, which are Member States' public authorities dealing with border management and migration issues, the authorising officer acted in accordance with the Agency's best practice of recovering irregular payments referring to the last two years of cooperation;
7. Notes that, according to the Court's report, the existence of an unaddressed risk of double funding relating to the Internal Security Fund (ISF); recalls that the ISF, which is set up for the period 2014 to 2020 and is composed of the ISF Borders and Visa and ISF Police instruments, has EUR 3 800 000 000 available for funding actions; recalls moreover that the Commission, under the ISF Borders and Visa instrument, reimburses Member States' purchases of means, such as vehicles or vessels, as well as running costs such as fuel consumption or maintenance; points out that the Agency also reimburses such costs to participants in joint operations; acknowledges that the Agency, in cooperation with the Commission's Directorate-General for Migration and Home Affairs, put in place measures which mitigate that risk; notes in particular that those measures include access to the ISF database, where all plans and reports of the beneficiaries are made available, training on the functionalities of the Shared Fund Management common system, as well as carrying out *ex ante* and *ex post* controls by checking supporting documents and simultaneously raising awareness of the issue amongst the beneficiaries;

Budget and financial management

8. Notes with satisfaction that the budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 99,86 %, representing an increase of 1,21 % compared to 2014; notes that the payment appropriations execution rate was 69,50 %, representing a decrease of 0,71 % compared to 2014;

Commitments and carry-overs

9. Notes that the level of carry-overs for committed appropriations for Title II (administrative expenditure) was at EUR 3 200 000 (38 % of committed appropriations), compared to EUR 4 500 000 (36 %) in 2014; notes moreover that the carry-overs for Title III (operational expenditure) were at EUR 40 200 000 (35 %), compared to EUR 28 400 000 (44 %) in 2014; acknowledges that the carry-overs for Title II were mainly related to the IT contracts extending beyond the year-end, whereas the carry-overs for Title III were related to the multiannual nature of the Agency's operations; acknowledges furthermore that the Agency is to continue its efforts to reduce the amounts of carry-overs with a view to better honouring the budgetary principle of annuality;
10. Notes that carry-overs can often be partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance and communicated to the Court;

Procurement and recruitment procedures

11. Notes from the Agency that it launched 34 recruitment procedures in 2015, out of which 14 were to be finalised in 2016; notes furthermore that the Agency recruited 47 new members of staff in 2015;

Prevention and management of conflicts of interests and transparency

12. Acknowledges that, in order to ensure the transparency of the Agency's public procurement procedures, it published in the *Official Journal of the European Union* the contracts awarded above the required thresholds while the contracts awarded below the required thresholds were published on the Agency's website;
13. Acknowledges that the Agency published on its website the declarations of absence of conflicts of interest of its executive director and its deputy executive director; notes moreover that the few remaining unpublished declarations of absence of conflicts of interest of its management board members were related to the recent changes in the membership of the management board; acknowledges that the Agency will publish these declarations on its website once they have been received;
14. Acknowledges the Agency's ongoing work on transparency; notes the need for progress and the establishment of the evaluation committees;
15. Observes that all issues relating to conflicts of interest are covered by the Agency's code of conduct, which applies to all staff; notes with satisfaction that the Agency updated in 2016 its internal guidance to members of staff on understanding the concept of conflict of interest; notes with concern that the Agency did not provide for any checks of the factual correctness or a process for updating the declarations of absence of conflicts of interest;
16. Notes that, according to the Court's report, Frontex did not sufficiently address the existing potential for conflicts of interest when setting up teams managing the negotiations of joint operation grants; calls on the Agency to introduce measures and an appropriate policy to safeguard the principles of transparency and ensure the absence of conflicts of interest on the part of negotiation teams;
17. Notes that the Agency is in the process of finalising its internal whistleblowing rules; asks the Agency to report to the discharge authority on the establishment and implementation of those rules;
18. Regrets the conclusions of the Court in its Special Report No 12/2016 that the Agency has not established an appropriate conflict of interest policy for members of staff of the bilateral negotiation teams; calls on the Agency to establish formal conflict of interest policies for external experts, internal staff and governing board members involved in the selection and award process of grants, taking into account the accumulated effect of several minor conflicts of interest and the need to define effective mitigating measures;

Internal control

19. Notes from the Agency that it assessed the efficiency of its internal control system at the end of 2015; notes moreover that, according to the assessment, the Internal Control Standards (ICS) were implemented and functioning; notes however that, since the large increase in the Agency's budget allocation, there is an additional strain on the internal control system which requires further improvements; acknowledges that the Agency identified room for improvement in eight ICS and developed a strategy to address the weaknesses; looks forward to the Agency's next annual report and further details regarding the improvements of its internal control system;

Internal audit

20. Notes that in 2015 the Internal Audit Service (IAS) conducted an audit on 'Procurement and Asset Management', which resulted in four recommendations rated as 'Important'; acknowledges that the Agency prepared an action plan to address those recommendations;
21. Takes note of the IAS's conclusions that no open recommendations rated as 'Critical' existed as of 1 January 2016; notes, however, that the two recommendations regarding human resources management (rated as 'Very Important') and IT project management (rated as 'Important') were not implemented in line with the deadlines set out in the action plan; acknowledges that implementation was delayed due to the pending adoption of the new implementing rules relating to the engagement of temporary and contract staff, as well as due to the Agency's decision to implement the ICT governance prior to the implementation of its ICT strategy in order for the implementation to be consistent and sustainable;

Other comments

22. Recalls that in previous years the high and constantly increasing number of grant agreements, as well as the magnitude of related expenditure to be verified by the Agency, indicated that a more efficient and cost-effective alternative funding mechanism could be used to finance the Agency's operational activities; acknowledges that the Agency's new founding regulation has removed the term 'grants' as the contractual instrument for the operational activities between the Agency and the institutions of the Member States; hopes that this modification will allow the Agency to streamline the financial management of its operational activities; calls on the Agency to inform the discharge authority on further developments regarding this issue;
23. Welcomes the contribution of the Agency to saving more than 250 000 people at sea in 2015; welcomes the increase in the Agency's search and rescue capacity following the tragic events of spring 2015;
24. Calls for a greater exchange of information between Frontex, Union justice and home affairs agencies and the Member States, in full compliance with data protection rules and, in particular, the principle of purpose limitation, in order to improve the effectiveness of Frontex grant-funded joint operations; regrets that the actual impact of joint operations is difficult to assess;
25. Notes that, according to the Court's report, the majority of Frontex operational programmes lack quantitative objectives and specific target values for the joint operations; notes with concern that this, together with insufficient documentation from cooperating countries, might hamper the *ex post* evaluation of the effectiveness of joint operations in the long term; invites Frontex to improve its strategic programme planning, to set relevant strategic objectives for its grant activities and to establish an effective result-oriented monitoring and reporting system with relevant and measurable key performance indicators;
26. Notes that States participating in border operations declared the costs incurred on the basis of cost claim sheets which comprise of fixed expenses (depreciation and maintenance), variable expenses (mostly fuel) and mission expenses (mostly allowances and other crew expenses); notes moreover that the costs declared were based on real values and followed national standards leading to divergent approaches among participating Member States which creates a burdensome system for all parties involved; encourages the Agency to use simplified cost options whenever appropriate to avoid such inefficiencies;
27. Recalls that, in line with Article 57(2) of Regulation (EU) 2016/1624, the Agency's headquarters agreement was to be concluded after obtaining the approval of the Agency's management board and not later than 7 April 2017; notes with satisfaction that on 23 January 2017 the Agency and the Polish Government initialled the draft headquarters agreement; notes moreover that the agreement was to be presented to the Agency's management board in February 2017, which should, provided it is adopted, authorise the Agency's director to sign the agreement with the Polish Government and pave the way for the subsequent ratification by the Polish Parliament;
28. Notes with concern a significant gender imbalance of 93 %/7 % in the Agency's management board; notes also that both members of the Agency's senior management team are of the same gender;
29. Recalls that the Agency should provide its Fundamental Rights Officer with adequate resources and staff for setting up a complaint mechanism and for further developing and implementing the Agency's strategy to monitor and ensure the protection of fundamental rights;
30. Welcomes the support provided to national authorities in hotspot areas in relation to the identification and registration of migrants, return-related activities and Union internal security; welcomes the signature of an operational cooperation agreement with Europol to deter cross-border crime and migrant smuggling; calls for further and more effective cooperation with Europol and other agencies in the area of justice and home affairs.
31. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).

DECISION (EU) 2017/1725 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (now European Border and Coast Guard Agency ('Frontex')) for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (the Agency) for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2015, together with the Agency's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0065/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 2007/2004 of 26 October 2004 establishing a European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union and in particular Article 30 thereof ⁽⁴⁾,
 - having regard to Regulation (EU) 2016/1624 of the European Parliament and of the Council of 14 September 2016 on the European Border and Coast Guard and amending Regulation (EU) 2016/399 of the European Parliament and of the Council and repealing Regulation (EC) No 863/2007 of the European Parliament and of the Council, Council Regulation (EC) No 2007/2004 and Council Decision 2005/267/EC ⁽⁵⁾, in particular Article 76 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁶⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0137/2017),
1. Approves the closure of the accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2015;
 2. Instructs its President to forward this decision to the executive director of the European Border and Coast Guard Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 208.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 349, 25.11.2004, p. 1.

⁽⁵⁾ OJ L 251, 16.9.2016, p. 1.

⁽⁶⁾ OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2017/1726 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the European GNSS Agency for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European GNSS Agency for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European GNSS Agency for the financial year 2015, together with the Agency's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0066/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EU) No 912/2010 of the European Parliament and of the Council of 22 September 2010 setting up the European GNSS Agency, repealing Council Regulation (EC) No 1321/2004 on the establishment of structures for the management of the European satellite radio navigation programmes and amending Regulation (EC) No 683/2008 of the European Parliament and of the Council ⁽⁴⁾, and in particular Article 14 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0148/2017),
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 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European GNSS Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 214.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 276, 20.10.2010, p. 11.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2017/1727 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015**

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 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0148/2017),
- A. whereas, according to its financial statements, the Union subsidy to the final budget of the European GNSS Agency (the 'Agency') for the financial year 2015 was EUR 27 606 414, representing an increase of 8,82 % compared to 2014,
- B. whereas the Court of Auditors (the 'Court'), in its report on the Agency's annual accounts for the financial year 2015 (the 'Court's report'), stated that it has obtained reasonable assurances that the Agency's annual accounts are reliable and that the underlying transactions are legal and regular,
- C. whereas, in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, implementing the concept of performance-based budgeting and good governance of human resources,

Comments on the reliability of the accounts

1. Notes that, according to the Court's report, the latest validation of the accounting systems was performed in 2012; notes that the only system in which the Agency directly inputs accounts-related data is ABAC (Accrual Based Accounting), which is not the property of the Agency and is regularly validated centrally by the Commission's Directorate-General for Budget (DG Budget);
2. Notes that since the last local system validation, there have been no changes to local systems and that the move of the Agency to Prague did not result in any changes in the financial circuits, processes and information flow; observes that the local systems were presented to the Agency's new accountant prior to acceptance of its mission; notes that regular validation of the accounting systems will take place as stipulated in the service-level agreement between DG Budget and the Agency on the basis of DG Budget's risk assessment; acknowledges that the risk is currently assessed to be low and the next validation will be carried out in 2020, or, if there are changes to the systems, in 2018;

Budget and financial management

3. Notes with satisfaction that the budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 100 %; notes, furthermore, that the payment appropriations execution rate was 100 %, as well as that this rate incorporates the non-automatic carry forward of payment appropriations, in order to maximise the use of the remaining payment credits on Title III of the budget;
4. Acknowledges the fact that the Agency's average payment time was 13 days, which is below the 30-day Commission benchmark and below the Agency's 20-day target; notes that the Agency processed a total of 4 267 financial transactions, representing a 24 % increase compared with 2014;
5. Notes that the Agency managed a large amount of delegated budget in 2015 following the signature of three new delegation agreements (EGNOS Exploitation, Galileo Exploitation and Horizon 2020) with the Commission in the course of 2014; observes that an amendment to the Galileo Exploitation delegation agreement was signed in December 2015, assigning a further EUR 300 000 000 to the Agency; notes that a total of EUR 116 067 789 delegated budget was committed in 2015 and EUR 183 108 199 made in payments;

6. Notes that, according to the Court's report, the Agency's audited budgetary implementation report differs from the level of detail provided by most other agencies which demonstrates the need for clear guidelines on the agencies' budget reporting; notes that, based on a service-level agreement signed with DG Budget, the Agency's accounts and related reports have been prepared by the Commission's accounting officer and the different level of detail was based on the practices of the Commission's reporting; supports the Commission's intention to establish guidelines for the agencies' budget reporting for the 2016 accounts;

Transfers

7. Notes that the Agency processed eight internal transfers in 2015 which were authorised by its Executive director; notes that, according to the Agency's annual report and the Court's report, the level and nature of transfers in 2015 have remained within the limits of the financial rules;

Commitments and carry-overs

8. Notes that, according to the Court's report, the level of carry-overs for committed appropriations was EUR 2 500 000 (42 %) for Title II (administrative expenditure), compared to EUR 3 400 000 (54 %) in 2014; acknowledges that those carry-overs relate mainly to services provided in 2015 for which invoices were not received until 2016, a number of high-value IT contracts, as well as a risk assessment contract signed at the end of 2015; acknowledges, moreover, that those projects, originally planned for 2016, were started in 2015 to utilise funds released from savings on other budget lines;
9. Notes that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance and communicated to the Court;

Procurement and recruitment procedures

10. Notes that, according to the Court's report, the Agency experienced a high staff turnover in 2015, with 14 members of staff leaving and 26 joining; acknowledges that, according to the Agency, the high staff turnover results from difficulties in attracting and retaining key staff in a very competitive and technical segment of the employment market, essentially due to the location of its headquarters and the relatively low correction coefficient affecting salary levels in the Czech Republic; notes, moreover, that the Agency is pursuing all available ways in which to increase its attractiveness, in particular by insisting on the significance of its mission; calls on the Agency and the Commission to report back to the discharge authority on the possible improvements in the attractiveness of the posts at the agency; calls on the Agency to prepare an action plan effectively addressing the issue of high staff turnover;
11. Considers that the staffing policy and procedure should be adapted according to the new tasks that have been conferred on the Agency in compliance with the Interinstitutional Agreement of 2 December 2013; stresses that adequate staffing will enable the Agency to perform its mission and reiterates that failure to achieve such adequate staffing would lead to substantial drawbacks and major risks;
12. Notes, moreover, the necessity of increasing the number of posts for temporary agents posts in order to ensure the performance of new entrusted tasks; recalls that the gap between tasks and resources bridged through outsourcing proved to be more costly and prevented the Agency from developing and retaining the skills and competencies necessary in order to implement the Union Space policy;

Internal controls

13. Notes that the Agency has put in place business continuity plans (BCP) for the security sites in France, the Netherlands and the United Kingdom; observes that there is no BCP in place for the Agency's headquarters in Prague or for the Agency in its entirety; acknowledges the Agency's decision to focus in priority on securing BCPs for its new sites, based on the assessment that the existing BCP was currently sufficient for its headquarters pending stabilisation of its operations and activities within this location; acknowledges moreover the Agency's

intention to proceed to such a BCP update at global level within the coming year; calls on the Agency to inform the discharge authority on BCP updates; asks the Agency, furthermore, for a new evaluation of the correction coefficient affecting salary levels in the Czech Republic in order to restore an adequate balance;

Prevention and management of conflicts of interests and transparency

14. Notes that the Agency's administrative board has agreed to request all of its members to complete individual declarations of interest; notes also that the declarations of interest of the chair and deputy chair of the administrative board will soon be published on the website; asks the Agency to gather and publish declarations of interest and CVs without further delay and, by doing so, to allow the public the necessary overview of its senior management and to update the discharge authority on developments relating to this matter;
15. Observes that the Agency investigates and resolves any potential issues relating to the factual accuracy of the given declarations of interests, and administrative board members are regularly reminded of the importance of fulfilling that obligation and updating their information when necessary;
16. Notes that the Agency has not implemented specific rules in relation to whistleblowers in addition to what is provided for in the Staff Regulations; calls on the Agency to adopt an internal whistleblowing policy in order to foster a culture of transparency and accountability in the workplace, to inform and train employees regularly of their duties and rights with regard to that policy, to ensure the protection of whistleblowers from reprisal, to follow up on the substance of whistleblowers' alerts in a timely manner, and to put in place a procedure for anonymous internal reporting; calls on the Agency to publish annual reports on the number of whistleblower cases and on how they were followed up and to provide those annual reports to the discharge authority; acknowledges that the Agency has informed staff about its whistleblowing rules; asks the Agency to report to the discharge authority when its whistleblowing rules have been established and implemented;

Communication

17. Notes that the Agency is a main partner in, and the initiator of, the European Space Expo project that visited Luxembourg, Milan, Oslo, Zagreb, Stockholm, Riga, Ljubljana and Athens in 2015, and welcomed hundreds of thousands of local citizens; notes that each Expo visit was the result of collaboration with many local actors including local industry, municipalities and academia; observes also that the Agency was an active partner in the European Economic and Social Committee's 'Science and Society' initiative;
18. Notes with satisfaction that in 2015 the Agency overhauled its website, including updating the content, an analysis of user needs and experience, a benchmarking exercise and restructuring of its information architecture;

Other comments

19. Notes that the Agency's 2015 annual work programme was adopted only in March 2015 and that the adoption of its 2014 to 2020 multi-annual work programme (MAWP) is outstanding; notes, moreover, that the late adoption of key planning documents puts the achievement of the Agency's objectives at risk; notes that the Agency was hampered in its development of the MAWP due to the rapidly-changing status of the European GNSS programme, which is managed by the Commission and on which all the Agency's activities are dependent; acknowledges, moreover, that, following the development of further versions of the MAWP and in discussion with the Commission, it was finally decided to include the MAWP as part of the single programming document relating to the period 2017 to 2020; asks the Agency to keep the discharge authority informed of its progress relating to its long-term planning;
20. Notes with concern a significant gender imbalance in the Agency's senior management board members; urges the Agency to correct that imbalance and for the results to be communicated to the discharge authority as quickly as possible;
21. Notes that 126 members of staff participated in 2015 in away days for which the cost was EUR 12 077 (EUR 96 per person);
22. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 27 April 2017 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P8_TA(2017)0155 (see page 372 of this Official Journal).

DECISION (EU) 2017/1728 OF THE EUROPEAN PARLIAMENT
of 27 April 2017
on the closure of the accounts of the European GNSS Agency for the financial year 2015

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European GNSS Agency for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European GNSS Agency for the financial year 2015, together with the Agency's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 — C8-0066/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EU) No 912/2010 of the European Parliament and of the Council of 22 September 2010 setting up the European GNSS Agency, repealing Council Regulation (EC) No 1321/2004 on the establishment of structures for the management of the European satellite radio navigation programmes and amending Regulation (EC) No 683/2008 of the European Parliament and of the Council ⁽⁴⁾, and in particular Article 14 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0148/2017),
1. Approves the closure of the accounts of the European GNSS Agency for the financial year 2015;
 2. Instructs its President to forward this decision to the Executive Director of the European GNSS Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 449, 1.12.2016, p. 214.

⁽²⁾ See footnote 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 276, 20.10.2010, p. 11.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2017/1729 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the Bio-based Industries Joint Undertaking for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Bio-based Industries Joint Undertaking for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the Bio-based Industries Joint Undertaking for the financial year 2015, together with the Joint Undertaking's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2015 (05875/2017 — C8-0088/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 209 thereof,
 - having regard to Council Regulation (EU) No 560/2014 of 6 May 2014 establishing the Bio-based Industries Joint Undertaking ⁽⁴⁾, and in particular Article 12 thereof,
 - having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0103/2017),
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 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Executive Director of the Bio-based Industries Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 473, 16.12.2016, p. 7.

⁽²⁾ OJ C 473, 16.12.2016, p. 8.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 169, 7.6.2014, p. 130.

⁽⁵⁾ OJ L 38, 7.2.2014, p. 2.

RESOLUTION (EU) 2017/1730 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Bio-based Industries Joint Undertaking for the financial year 2015**

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 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0103/2017),
- A. whereas the Bio-based Industries Joint Undertaking (the 'Joint Undertaking') was established as a public-private partnership by Council Regulation (EU) No 560/2014 for a period of 10 years with the aim of bringing together all relevant stakeholders and contributing to establishing the Union as a key player in research, demonstration and deployment activities relating to 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 Joint Undertaking is required to prepare and adopt its own annual accounts prepared by its accounting officer who was appointed by its governing board;
- C. whereas the founding members of the Joint Undertaking are the Union, represented by the Commission, and partners from the industry, represented by the Bio-based Industries Consortium (the 'BIC');
- D. whereas the maximum Union contribution to the Joint Undertaking, for research activities and administrative costs, is EUR 975 000 000, to be paid from the budget of Horizon 2020 and other members of the Joint Undertaking are to contribute resources amounting to at least EUR 2 730 000 000 over the Joint Undertaking's period of activity, including cash contributions of at least EUR 182 500 000, in-kind contributions to additional activities of at least EUR 1 755 000 000 and in-kind contributions to the Joint Undertaking's activities;

General

1. Notes that 2015 was an important year for the Joint Undertaking as it reached operational capacity and financial autonomy on 26 October 2015 and that before 2015 the Commission was responsible for operations and designated an interim executive director from 23 July 2014 until 30 September 2015, when the programme office's permanent executive director took office; notes with satisfaction that the first months of the Joint Undertaking's autonomous existence did not entail any issues of a systemic nature;
2. Notes that the Joint Undertaking moved to its new premises in Brussels in April 2015; welcomes the fact that the first projects funded by the Joint Undertaking leveraged a total contribution of EUR 71 000 000 from private partners;

Budget and financial management

3. Notes that the report of the Court of Auditors (the 'Court') on the Joint Undertaking's annual accounts for the financial year 2015 (the 'Court's report') finds the 2015 Joint Undertaking's annual accounts to present fairly, in all material respects, its financial position on 31 December 2015 and the results of its operations and cash flows for the year then ended, in accordance with the Joint Undertaking's financial rules;
4. Notes that the Joint Undertaking's annual accounts provide for the final 2015 budget available for implementation included commitment appropriations of EUR 209 422 797 and payment appropriations of EUR 21 075 192, the utilisation rates for commitment and payment appropriations of which were 87 % and 89 % respectively;
5. Observes that the total operational commitments in 2015 (namely, EUR 180 390 497) were made at a global level and related to two 2015 calls for proposals, for which the award procedures were ongoing on 31 December 2015;

6. Notes that in 2015 the Commission contribution to two calls for proposals that were published in May and August 2015 amounted to EUR 206 390 497, of which the first call, published with a budget of EUR 100 000 000, was a flagship call, three projects were selected, with a total requested funding of EUR 73 741 237, while the budget of the second call was EUR 106 000 000, and its evaluation took place in 2016;
7. Notes that in the two months following the Joint Undertaking's financial autonomy, it dealt successfully with the ongoing projects of the 2014 call and the evaluations as well as the preparation of the grant agreement of the first call in 2015, processed 25 commitments, 100 payments, 5 recovery orders, and all of the year-end cut-off transactions, namely, decommitments, accruals and refund anticipation loan calculations;
8. Notes that in 2015 the Joint Undertaking published two calls, but only Call 2015.1, covering flagship innovation actions, was evaluated between September and October 2015; calls on the Joint Undertaking to report to the discharge authority on the results of Call 2015.2, covering research and innovation actions and demonstration innovation actions;
9. Acknowledges the fact that 10 grant agreements were signed for a total value of EUR 49 653 711 and three proposals were retained for funding in December 2015 for a total value of EUR 73 741 237;
10. Notes that no in-kind contributions (IKOP) were reported by members other than the Union to the Joint Undertaking by 31 December 2015; notes that the Joint Undertaking entered into its accounts estimated IKOPs of EUR 3 503 128, based on the grant agreements signed in July 2015, a practice also acknowledged by the Court's report;
11. Points out that private sector members face difficulties in presenting their IKOP figures by the deadline of 31 January, and is very concerned that this risks becoming a recurring issue for most joint undertakings; notes in this respect that the regular reporting period for IKOPs is 18 months and that this double-reporting goes against the general trend towards simplification;
12. Recalls that the Court's report recommended that the Commission should present clear guidelines for the Joint Undertaking's budgetary reporting and financial management and notes that those guidelines were issued on 20 December 2016 following that recommendation;

Procurement and recruitment procedures

13. Expresses concern that the 2015 administrative budget was prepared on the assumption that all 22 members of staff of the Joint Undertaking would be recruited and operational by the end of that year; notes that only 13 posts were occupied by that date, with a consequential impact on staff-related costs; notes, however, that the unused budget appropriations were reactivated in the 2016 budget; welcomes the fact that the Joint Undertaking proceeded with recruitment procedures in 2016 and has filled 20 out of 22 available posts;

Internal control

14. Notes that the Joint Undertaking's governing board adopted internal control standards on the basis of the 16 equivalent standards laid down by the Commission for its own departments and having due regard to the risks associated with the Joint Undertaking's management environment; welcomes the fact that the Joint Undertaking's interim executive director put in place internal management and control systems and procedures that ensure the implementation of the internal control framework;
15. Acknowledges the fact that the Joint Undertaking adopted a manual of financial procedures to be used by its staff in order to describe the financial circuits for the implementation of its budget which covers all financial operations taking into account its 'lean' structure and any risks associated with the management environment and the nature of the financing operations;
16. Notes the fact that the Joint Undertaking implemented *ex-ante* controls on operational expenditure which were included in its financial rules and in the manual of financial procedures; points out that in 2015 *ex-ante* controls on operational expenditure dealt with the pre-financing of projects from the 2014 call;
17. Notes that the Joint Undertaking has established internal control procedures in order to provide for a reasonable assurance that fraud and irregularities are detected and prevented;

18. Notes that the Court's report refers to the fact that the Joint Undertaking set up *ex-ante* control procedures based on financial and operational desk reviews, and is developing a programme of *ex-post* audits of grant beneficiaries to be implemented from 2017 onwards; observes that those checks are key tools for assessing the legality and regularity of the underlying transactions, including the cash and IKOP to the Joint Undertaking by its members other than the Union;

Legal framework

19. Notes that on 23 December 2015 an amendment to the Joint Undertaking's financial rules was adopted based on a proposal made by the Commission's Directorate-General for Budget to clarify that the Court would base its work on the report made by a private audit company, although continuing to audit Joint Undertaking on an annual basis;

Prevention and management of conflicts of interests and transparency

20. Observes that the Joint Undertaking adopted rules for the prevention and management of conflicts of interests in respect of its members and that specific measures were thus in place for the selection and engagement of experts in charge of the evaluation of grant applications, projects and tenders and for providing opinions and advice in specific cases;
21. Notes that the Court's report refers to the fact that the Commission adopted an anti-fraud strategy in June 2011 which was updated in March 2015 to take account of changes introduced by Horizon 2020; invites the Joint Undertaking to incorporate into its annual activity report a section on its anti-fraud strategy;
22. Notes that the Court's report refers to the fact that the Commission issued guidelines to the Joint Undertakings relating to rules on conflicts of interests, including a common template for the declaration of absence of a conflict of interest, which the Joint Undertaking was to incorporate into its procedures; invites the Joint Undertaking to report to the discharge authority on the completion of such declarations;

Other

23. Calls on the Commission to ensure the direct involvement of the Joint Undertaking in the process of the Horizon 2020 mid-term review in the sphere of further simplifications and harmonisation of joint undertakings.
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DECISION (EU) 2017/1731 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the Bio-based Industries Joint Undertaking for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Bio-based Industries Joint Undertaking for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the Bio-based Industries Joint Undertaking for the financial year 2015, together with the Joint Undertaking's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2015 (05875/2017 — C8-0088/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 209 thereof,
 - having regard to Council Regulation (EU) No 560/2014 of 6 May 2014 establishing the Bio-based Industries Joint Undertaking ⁽⁴⁾, and in particular Article 12 thereof,
 - having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0103/2017),
1. Approves the closure of the accounts of the Bio-based Industries Joint Undertaking for the financial year 2015;
 2. Instructs its President to forward this decision to the Executive Director of the Bio-based Industries Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 473, 16.12.2016, p. 7.

⁽²⁾ OJ C 473, 16.12.2016, p. 8.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 169, 7.6.2014, p. 130.

⁽⁵⁾ OJ L 38, 7.2.2014, p. 2.

DECISION (EU) 2017/1732 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the Clean Sky 2 Joint Undertaking for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Clean Sky 2 Joint Undertaking for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the Clean Sky 2 Joint Undertaking for the financial year 2015, together with the Joint Undertaking's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2015 (05875/2017 — C8-0087/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 209 thereof,
 - having regard to Council Regulation (EU) No 558/2014 of 6 May 2014 establishing the Clean Sky 2 Joint Undertaking ⁽⁴⁾, and in particular Article 12 thereof,
 - having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0094/2017),
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 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Executive Director of the Clean Sky 2 Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 473, 16.12.2016, p. 15.

⁽²⁾ OJ C 473, 16.12.2016, p. 17.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 169, 7.6.2014, p. 77.

⁽⁵⁾ OJ L 38, 7.2.2014, p. 2.

RESOLUTION (EU) 2017/1733 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015**

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 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0094/2017).
- A. whereas the Joint Undertaking started to work autonomously in on 16 November 2009;
- B. whereas the Clean Sky 2 Joint Undertaking ('the Joint Undertaking') established under Council Regulation (EU) No 558/2014 ⁽¹⁾ replaced with effect from 27 June 2014 the Clean Sky Joint Undertaking according to the adaptation of the new founding Regulation under the Horizon 2020 Framework Programme for Research and Innovation;
- C. whereas the aim of the Joint Undertaking is to finalise the research and innovation activities under the Seventh Framework Programme (FP7) and manage the research and innovation activities under Horizon 2020 and extended the lifetime of the Joint Undertaking for the period up to 31 December 2024;
- D. whereas the founding members of the Joint Undertaking are the European Union, represented by the European Commission, the Leaders of the 'Integrated Technology Demonstrators' (ITDs), Innovative Aircraft Development Platforms (IADPs) and of the Transversal Areas (TAs) together with the Associate members of the ITDs;
- E. whereas the maximum contribution from the Union to the Joint Undertaking is EUR 1 755 000 000 to be paid from the budget of Horizon 2020.

Follow-up of 2014 discharge

1. Acknowledges from the Joint Undertaking that it disclosed performance indicators and indicators for monitoring cross-cutting issues in its Annual Activity Report as required by Horizon 2020 rules and notes that it achieved its targets in the majority of them;

Budgetary and financial management

2. Notes that the Court of Auditors (the 'Court') stated that the 2015 annual accounts of the Joint Undertaking present fairly, in all material respects, its financial position as of 31 December 2015 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Rules;
3. Notes that the Court, in its report of the Clean Sky Joint Undertaking ('the Court's report'), indicated the transactions underlying the annual accounts as legal and regular in all material aspects;
4. Notes that the Joint Undertaking's final budget for 2015 included commitment appropriations of EUR 440 705 606 and payment appropriations of EUR 245 990 262; observes with satisfaction that the Joint Undertaking successfully faced the challenge of managing the highest budget in its history (amounting to 192 % in commitments of the 2014 budget and 166 % in payment appropriations of the 2014 budget);
5. Notes that the commitment appropriations utilisation rate was 99,47 % (compared to 82,58 % in 2014) and the rate of payment appropriations was 75,44 % (compared to 90,19 % in 2014); notes, furthermore, that the lower implementation rate for payment appropriations was, namely, due to delays in the start of projects due to the necessary technical alignment of these projects to the ITDs, IADPs and the shift of the pre-financing payments to 2016;

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

6. Notes that 52,7 % (EUR 226 000 000) of operational commitments made in 2015 was for individual commitments based on completed award procedures for grants and that the remaining 47,3 % (EUR 203 500 000) was for Horizon 2020 global commitments for two calls for core partners and two calls for proposals for which the award procedures were ongoing at end of 2015;
7. Notes that, out of the total amount of EUR 800 000 000 for the operational and administrative activities to be funded under FP7, the Joint Undertaking made commitments of EUR 756 956 027 (94,6 %) and payments of EUR 740 274 715 (92,5 %) by the end of 2015; notes, furthermore, that since the Joint Undertaking had been no longer entitled to launch calls for proposals under FP7, the remaining commitments were to be used as appropriate for grant agreements with members;
8. Notes that, out of the total amount of EUR 550 909 549 for FP 7 operational activities funded from the other members' contributions by the end of 2015, EUR 501 609 427 (91 %) were validated by the Governing Board, EUR 37 880 240 were pending validation from earlier years (2008-2014), EUR 12 578 796 were in in-kind contributions by the members in 2015, and EUR 13 507 539 were the other members' cash contributions to the administrative costs of the Joint Undertaking;
9. Notes that, out of the total amount of EUR 1 755 000 000 for the operational and administrative activities to be funded under Horizon 2020, the Joint Undertaking made operational commitments of EUR 436 682 680 and payments of EUR 89 799 324; notes furthermore that the Union cash contribution to the administrative costs of the Joint Undertaking amounted to EUR 3 319 723;
10. Notes that, out of a minimum total amount of EUR 1 229 000 000 in respect of the other members' in-kind and cash contributions for Horizon 2020 operational and administrative costs (other than additional activities) by the end of 2015, EUR 47 103 981 of in-kind contributions to operational activities were reported to the Joint Undertaking; notes that the amount of EUR 3 537 520 were the other members' cash contributions to the Joint Undertaking's administrative costs;
11. Notes that out of the reported EUR 47 103 981 of in-kind contributions related to Horizon 2020 operational expenses, EUR 27 776 996 were certified in accordance with the Council Regulation, but not yet validated by the Governing Board, and EUR 19 326 985 were still to be certified and validated; notes, in this respect, that the Joint Undertaking received most of the members' financial reports by September 2016 and that the validated in-kind contributions were EUR 17 400 000 higher compared to estimates; points out that private sector members experienced difficulties presenting their in-kind contribution figures by the deadline of 31 January and is concerned that this could become a recurring issue;

Calls for proposals

12. Notes that the Joint Undertaking ran for the first time two research programmes simultaneously in 2015, namely, the Clean Sky programme under FP7 and the Clean Sky 2 programme under Horizon 2020;
13. Notes that, in 2015, the Joint Undertaking launched 2 calls for proposals, received 230 eligible proposals (out of the total of 232) and selected 68 proposals to be funded;
14. Recognises that, within the Clean Sky programme, more than 10 significant demonstrators (ground and flight tested) were delivered and 106 projects were completed/finished in 2015;
15. Appreciates that, in terms of widening participation, during the first year of Clean Sky 2 programme 76 new core partners joined the programme (compared to 66 Associates in the original Clean Sky programme) and that this trend continues (133 core partners by the end of 2016); furthermore 294 partners emerged from the first 4 open competitive calls for proposals resulting in the total net number of 384 participants in the Programme;
16. Notes that SME participation in the call for proposals launched in 2015 was lower than the planned rate of 35 %, however, notes the progress made by the Joint Undertaking in involving SMEs in the Programme by achieving 36 % participation rate by the end 2016 and encourages the Joint Undertaking to make further progress in its dissemination activities;

Key controls and supervisory systems

17. Notes that the Joint Undertaking set up *ex-ante* control procedures based on financial and operational desk reviews, and *ex-post* audits at beneficiaries of grants;

18. Notes that internal control procedures have been established within the Joint Undertaking in order to provide a reasonable assurance that fraud and irregularities will be detected and prevented;
19. Notes that the residual error rate for the *ex-post* audits reported by the Joint Undertaking was 1,52 %;

Anti-fraud Strategy

20. Notes that the financial rules of the Joint Undertaking state that its budget should be implemented in compliance with effective and efficient internal control standards, including prevention, detection, correction and follow-up of fraud and irregularities;
21. Notes that the governing board of the Joint Undertaking endorsed the updated Research Anti-Fraud Strategy in April 2016 in order to take account of changes introduced by Horizon 2020;
22. Notes that, according to the Court's report, the Joint Undertaking put in place internal control procedures that provide reasonable assurance on the prevention and detection of fraud and irregularities (*ex-ante* checks on payments, conflict of interest policy, *ex-post* audits at beneficiaries of grants) and it was implementing the measures in the action plan, such as making use of Commission databases to identify excluded organisations or potential double funding;

Internal control systems

23. Notes that, according to the Court's report, an audit on the dissemination of the results of Union-funded research was carried out by the Internal Audit Service (IAS); notes, furthermore, that, as a result, the IAS recommended improvements, including planning and reporting on the use and dissemination of members' research results under the grant agreements with members, assessment of the core partners' reporting on the dissemination and exploitation of research results, performance monitoring and reporting, and the Joint Undertaking's central dissemination of research results and quality control of beneficiaries' publications; notes, furthermore, that the IAS has issued two very important recommendations, and that the Joint Undertaking made a dedicated action plan for their implementation;
24. Notes that the IAS partially closed the issue concerning the planning and reporting on the use and dissemination of beneficiaries' research results and scheduled the deadlines for the complete implementation for 2017; notes that the recommendation on performance monitoring and reporting was closed by the IAS;

Other

25. Notes that the representation of genders is extremely unbalanced especially in technical reviews (3,2 % women compared to 96,8 % men), and very unbalanced in the scientific committees and in the program coordination committees (14,3 % women to 85,7 % men and 16,7 % women to 83,3 % men, respectively); urges the Joint Undertaking to improve the gender imbalance in its various bodies and to put forward a plan for realising that goal;
 26. Welcomes the progress made in the field of cooperation with Regions and leveraging Clean Sky 2 funding with Structural and Investment Funds and encourages the Joint Undertaking to continue in these efforts;
 27. Calls on the Commission to ensure the direct involvement of the Joint Undertaking in the process of the Horizon 2020 mid-term review in the sphere of further simplifications and harmonisation of Joint Undertakings.
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DECISION (EU) 2017/1734 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the Clean Sky 2 Joint Undertaking for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Clean Sky 2 Joint Undertaking for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the Clean Sky 2 Joint Undertaking for the financial year 2015, together with the Joint Undertaking's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2015 (05875/2017 — C8-0087/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 209 thereof,
 - having regard to Council Regulation (EU) No 558/2014 of 6 May 2014 establishing the Clean Sky 2 Joint Undertaking ⁽⁴⁾, and in particular Article 12 thereof,
 - having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0094/2017),
1. Approves the closure of the accounts of the Clean Sky 2 Joint Undertaking for the financial year 2015;
 2. Instructs its President to forward this decision to the Executive Director of the Clean Sky 2 Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 473, 16.12.2016, p. 15.

⁽²⁾ OJ C 473, 16.12.2016, p. 17.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 169, 7.6.2014, p. 77.

⁽⁵⁾ OJ L 38, 7.2.2014, p. 2.

DECISION (EU) 2017/1735 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the ECSEL Joint Undertaking for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the ECSEL Joint Undertaking for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the ECSEL Joint Undertaking for the financial year 2015, together with the Joint Undertaking's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2015 (05875/2017 — C8-0091/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 209 thereof,
 - having regard to Council Regulation (EU) No 561/2014 of 6 May 2014 establishing the ECSEL Joint Undertaking ⁽⁴⁾, and in particular Article 12 thereof,
 - having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0113/2017),
1. Grants the Executive Director of the ECSEL Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Executive Director of the ECSEL Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 473, 16.12.2016, p. 24.

⁽²⁾ OJ C 473, 16.12.2016, p. 25.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 169, 7.6.2014, p. 152.

⁽⁵⁾ OJ L 38, 7.2.2014, p. 2.

RESOLUTION (EU) 2017/1736 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 2015**

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 2015,
- having regard to Rule 94 of and Annex IV to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A8-0113/2017),
- A. whereas the ECSEL Joint Undertaking on Electronic Components and Systems for European Leadership (the 'Joint Undertaking') was established on 7 June 2014 within the meaning of Article 187 of the Treaty on the Functioning of the European Union for the implementation of the Joint Technology Initiative on 'Electronic Components and Systems for European Leadership' ('ECSEL') for a period up to 31 December 2024;
- B. whereas the public-private partnership on electronic components and systems should combine the financial and technical means that are essential to master the complexity of the ever escalating pace of innovation in this area;
- C. whereas the Joint Undertaking was established by Council Regulation (EU) No 561/2014 in June 2014 to replace and succeed the joint undertakings ENIAC and ARTEMIS;
- D. whereas the members of the Joint Undertaking are the Union, the Member States and countries associated, on a voluntary basis, with Horizon 2020 ('Participating States'), and private member associations ('Private Members') that represent their constituent companies and other organisations active in the field of electronic components and systems in the Union; whereas the Joint Undertaking should be open to new members;
- E. whereas in assessing the overall impact of the Joint Undertaking, investments from all legal entities other than the Union and the Participating States contributing to the objectives of the Joint Undertaking should be taken into account; whereas those overall investments are expected to amount to at least EUR 2 340 000 000;
- F. whereas the contributions to the Joint Undertaking envisaged for the entire period of Horizon 2020 amount to EUR 1 184 874 000 from the Union, EUR 1 170 000 000 from the Participating States and EUR 1 657 500 000 from Private Members;
- G. whereas the transition from the joint undertakings ENIAC and ARTEMIS to the Joint Undertaking should be aligned and synchronised with the transition from the Seventh Framework Programme to Horizon 2020 in order to ensure an optimal use of the funding available for research;

Follow-up to the 2014 discharge

1. Notes that the Joint Undertaking published specific performance indicators in its annual activity report as required by Horizon 2020;

Budgetary and financial management

2. Notes that the Court of Auditors (the 'Court'), in its report on the Joint Undertaking's annual accounts for the financial year 2015 (the 'Court's report'), finds that the Joint Undertaking's annual accounts present fairly, in all material respects, its financial position as at 31 December 2015 and the results of its operations and cash flows for the year then ended, in accordance with its financial rules and the accounting rules adopted by the Commission's accounting officer;
3. Notes that the Joint Undertaking's final budget for the financial year 2015 included commitment appropriations of EUR 108 500 000 and payment appropriations of EUR 168 000 000; notes, furthermore, that budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 100 % and that the payment appropriations execution rate was at 90,95 %;

4. Regrets that the Court has, once again, issued only a qualified opinion on the legality and regularity of the transactions underlying the annual accounts on the grounds of the administrative agreements signed with the national funding authorities (NFAs) regarding *ex-post* audits of project payments and the fact that the Joint Undertaking audit strategies relied heavily on the NFAs;
5. Expresses concern that the Court's report finds that it was impossible for the Joint Undertaking to calculate a reliable weighted error rate or a residual error rate because of the significant variation in the methodologies and procedures used by the NFAs and thus the Court could not conclude whether *ex-post* audits were functioning effectively and whether this key control provided sufficient assurance as to the legality and regularity of the underlying transactions for Seventh Framework Programme projects; recognises that the issue is related to the legal framework of the Seventh Framework Programme and thus not caused by the Joint Undertaking's performance;
6. Notes that the Joint Undertaking conducted an extensive assessment of the national assurance systems and concluded that the audit reports can provide reasonable protection of the financial interests of its members; notes, furthermore, that, as a reaction to the postponement of the discharge decision in 2014, the Joint Undertaking asked the NFAs to provide written declarations that the implementation of their national procedures provided for a reasonable assurance of the legality and regularity of transactions; the discharge authority took the declarations of the NFAs into account during the postponed discharge process and granted discharge to the Joint Undertaking in October 2016; recognises that the Joint Undertaking, following its good example from the previous year, asked the NFAs in January 2017 to provide similar written declarations to submit to the discharge authority;
7. Highlights the fact that the issue regarding the variation in the methodologies and procedures used by the NFAs is no longer relevant for the implementation of Horizon 2020 projects;
8. Notes that by the end of 2015 the Joint Undertaking's payments, which were to be funded from the Seventh Framework Programme, amounted to EUR 293 000 000 (47 % of its operational commitments);
9. Notes that out of the total amount of contributions to cover operational and administrative costs funded by the Union under Horizon 2020, the Joint Undertaking made commitments amounting to EUR 257 500 000 (22 % of the total envelope) and payments amounting to EUR 56 000 000 (22 % of the commitments); notes that the cash contribution by the Union to the administrative costs of the Joint Undertaking amounted to EUR 1 400 000;
10. Regrets that out of the 28 Participating States which were required to make a financial contribution to the operational costs of the Joint Undertaking proportional to the Union's financial contribution only 11 declared payments, totalling EUR 15 800 000;
11. Notes that the Private Members were expected to make in-kind contributions amounting to at least EUR 1 657 500 000 and that the estimated amount of the in-kind contributions of the Private Members for 2015 was EUR 58 700 000; accepts in this respect that the Commission issued guidelines in 2016 allowing the financial contribution to the projects to be determined at the end of the project when the Private Members can calculate their respective in-kind contributions; notes furthermore that at the end of 2015 the contributions in cash by the private members to the administrative costs of the Joint Undertaking amounted to EUR 3 600 000;

Key controls and supervisory systems

12. Notes that *ex-ante* control procedures based on financial and operational desk reviews were set up by the Joint Undertaking; notes that those checks are key tools for assessing the legality and regularity of operations and that the Joint Undertaking was developing *ex-post* audits of beneficiaries of Horizon 2020 funding;

Calls for proposals

13. Notes that the Joint Undertaking launched two calls for proposals inviting research and innovation actions and that in 2015 it received 76 eligible project outlines and 62 eligible full project proposals (compared to 48 in 2014); notes, furthermore, that in 2015 the success rates were 13 % for research and innovation actions (compared to 18 % in 2014) and 33 % for the innovation actions (compared to 43 % in 2014); notes that the lower success rate in 2015 was due to the higher number of projects submitted;
14. Notes that the project portfolio in 2015 comprised 25 projects of the Joint Undertaking, of which 13 were selected in 2015, and 60 legacy projects (the joint undertakings ARTEMIS and ENIAC); notes, furthermore, that the participation of small and medium-sized undertakings was 32 % in the Joint Undertaking's calls;

Legal framework

15. Notes that the main decisions adopted by the Joint Undertaking's governing board included decisions on an anti-fraud strategy, the Staff Regulations and a comprehensive conflict of interests policy;

Internal audit

16. Notes that in 2015 the internal audit services performed a risk assessment of the Joint Undertaking, and is concerned that as a result it identified two 'high impact/high risk areas' in the Joint Undertaking's administrative processes (namely, its risk management and anti-fraud strategy) and two 'high risk/high impact area' in the Joint Undertaking's operational processes (namely, *ex-post* controls and the coordination/implementation of CSC tools); welcomes, however, the fact that the Joint Undertaking has already mitigated, and is making further efforts to mitigate, those risks;

Anti-fraud Strategy

17. Notes that, according to the Court's report, the Joint Undertaking's financial rules provide for the Joint Undertaking's budget to be implemented in compliance with effective and efficient internal control standards, including prevention, detection, correction and follow-up of fraud and irregularities;
18. Notes that in 2016 the Joint Undertaking pledged to continue pursuing actions to improve the internal control environment, as laid down in the internal fraud prevention strategy;
19. Acknowledges that the Joint Undertaking's governing board endorsed the updated Common Research Anti-Fraud Strategy in May 2015 and, based on that strategy, adopted an anti-fraud implementation plan in 2016; notes, furthermore, that the Joint Undertaking updated its *ex post* control strategy in December 2016;
20. Notes that the Court's report states that internal control procedures, which provided a reasonable assurance of the prevention of fraud and irregularities (including *ex-ante* checks on payments, conflict of interest policy and *ex-post* audits of beneficiaries of grants), were already in place in the Joint Undertaking;

Other

21. Calls on the Commission to ensure the direct involvement of the Joint Undertaking in the process of the Horizon 2020 mid-term review with regard to the further simplification and harmonisation of procedures relating to joint undertakings.
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DECISION (EU) 2017/1737 OF THE EUROPEAN PARLIAMENT
of 27 April 2017
on the closure of the accounts of the ECSEL Joint Undertaking for the financial year 2015

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the ECSEL Joint Undertaking for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the ECSEL Joint Undertaking for the financial year 2015, together with the Joint Undertaking's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2015 (05875/2017 — C8-0091/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 209 thereof,
 - having regard to Council Regulation (EU) No 561/2014 of 6 May 2014 establishing the ECSEL Joint Undertaking ⁽⁴⁾, and in particular Article 12 thereof,
 - having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0113/2017),
1. Approves the closure of the accounts of the ECSEL Joint Undertaking for the financial year 2015;
 2. Instructs its President to forward this decision to the Executive Director of the ECSEL Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 473, 16.12.2016, p. 24.

⁽²⁾ OJ C 473, 16.12.2016, p. 25.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 169, 7.6.2014, p. 152.

⁽⁵⁾ OJ L 38, 7.2.2014, p. 2.

DECISION (EU) 2017/1738 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2015, together with the Joint Undertaking's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2015 (05875/2017 — C8-0090/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 209 thereof,
 - having regard to Council Regulation (EU) No 559/2014 of 6 May 2014 establishing the Fuel Cells and Hydrogen 2 Joint Undertaking ⁽⁴⁾, and in particular Article 12 thereof,
 - having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0109/2017),
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 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Executive Director of the Fuel Cells and Hydrogen 2 Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 473, 16.12.2016, p. 47.

⁽²⁾ OJ C 473, 16.12.2016, p. 49.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 169, 7.6.2014, p. 108.

⁽⁵⁾ OJ L 38, 7.2.2014, p. 2.

RESOLUTION (EU) 2017/1739 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0109/2017),
- 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 for a period until 31 December 2017 to focus on developing market applications and hence facilitate additional industrial efforts towards a rapid deployment of fuel cells and hydrogen technologies; whereas Regulation (EC) No 521/2008 was repealed by Regulation (EU) No 559/2014;
- B. whereas Regulation (EU) No 559/2014 established the Fuel Cells and Hydrogen 2 Joint Undertaking (FCH2) in May 2014 to replace and succeed FCH for a period until 31 December 2024;
- C. whereas the Members of FCH were the Union, represented by the Commission, the European Fuel Cell and Hydrogen Joint Technology Initiative Industry Grouping ('Industry Grouping'), and the New European Research Grouping on Fuel Cells and Hydrogen AISBL — N.ERGHY ('Research Grouping');
- D. whereas the Members of FCH2 are the Union, represented by the Commission, the Industry Grouping Hydrogen Europe ('Industry Grouping2') and the Research Grouping 'N.ERGHY' ('Research Grouping2');
- E. whereas the maximum Union contribution for their period of activity is EUR 470 000 000 to FCH and EUR 665 000 000 to FCH2, to be paid from the budgets of the Seventh Framework Programme and Horizon 2020, as applicable, of which the proportion earmarked for running costs is not to exceed EUR 20 000 000 and EUR 19 000 000 respectively;
- F. whereas in FCH2, the Industry Grouping2 and the Research Grouping2 are, together, to contribute 50 % of the running costs, the Industry Grouping2 contributing 43 % and the Research Grouping2 7 % of the running costs, and both are to contribute to operational costs through in-kind contributions and to the objectives of FCH2 through in-kind contributions in additional activities ('IKAA') with a minimum amount of EUR 380 000 000 of which at least EUR 285 000 000 in IKAA;

Budget and financial management

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 2015 annual accounts of FCH to present fairly, in all material respects, its financial position on 31 December 2015 and the results of its operations and cash flows for the year then ended, in accordance with the provisions of its financial rules;
2. Notes that the final budget of FCH2 for the financial year 2015 included commitment appropriations of EUR 132 583 855 and payment appropriations of EUR 95 089 121; notes that commitment appropriations increased by 17 % compared to 2014 mainly due to the higher amount for 2015 call of proposals and payment appropriations showed a decrease of 2 % compared to 2014;
3. Notes from its annual activity report that FCH2 continued *ex-post* audits with the launch of 29 new audits; welcomes the fact that the residual error rate was at 0,98 %;
4. Notes that FCH2 has set up *ex-ante* procedures based on financial and operational data reviews, and performs *ex post* audits of grant beneficiaries; notes that those checks are key tools for assessing the legality and regularity of operations;

5. Points out that the budget execution by year end for all fund sources reached 87,3 % as regards commitment appropriations, representing a slight decrease compared to previous year due to the outcome of the evaluation for the 2015 call; notes that a number of project proposals were rejected as they did not meet the required quality, resulting in unused commitment appropriations of EUR 13 700 000; notes that the payment execution rate was at 83 %, representing the best execution rate of payments for FCH2 to date;
6. Notes that, of the total operational commitments of EUR 193 500 000 made in 2015, 42,6 % were individual commitments based on completed award procedures for grants and contracts; notes that 57,3 % were global commitments for which the award procedure was not completed due to the time required for the evaluation and negotiation procedures for the 2015 calls for proposals for Horizon 2020 projects;
7. Welcomes the fact that a total of 59 research and industry organisations reported their investments for a cumulative total amount of EUR 188 570 000, representing over 60 % of the target set for the entire duration of FCH2;
8. Acknowledges the fact that the sector manifested a clear intention to invest, develop and commercialise its innovative technologies, both on the side of industry and research; notes that IKAA submissions coming from 16 different Members States, with a 33 to 67 % split between research and industry submissions in terms of number of entities; welcomes the fact that the fuel cells and hydrogen sector is determined to continue on the same path by doing its utmost to produce strong figures for the next 2016 reporting period;
9. Notes that when the final accounts were prepared, the FCH2 did not receive the required reports from its members implementing Horizon 2020 projects as they were not yet due and therefore observes that the amount of 2015 in-kind contributions for the Horizon 2020 entered in the accounts was based on estimation by FCH2 of the costs incurred by members up to the end of 2015; points out in this respect that in-kind contributions will be communicated as a part of the first reporting under projects that is due in September 2016; recalls that the Court's report recommends that the Commission should present clear guidelines for the budgetary reporting and financial management of FCH2 and notes that those guidelines were issued on 20 December 2016 following that recommendation;

Transfer

10. Notes that two budget transfers were made between different budget lines of the same Chapter in order to better allocate the resources needed for the administrative costs; points out that those transfers did not have any impact on the voted budget;

Calls for proposal

11. Acknowledges the fact that FCH2 successfully made the transition to Horizon 2020 by completing the signature of the first grant agreements resulting from the 2014 call; notes that by the end of 2015 FCH2 had 15 ongoing Horizon 2020 projects from the 2014 and 15 under preparation from the 2015 call;
12. Notes that the first grant agreements under Horizon 2020 (the 2014 call) were signed with an average eight months to grant (except in three duly justified cases) reflecting the efforts made to have a swift grant preparation phase in a context of new rules and new tools; highlights that those 15 projects represent a contribution of EUR 82 100 000 of which 55 % for innovation actions and 41 % for research and innovation actions with the remaining 4 % for cross-cutting activities; notes that small and medium-sized enterprises represented 25 % of the number of participants in successful projects and 24 % of FCH contribution in the 2014 call;
13. Notes that FCH2's second call for proposals under Horizon 2020 was published on 5 May 2015 with a deadline for submission of proposals on 27 August 2015 and an estimated budget of EUR 123 000 000 and that 61 eligible proposals were received, which resulted in 15 projects being selected for total funding of EUR 109 916 764;

Legal framework

14. Observes that the financial rules applicable to the general budget of the Union were amended by Regulation (EU, Euratom) 2015/1929; notes that FCH2 must revise its financial rules to align them with the revised model; notes that FCH2's revised financial regulation was adopted by its governing board in May 2016, after the draft was submitted to the Commission for approval;

15. Notes that the Commission's internal audit system (IAS) completed an audit on the evaluation and selection process for Horizon 2020 grant proposals at FCH2 in November 2015; highlights the fact that the IAS made recommendations regarding improvements of the clarity and transparency of FCH2's selection of topics for proposals; calls on FCH2 to report to the discharge authority regarding improvements which have been taking in order to make the selection procedure more transparent;

Prevention and management of conflicts of interest and transparency

16. Welcomes the fact that, on the basis of a recommendation from the discharge authority and a recommendation from an audit performed jointly by the Commission's IAS and the FCH2's internal auditor, FCH2 prepared internal rules which specify in a more comprehensive way the obligations in terms of conflicts of interests; acknowledges with satisfaction the fact that in the framework of its internal control awareness session held on 30 November 2015, FCH2's staff members received training on the definition and possible prevention of conflicts of interests, and reporting requirements in terms of acceptance of gifts, favours or payments;
17. Notes with satisfaction that FCH2 took part in, and implemented in 2015, the preventive and corrective measures in line with the newly adopted common 'anti-fraud strategy and anti-fraud action plan' at Commission level;

Other

18. Highlights the fact that basic research contributing to FCH2's goals should not be excluded from other Horizon 2020 calls if there is clearly no duplication with FCH2 calls;
 19. Notes that internal control procedures have been established within the Joint Undertaking in order to provide a reasonable assurance that fraud and irregularities will be detected and prevented;
 20. Notes that general rules for employees, drawn up on the basis of a Commission template, should have been submitted to the Board for approval by the end of 2016;
 21. Calls on the Commission to ensure the direct involvement of FCH2 in the process of the Horizon 2020 mid-term review with regard to the further simplification and harmonisation of procedures relating to joint undertakings.
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DECISION (EU) 2017/1740 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2015, together with the Joint Undertaking's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2015 (05875/2017 — C8-0090/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 209 thereof,
 - having regard to Council Regulation (EU) No 559/2014 of 6 May 2014 establishing the Fuel Cells and Hydrogen 2 Joint Undertaking ⁽⁴⁾, and in particular Article 12 thereof,
 - having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0109/2017),
1. Approves the closure of the accounts of the Fuel Cells and Hydrogen 2 Joint Undertaking for the financial year 2015;
 2. Instructs its President to forward this decision to the Executive Director of the Fuel Cells and Hydrogen 2 Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 473, 16.12.2016, p. 47.

⁽²⁾ OJ C 473, 16.12.2016, p. 49.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 169, 7.6.2014, p. 108.

⁽⁵⁾ OJ L 38, 7.2.2014, p. 2.

DECISION (EU) 2017/1741 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2015, together with the Joint Undertaking's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2015 (05875/2017 — C8-0089/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 209 thereof,
 - having regard to Council Regulation (EU) No 557/2014 of 6 May 2014 establishing the Innovative Medicines Initiative 2 Joint Undertaking ⁽⁴⁾, and in particular Article 12 thereof,
 - having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0083/2017),
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 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Executive Director of the Innovative Medicines Initiative 2 Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 473, 16.12.2016, p. 57.

⁽²⁾ OJ C 473, 16.12.2016, p. 58.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 169, 7.6.2014, p. 54.

⁽⁵⁾ OJ L 38, 7.2.2014, p. 2.

RESOLUTION (EU) 2017/1742 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2015**

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 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0083/2017).
- A. whereas the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines ('IMI Joint Undertaking') was set up in December 2007 for a period of 10 years to significantly improve the efficiency and effectiveness of the drug development process with the long-term aim that the pharmaceutical sector produce more effective and safer innovative medicines;
- B. whereas following the adoption of Council Regulation (EU) No 557/2014 in May 2014 the Innovative Medicines Initiative 2 Joint Undertaking ('IMI 2 Joint Undertaking') replaced the IMI Joint Undertaking in June 2014 with the aim of finalising research activities of the Seventh Framework Programme and extended the lifetime of the Joint Undertaking until 31 December 2024;
- C. whereas the Union, which is represented by the Commission, and the European Federation of Pharmaceutical Industries and Associations (EFPIA) are the founding members of the Joint Undertaking;
- D. whereas the Joint Undertaking started to work autonomously on 16 November 2009;
- E. whereas the maximum contribution for the period of 10 years from the Union to the IMI Joint Undertaking is EUR 1 000 000 000, to be paid from the budget of the 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;
- F. whereas the maximum contribution for the period of 10 years from the Union to the IMI 2 Joint Undertaking is EUR 1 638 000 000, to be paid from the budget of Horizon 2020 and the Members, other than the Commission, have to contribute 50 % of the running costs and should contribute to operational costs through cash or in-kind contributions, or both, equal to the financial contribution of the Union.

Budgetary and financial management

1. Notes that, in the Court of Auditors' ('the Court') opinion, the Joint Undertaking's annual accounts present fairly, in all material respects, its financial position as at 31 December 2015 and the results of its operations and cash flows for the year then ended, in accordance with its financial rules and the accounting rules adopted by the Commission's accounting officer;
2. Notes the clean opinion of the Court on the legality and regularity of transactions underlying the annual accounts of the Joint Undertaking for the year 2015 and acknowledges that the Joint Undertaking has met the materiality threshold;
3. Takes note that the final budget of the Joint Undertaking in 2015 available for implementation included commitment appropriations of EUR 315 269 000 and payment appropriations of EUR 195 411 000;
4. Notes that budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 91,04 %, representing a decrease of 1,34 % compared to 2014; notes that the payment appropriations execution rate was at 72,68 %, representing a decrease of 1,22 % compared to 2014; notes from the Joint Undertaking that the lower-than-expected implementation rate for payment appropriations was mainly due to delays in the negotiations for several Horizon 2020 projects; notes that in the case of operational activities, the implementation rate was 91,17 % for commitment appropriations and 72,74 % for payment appropriations;

5. Notes that by the end of 2015, the Joint Undertaking made commitments of EUR 966 000 000 and payments of EUR 538 100 000 (55,7 % of operational commitments) from the resources funded by the Union under the Seventh Framework Programme; notes furthermore that the high level of outstanding operational payments was mainly due to the slow and delayed start of activities during the first years of the Joint Undertaking and they were to be used to cover future payments for the signed grant agreements running until the end of 2021;
6. Notes that out of the total amount of EUR 1 billion resources determined under the Seventh Framework Programme for the other members' in-kind and cash contributions, EUR 503 100 000 of in-kind contributions to operational activities was reported to the Joint Undertaking by the end of 2015, of which EUR 321 800 000 or 63,9 % were validated by the governing board;
7. Notes that out of a total amount of resources of EUR 1 638 000 000 for the operational and administrative activities to be funded by the Union under Horizon 2020, the Joint Undertaking made operational commitments amounting to EUR 351 700 000 and payments amounting to EUR 45 900 000 (13 % of operational commitments); acknowledges that the low level of payments was mainly due to delays in negotiating the Horizon 2020 agreements with the industry partners;
8. Notes that out of the total amount of EUR 1 425 000 000 resources determined under Horizon 2020 for the members' in-kind and cash contributions, EUR 68 600 000 was reported to the Joint Undertaking by the end of 2015; 11 grant agreements signed under Horizon 2020 programme contain a commitment of EUR 123,5 million for in-kind contribution;
9. Notes that since September 2015 the Joint Undertaking outsourced the function of Accounting Officer to the Accounting Officer of the Commission;
10. Recalls that the Court recommended in its report that the Commission should present clear guidelines for the Joint Undertaking's budget reporting and welcomes that those guidelines were issued on 20 December 2016 in line with this recommendation;

Anti-Fraud Strategy

11. Notes that the updated Anti-Fraud Strategy of the Joint Undertaking was adopted by the governing board in July 2015 in order to take into account the changes introduced by Horizon 2020;
12. Regrets to discover that one case of suspicion of fraud was submitted to the European Anti-Fraud Office (OLAF) for assessment and the latter decided not to open an investigation; notes that the Joint Undertaking launched both a technical and a financial audit, and that the technical audit identified some scientific weaknesses in the work performed by a beneficiary, which resulted in the termination of participation of that beneficiary, with the corresponding costs disallowed and the amount of EUR 398 115,65 reimbursed to the project coordinator; notes that the financial audit of the project was concluded without any significant material findings; highlights in this respect the important role of whistle-blowers and internal auditing procedures in detecting, reporting, and investigating irregularities related to Union budgetary expenditure, and furthermore, to the recovery of the misused funds;

Internal control systems

13. Notes that an audit on *ex ante* controls for grant management and related processes was conducted by the Internal Audit Service (IAS); points out that the Joint Undertaking has previously had deficiencies in its documentation of *ex ante* controls, and notes that the audit resulted in three recommendations which suggested that the Joint Undertaking should make its *ex ante* controls more effective by using a more risk-based and balanced approach, it should reinforce control procedures for the certificates on financial statements, and it should enhance management reporting on the results of *ex ante* controls; acknowledges the fact that no critical recommendation was issued in respect of the Joint Undertaking and that since March 2015 it has been implementing the IAS audit recommendations;
14. Notes that *ex ante* control procedures based on financial and operational desk reviews were set up; notes furthermore that the Joint Undertaking performed *ex post* audits of grant beneficiaries; takes note that the residual rate for the *ex post* audits reported was 1,5 %;

15. Notes that internal control procedures have been established within the Joint Undertaking in order to provide a reasonable assurance that fraud and irregularities will be detected and prevented;
16. In the light of the information obtained from the Joint Undertaking, acknowledges the fact that the Joint Undertaking has made progress in implementing the actions agreed with the IAS and that two recommendations from the audit conducted in the previous years concerning key performance indicators and reviews of interim project reports were implemented by the management in 2015 and closed by the IAS; notes furthermore that concerning the only outstanding recommendation on strengthening the project monitoring process and improving the IT systems, the Joint Undertaking completed the agreed actions and the IAS closed the issue in April 2016;

Other

17. Notes that 15,6 % of beneficiaries in 2015 were SMEs, which represents a slight decrease in comparison to 2014; encourages the Joint Undertaking to continue in its effort towards higher participation of SMEs in its projects;
 18. Takes note that the Joint Undertaking published an in-depth report on the socioeconomic impact of IMI projects in May 2016, as requested by the discharge authority;
 19. Calls on the Commission to ensure the direct involvement of the Joint Undertaking in the process of the Horizon 2020 mid-term review in the sphere of further simplifications and harmonisation of Joint Undertakings.
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DECISION (EU) 2017/1743 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2015, together with the Joint Undertaking's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2015 (05875/2017 — C8-0089/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 209 thereof,
 - having regard to Council Regulation (EU) No 557/2014 of 6 May 2014 establishing the Innovative Medicines Initiative 2 Joint Undertaking ⁽⁴⁾, and in particular Article 12 thereof,
 - having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0083/2017),
1. Approves the closure of the accounts of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2015;
 2. Instructs its President to forward this decision to the Executive Director of the Innovative Medicines Initiative 2 Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 473, 16.12.2016, p. 57.

⁽²⁾ OJ C 473, 16.12.2016, p. 58.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 169, 7.6.2014, p. 54.

⁽⁵⁾ OJ L 38, 7.2.2014, p. 2.

DECISION (EU, Euratom) 2017/1744 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the European Joint Undertaking for ITER and the Development of Fusion Energy (Fusion for Energy) for the financial year 2015**

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 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2015, together with the Joint Undertaking's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2015 (05875/2017 — C8-0085/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Decision 2007/198/Euratom of 27 March 2007 establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it ⁽⁴⁾, and in particular Article 5(3) thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0108/2017),
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 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Director of the European Joint Undertaking for ITER and the Development of Fusion Energy, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 473, 16.12.2016, p. 33.

⁽²⁾ OJ C 473, 16.12.2016, p. 34.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 90, 30.3.2007, p. 58.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU, Euratom) 2017/1745 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****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 (Fusion for Energy) for the financial year 2015**

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 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0108/2017),
- A. whereas the European Joint Undertaking for ITER and the Development of Fusion Energy (Fusion for Energy) (the 'Joint Undertaking') was established in March 2007 for a period of 35 years by Council Decision 2007/198/Euratom;
- B. whereas the members of the Joint Undertaking are Euratom, represented by the Commission, the Member States of Euratom, and third countries which have concluded a cooperation agreement with Euratom in the field of controlled nuclear fusion;
- C. whereas the objectives of the Joint Undertaking are 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 (DEMO);
- 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 2015 (the 'Court's report') finds that the Joint Undertaking's annual accounts presented fairly, in all material respects, its financial position as at 31 December 2015 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its financial rules and the accounting rules adopted by the Commission's accounting officer;
2. Acknowledges that the Court's report states that the transactions underlying the Joint Undertaking's annual accounts for the financial year 2015 are, in all material respects, legal and regular;
3. Expresses concern that the Court's report once again emphasises that the complexity of ITER activities puts the amount of the Joint Undertaking's contribution to the construction phase of the ITER project at significant risk of increasing, but also recognises that significant progress across a range of areas impacting on the whole management structure of the project has been achieved;
4. Highlights that the Joint Undertaking is responsible for the management of the Union's contribution to the ITER project and that the budget cap of EUR 6 600 000 000 must be maintained until 2020; stresses, furthermore, that the main challenge for the ITER project is to make sure that the realistic schedule and budgeting are kept and that any potential deviation or problem is detected at the earliest stage possible; notes that the Court's report, once again, notes in its 'emphasis of matter' that the budget cap of EUR 6 600 000 000, which was double the initial budgeted costs for the construction phase in 2010, did not include contingency costs; notes some progress, therefore, in the updated valuation to the Joint Undertaking's contribution in 2015, which is a more comprehensive figure; is aware that recent changes that still are being introduced in this regard are key for the future success of the project;
5. Expresses serious concern about the fact that the Court's report states that in 2015 the Joint Undertaking launched a major exercise to calculate the estimated cost at completion of the Joint Undertaking's contribution to the construction phase of the ITER project, resulting in an expected cost increase of around EUR 2 375 000 000, which represents an increase of 35 % over the figure approved by the Council in 2010; notes that this amount is greater than the increase reported by the Joint Undertaking in November 2014, but acknowledges that this is due to the wider scope of the new calculation to cover the entire construction phase, rather than only estimated cost deviations on awarded contracts; welcomes the efforts taken by the Joint Undertaking to provide more global and realistic cost estimates;

6. Points out that the Court's report refers to the adoption by the Joint Undertaking's governing board of a 2015 action plan, in line with the ITER action plan, to face the challenges connected with the complexity of the ITER project; notes that the Council of ITER Organisation (the 'ITER Council') at its meeting of June 2016 finally adopted *ad referendum* the new schedule and resources for the ITER project (a new 'Baseline' accompanied by a staged approach towards reaching First Plasma) that were considered to be realistic, including setting key milestones for 2016 to 2017 and a target date of 2025 for reaching First Plasma; notes, furthermore, that in November 2016 the ITER Council approved *ad referendum* the overall project schedule to First Plasma in 2025 and to Operation Deuterium Tritium in 2035; notes, however, that the new Baseline has yet to be adopted by the Council of the European Union;
7. Insists that the Commission present, before July 2017, a communication on ITER project, which is essential for ensuring transparency of the whole project and setting out the way forward;
8. Points out that the Joint Undertaking's new director was appointed in January 2016 and has already introduced many necessary key changes; notes that the director put forward 21 new actions in addition to the 2015 action plan; notes the high level of ambition of the new actions, which go beyond budgetary and timeframe improvements by aiming for broad and comprehensive progress across a range of areas affecting ITER project performance, including management and communications, professionalisation of processes, and training and professional development for personnel;
9. Notes that in the process of granting the postponed 2014 discharge, the discharge authority requested the Joint Undertaking's director to present a detailed progress report on all the key actions that would confirm that the project is going the right direction and that all these actions are being implemented; recognises that that report has been presented to the discharge authority in January 2017;

Budget and financial management

10. Notes that the final 2015 budget available for implementation included commitment appropriations of EUR 467 901 000 and payment appropriations of EUR 586 080 000; notes that the utilisation rates for commitment and payment appropriations were 100 % and 99 % respectively; notes, however, that the implementation rate for commitment appropriations and payment appropriations with respect to the 2015 initial budget was 49 % and 82 % respectively;
11. Notes that out of the EUR 467 900 000 available for commitment appropriations, 52 % was implemented through direct individual commitments and the remaining 48 % through global commitments; points out that the lower performance in individual commitments than originally foreseen was mainly due to a decrease in the amount of cash contribution requested by ITER Organisation, a decrease in the amount of cash contribution requested by Japan and postponements of contracts in areas such as remote handling, diagnostics and plasma engineering;
12. Notes that the implementation of the budget was balanced with global commitments in accordance with the last amendment to the 2015 work programme for ongoing procurements to be finalised in 2016 of which the main domains were buildings (for amendments or options on the main buildings contracts) and a vacuum vessel (for completion of the procurement of the main vessel);
13. Acknowledges the fact that the full implementation of the 2015 budget made the level of cancelled appropriations very low for 2015, representing less than 0,1 % of the budget; observes that the total cancelled appropriations of EUR 925 783 which corresponded to the amounts not paid in 2015 on open administrative commitments were carried over from 2014;
14. Note that, for the 2015 financial year, the balance of the budget outturn amounted to EUR 1 070 000; notes that some miscellaneous revenue was not budgeted, such as the late payments of the 2014 membership contribution from Greece and interest due to the late payment by Spain;
15. Acknowledges that during 2015, the Joint Undertaking processed 4 200 payment transactions (excluding salaries), demonstrating a slight decrease of 3 % in comparison with 2014; further notes that, out of these, 1 500 payments corresponded to settlements of invoices, for which the average time to pay invoices has decreased by around seven days as a result of efforts made in optimising the associated financial processes; notes with satisfaction that the implementation of the electronic workflow for payments in 2014 has shown a significant increase in terms of efficiency;

Prevention and management of conflicts of interest and transparency

16. Notes that the Joint Undertaking's governing board adopted an anti-fraud strategy and an action plan for 2015 to 2017, which explains the context in which Joint Undertaking operates, i.e. being responsible for managing a high amount of public budget, and the prevention and detection of respective fraud mechanisms; notes that particular objectives were set, such as the nomination of an ethics and OLAF officer and raising awareness;
17. Notes that in 2015 the Joint Undertaking adopted a decision on whistleblowing rules and the revision of the 2013 conflict of interest rules applicable to its bodies and committees;

Personal selection and recruitment

18. Acknowledges the fact that the Joint Undertaking adopted rules implementing the Staff Regulations; regrets that certain specific rules for the implementation of the Staff Regulations still remain to be adopted;
19. Notes, however, that the one of the key challenges remains the redeployment of the Joint Undertaking's staff to high priority areas and encourages the director to continue in his effort towards optimising resources between the Joint Undertaking and the ITER Organisation;

Internal control

20. Notes that, according to the Court's report, significant progress has been achieved in many areas of supervisory and control systems while the calculation of the estimated costs at completion for the construction phase was considered to be a major achievement;
21. Acknowledges the fact that the Joint Undertaking's governing board adopted an overall control and monitoring strategy with the main objective of providing reasonable assurance to the director and external stakeholders regarding the performance of the Joint Undertaking's internal control systems;
22. Recognises that the Joint Undertaking has developed the contract tracker tool (a portal by which to exchange documentation with suppliers), which is an important tool for monitoring of milestones and overall project progress; also observes that the Joint Undertaking started the development of a deviation and amendment to contracts tracker tool which allows the management of all amendments made to contracts; encourages the Joint Undertaking to further develop and fully exploit the possibilities offered by those systems;
23. Notes that the Joint Undertaking's internal audit capability completed two engagements and performed three follow-up engagements in 2015; expects the Joint Undertaking to inform the discharge authority about the recommendations and progress made regarding those engagements; notes, furthermore, that the Commission's internal audit service acknowledged the progress made by the Joint Undertaking in the sphere of procurements and concluded that seven out of nine audit recommendations from 2014 were adequately implemented;
24. Acknowledges the fact that the Joint Undertaking enhances its internal control on an ongoing basis by focusing resources on the ITER deliveries required for the First Plasma milestones while respecting the capped budget until 2020; notes that the Joint Undertaking's structure for ownership and responsibility was further enhanced in October 2016 with the creation of a new department focusing on commercial and financial issues; calls on the Joint Undertaking to report to the discharge authority on the developments achieved as the consequence of those organisational changes;

Operational procurements and grants

25. Notes that during 2015 a total of 73 operational procurement procedures were launched and 79 procurement contracts were signed for a value of about EUR 326 000 000; notes furthermore that those major operational procurements were awarded and signed in the area of buildings and remote handling, but significant procurements were also signed in relation to magnets and neutral beam;
26. Acknowledges that the average time to contract for procurements above EUR 1 000 000 decreased from 240 days to 140 days during 2015 in comparison with 2014, but should be further reduced to 100 days; points out that the average time to contract for procurements below EUR 1 000 000 and grants remained in line with those in 2014;

27. Notes that the Joint Undertaking's negotiated procedures constituted 45 % of the operational tendering procedures launched in 2015 (compared to 58 % in 2014); is persuaded that although the Joint Undertaking reduced the percentage of negotiated procedures in 2015, efforts are needed to increase the competitiveness of its operational procurement procedures wherever possible and appropriate; acknowledges that given the very limited competition for certain highly specific deliveries, negotiated procedures are often the most appropriate procurement method, particularly given the risk of an open tender leading to the contract being awarded to an inexperienced and thus unrealistic economic operator; invites the Joint Undertaking to report on the measures taken to increase the competitiveness of its operational procurement procedures where possible;
28. Highlights the fact that the Court's report notes significant progress in procurement procedures, but also points out several weaknesses such as a higher value of estimated costs at completion for two projects or a delay in one procurement procedure; invites the Joint Undertaking to make progress in negotiations with the ITER Organisation regarding better alignment of credit distribution to procurement arrangements;

Legal framework

29. Notes that the Court's report observes that in December 2015 the Joint Undertaking's governing board finally amended its financial regulation and implementing rules to align them with the new Union financial framework and that those rules entered into force on 1 January 2016; highlights the fact that the Commission issued a positive opinion on the amendments introduced by the Joint Undertaking in its financial rules, but requested the Joint Undertaking to consider further developing certain provisions relating to specific derogations from that new Union financial framework; notes that, according to the Joint Undertaking's reply, it planned to insert such provisions in its implementing rules by the end of 2016; invites the Joint Undertaking to inform the discharge authority about further progress in implementation;
30. Acknowledges the fact that the Joint Undertaking revised its working procedures and processes that were affected by its new financial regulation and implementing rules and its new procurement and grant rules; notes with satisfaction from the Joint Undertaking's reply that the new requirements were transposed into its working procedures (policies, processes, procedures, etc.);

Intellectual property rights and industrial policy

31. Notes that the Joint Undertaking adopted the single intellectual property document in 2016; notes, furthermore, that the Joint Undertaking formalised the use of that document by including it as an explicit step in all new processes for procurement procedures;

Host State agreement

32. Observes with satisfaction that in May 2016, following the endorsement of its governing board, the Joint Undertaking's director signed a renewed long-term lease agreement with the Kingdom of Spain for its offices, including the extension of the current office space by 1 000 m²; notes, furthermore, that the governing board endorsed the plans to refurbish the Joint Undertaking's office space.
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DECISION (EU, Euratom) 2017/1746 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on the closure of the accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy (Fusion for Energy) for the financial year 2015**

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 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2015, together with the Joint Undertaking's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2015 (05875/2017 — C8-0085/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Decision 2007/198/Euratom of 27 March 2007 establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it ⁽⁴⁾, and in particular Article 5(3) thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0108/2017),
1. Approves the closure of the accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2015;
 2. Instructs its President to forward this decision to the Director of the European Joint Undertaking for ITER and the Development of Fusion Energy, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 473, 16.12.2016, p. 33.

⁽²⁾ OJ C 473, 16.12.2016, p. 34.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 90, 30.3.2007, p. 58.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

DECISION (EU) 2017/1747 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the SESAR Joint Undertaking for the financial year 2015**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the SESAR Joint Undertaking for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the SESAR Joint Undertaking for the financial year 2015, together with the Joint Undertaking's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2015 (05875/2017 — C8-0086/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 219/2007 of 27 February 2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR) ⁽⁴⁾, and in particular Article 4b thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0096/2017),
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 2015;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Executive Director of the SESAR Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 473, 16.12.2016, p. 66.

⁽²⁾ OJ C 473, 16.12.2016, p. 68.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 64, 2.3.2007, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2017/1748 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget for the SESAR Joint Undertaking for the financial year 2015**

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 2015,
- having regard to Rule 94 of and Annex IV to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0096/2017),
- A. whereas the SESAR Joint Undertaking ('the Joint Undertaking') was set up in February 2007 to run the Single European Sky Air Traffic Management Research (SESAR) programme, which aims to modernise traffic management in Europe;
- B. whereas, following the adoption of Council Regulation (EU) No 721/2014 ⁽¹⁾, the SESAR 2 programme extended the lifetime of the Joint Undertaking for the period to 31 December 2024;
- C. whereas the SESAR projects are divided into a 'definition phase' (2004-2007) held by Eurocontrol, a first 'development phase' (2008-2016), funded by the 2008-2013 programming period managed by the Joint Undertaking and a 'deployment phase' (2014-2020) running in parallel to the 'development phase'; whereas the deployment phase is expected to be led by industry and stakeholders for the large-scale production and implementation of the new air traffic management infrastructure;
- D. whereas the Joint Undertaking started to work autonomously in 2007;
- E. whereas the Joint Undertaking was designed as a public-private partnership, with the Union and Eurocontrol as founding members;
- F. whereas the budget for 2008-2015 developed phase of the SESAR project is EUR 2 100 000 000, which is to be provided in equal parts by the Union, Eurocontrol and the participating public and private partners, and moreover the Union budget for the deployment phase of the SESAR 2 Programme 2014-2024 funded from 'Horizon 2020 Framework Programme for Research and Innovation' ('Horizon 2020') is EUR 585 000 000; whereas under the new Horizon 2020 Membership Agreements, the contribution from Eurocontrol is expected to be approximately EUR 500 000 000, and the contribution from the other partners from the aviation industry is expected to be approximately EUR 720 700 000;
- G. whereas the Joint Undertaking is required to hold separate accounts for the first Programme (2007-2016 under the Seventh Framework Programme/TEN-T funding (SESAR 1)) and the second Programme (2014-2024 under Horizon 2020 funding (SESAR 2)) (together 'SESAR 2020');

General

1. Notes that, according to the Court of Auditors report (the 'Court's report'), the Joint Undertaking's annual accounts presented fairly, in all material respects, its financial position as at 31 December 2015 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its financial rules and the accounting rules adopted by the Commission's accounting officer;
2. Notes that the transition of the Joint Undertaking and the SESAR development programme as the closure of SESAR 1 was scheduled to be completed within 2015, but research and innovation in the field of Air Traffic Management (ATM) continued beyond the initial 2007-2013 financial framework into the 2014-2020 financial framework under Horizon 2020; notes the transition to the SESAR 2 Programme and the launch and execution of exploratory research & industrial research and innovation projects within the framework of SESAR 2020;

⁽¹⁾ Council Regulation (EU) No 721/2014 of 16 June 2014 amending Regulation (EC) No 219/2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR) as regards the extension of the Joint Undertaking until 2024 (OJ L 192, 1.7.2014, p. 1).

Budget and financial management

3. Recognises that the year 2015 was the first year of real transition from SESAR 1 (funded from the Seventh Framework Programme and TEN-T) to SESAR 2 (funded from Horizon 2020), since the Horizon 2020 grant agreements and the bilateral agreements with Eurocontrol and the aviation industry were not concluded at the end of 2015;
4. Notes that according to the Report on budgetary and financial management, the final budget for SESAR 1 for the financial year 2015 included commitment appropriations of EUR 30 229 774 and payment appropriations of EUR 126 733 842 and further notes that the final budget for SESAR 2020 for the financial year 2015 included commitment appropriations of EUR 51 470 000 and payment appropriations of EUR 10 300 000;
5. Notes that, according to the Court's report, the utilisation rates for commitment and payment appropriations were 100 % and 82,3 %, respectively; highlights from the Joint Undertaking's reply that the payment appropriations rate of 82,3 % was due to delay of two months for the first Horizon 2020 and it was beyond the Joint Undertaking's control; notes that related unused 2015 payment appropriations were fully reintroduced into the 2016 budget;
6. Notes that, of the total operational commitments made in 2015 (EUR 74 500 000), 29 % were individual commitments based on completed award procedures for grants and contracts and that the remaining 71 % were global commitments for which the award procedure was not completed; observes that the high level of global commitments in 2015 is due to the fact that the first Horizon 2020 calls for proposals, in respect of grants totalling EUR 51 470 000, were launched in the second half of 2015, and the related agreements were signed in 2016;
7. Notes that 257 cost statements were audited as part of the 2015 audit, representing all 15 Members and amounting to EUR 61 000 000 or 11 % out of the total costs claimed of EUR 560 800 000, with a residual error rate of 0,70 %;

Transfer

8. Notes that the Joint Undertaking made two budget transfers, totalling EUR 79 500 during 2015; acknowledges that the level and nature of transfers in 2015 remained within the limits of the financial rules defined in Article 26(1) of the Joint Undertaking's Financial Rules;

Procurement and recruitment procedures

9. Notes that, according to the Court's report, the 2015 operating budget provided for an establishment plan of 39 temporary staff and three seconded national experts, a total of 42 posts, of which 41 were occupied at year-end 2015;
10. Points out that the Joint Undertaking undertook 13 procurement procedures with an approximate value of EUR 76 700 000 in compliance with the Joint Undertaking's Financial Rules to ensure fair competition amongst suppliers and the most efficient use of the Joint Undertaking's funds; further notes that the Joint Undertaking signed 28 contracts, of which 20 specific contracts under framework contracts and 8 contracts as a result of procurement procedures launched in 2014 or in 2015;

Prevention and management of conflicts of interests and transparency

11. Notes that during the course of 2015, the Anti-Fraud Strategy of the Joint Undertaking was adopted by the administrative board, which takes into account the priorities set by the Commission within the framework of the Common Approach on Union's decentralised agencies, sets out the approach of the Joint Undertaking in this area and fixes the objectives of the executive director and the administrative board in the fight against fraud over the next two to three year period;
12. Welcomes the fact that the Joint Undertaking adopted in 2015 a multi-faceted approach to effectively review, manage and mitigate risks and that it has verification mechanisms in place in order to enable proper prevention and management of conflict of interest, and expects that Parliament, the Council and the public will be informed annually of the results of those measures, and any follow up to them;

13. Notes that, according to the Court's report, in July 2015, the Commission issued guidelines to the Joint Undertakings related to rules on conflicts of interest, including a common template for the declaration of absence of a conflict of interest; urges the Joint Undertaking to reflect those guidelines in its procedures and to report to the discharge authority on the completion of the aforementioned declarations;

Internal Control

14. Observes that the launch of SESAR 2020 had an impact on the internal control system, necessitating a different approach and the introduction of new processes continue to need to be implemented under Horizon 2020; notes that during 2015, the programme and funding management of SESAR 2020 became subject to the regulations and principles governing Horizon 2020, requiring a number of changes to the administrative and operational structure and environment of the Joint Undertaking;

Internal audits

15. Notes that the Commission's Internal Audit Service (IAS) performed an audit on operational governance and an update of the Master Plan in October 2015; observes that the IAS issued 9 recommendations, of which one was marked 'Very Important' and six marked 'Important'; notes with satisfaction that one very important recommendation and five of the six important recommendations have been implemented; invites the Joint Undertaking to report to the discharge authority on the implementation regarding the remaining open recommendations;
16. Acknowledges that the IAS audit on the Master Plan made three major recommendations which the Joint Undertaking set up a detailed action plan to address; calls on the Joint Undertaking to report to the discharge authority as regards the progress made with its action plan;

Calls for Proposals

17. Notes that, under Horizon 2020 funding, three calls for proposals were launched in 2015 covering two types of action; those actions were, primarily, Research and Innovation Actions, but also included Innovation Actions; acknowledges that 28 topics were presented within the calls and that the proposals that were received were evaluated on the basis of excellence, impact and the quality and efficiency of implementation; the third call concerned Final Membership Applications;
18. Notes that the Joint Undertaking adopted the SESAR 2020 Multi-annual Work Programme, in accordance with the priorities of the updated European ATM Master Plan, which serves as the 'Global work programme of the Joint Undertaking' and details the various operational, technical and transversal activities required to deliver SESAR 2020;

Other issues

19. Notes that the administrative board adopted in December 2015 the ATM Master Plan (2015 Edition) covering both SESAR development and deployment; welcomes the development of a SESAR vision 2035+, setting aspirational performance ambitions and preliminary business views;
 20. Welcomes the successful delivery of the work mandated by the Commission concerning the Remotely Piloted Aircraft Systems (RPAS) Definition phase; underlines the importance of a preliminary agreement with the wider aviation industry on the safe integration of drones into civilian air space; notes also that a 'Drones outlook study', intended to form the basis for the proper coverage of RPAS activities in the ATM Master Plan was launched in December 2015;
 21. Notes the results of the 2015 Human Resources benchmarking exercise: 54 % operational posts, 44 % administrative and 2 % of neutral posts;
 22. Highlights the vital role of the Joint Undertaking in coordinating and implementing research into the SESAR project, which is a pillar project of the Single European Sky.
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DECISION (EU) 2017/1749 OF THE EUROPEAN PARLIAMENT
of 27 April 2017
on the closure of the accounts of the SESAR Joint Undertaking for the financial year 2015

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the SESAR Joint Undertaking for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the SESAR Joint Undertaking for the financial year 2015, together with the Joint Undertaking's reply ⁽¹⁾,
 - having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2015 (05875/2017 — C8-0086/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 219/2007 of 27 February 2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR) ⁽⁴⁾, and in particular Article 4b thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁵⁾,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A8-0096/2017),
1. Approves the closure of the accounts of the SESAR Joint Undertaking for the financial year 2015;
 2. Instructs its President to forward this decision to the Executive Director of the SESAR Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Antonio TAJANI

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 473, 16.12.2016, p. 66.

⁽²⁾ OJ C 473, 16.12.2016, p. 68.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 64, 2.3.2007, p. 1.

⁽⁵⁾ OJ L 328, 7.12.2013, p. 42.

RESOLUTION (EU) 2017/1750 OF THE EUROPEAN PARLIAMENT**of 27 April 2017****on discharge in respect of the implementation of the budget of the European Union agencies for the financial year 2015: 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 2015,
 - having regard to the Commission's report on the follow-up to the discharge for the 2014 financial year (COM(2016) 674), and to the accompanying Commission staff working documents (SWD(2016) 338 and SWD(2016) 339),
 - having regard to the Court of Auditors' specific annual reports ⁽¹⁾ on the annual accounts of the decentralised agencies for the financial year 2015,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽²⁾, and in particular Article 208 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽³⁾, and in particular Article 110 thereof,
 - having regard to the Court of Auditors' special report No 12/2016 on the 'Agencies' use of grants: not always appropriate or demonstrably effective',
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinions of the Committee on Employment and Social Affairs and the Committee on Civil Liberties, Justice and Home Affairs (A8-0149/2017),
- A. whereas this resolution contains, for each body within the meaning of Article 208 of Regulation (EU, Euratom) No 966/2012, cross-cutting observations accompanying the discharge decisions in accordance with Article 110 of Commission Delegated Regulation (EU) No 1271/2013 and Article 3 of Annex IV to Parliament's Rules of Procedure,
- B. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;
1. Emphasises that the agencies have significant influence on policy and decision-making and programme implementation in areas of vital importance to European citizens, such as health, the environment, human and social rights, migration, refugees, innovation, financial supervision, safety and security; reiterates the importance of the tasks performed by agencies and their direct impact on the daily lives of Union citizens; insists on the essential role that agencies have in enhancing the visibility of the Union in the Member States; reiterates also the importance of the autonomy of the agencies, in particular of the regulatory agencies and those with the function of independent information collection; recalls that the main reason for establishing agencies was for the purpose of making independent technical or scientific assessments;
 2. Notes that, according to the Court of Auditors' (the 'Court') summary of results from its 2015 annual audits of the Union agencies and other bodies (the 'Court's summary'), the agencies' 2015 budget amounted to some EUR 2,8 billion, representing an increase of about 7,7 % compared to 2014 and about 2 % of the Union's general budget; points out that the major part of the agencies' budget is funded through Commission subsidies, whereas the rest is income from fees or other sources which amount to almost one-third;

⁽¹⁾ OJ C 449, 1.12.2016.

⁽²⁾ OJ L 298, 26.10.2012, p. 1.

⁽³⁾ OJ L 328, 7.12.2013, p. 42.

3. Notes that the agencies employ 9 965 permanent, temporary, contract or seconded staff representing a noticeable increase of 6,25 % compared with the previous year, thus creating a need to monitor closely developments in this regard; understands, however that the number of staff increased the most in agencies dealing with migration matters and the prevention of serious crime and terrorism, both of which were renewed and strengthened as priorities of the Union in 2015;
4. Notes that, according to the Court's summary, it issued an unqualified opinion on the annual accounts of all agencies except for the European Border and Coast Guard Agency (Frontex); notes in addition that the transactions underlying the agencies' accounts were legal and regular for all agencies except for the European Institute of Innovation and Technology, for which the Court has issued a qualified opinion;
5. Acknowledges that in 2015 the agencies proceeded with executing their work programmes as envisaged; notes however that the ongoing discussions regarding the revision of the Financial Regulation and the future multiannual financial framework post-2020 present a valuable opportunity to take a forward look and to exploit these opportunities to implement positive change regarding the management of the agencies' budgets, deliverables and their multiannual work programmes;
6. Recalls that the discussion of the draft annual work programmes and the multiannual strategies of the agencies in the committees responsible should help to ensure that the programmes and strategies are balanced, reflect the actual political priorities and contribute to achieving the goals set in the Europe 2020 strategy;
7. Notes with satisfaction that some agencies already cooperate according to their thematic grouping, such as the justice and home affairs agencies ⁽¹⁾ and the European supervisory authorities ⁽²⁾; encourages other agencies which have not already started, to cooperate further with other agencies within the same thematic grouping whenever possible, not only in establishing shared services and synergies, but in their common policy areas as well; encourages the Court to consider presenting landscape reviews of the agencies' common policy areas; calls on the Commission and the Council when deciding on the relocation of the agencies based in the United Kingdom also to take into account the possibilities to better cooperate with other agencies in the same thematic grouping and introduce shared services;
8. Believes that within the framework of the discussions on the new approach for a Union budget based on results, as well as on the basis of both the progress achieved in improving thematic cooperation and the exercise undertaken by the agencies in the report 'How do EU agencies and other bodies contribute to the Europe 2020 Strategy and to the Juncker Commission Agenda?', all the Union institutions involved, namely the Commission, the Parliament and the Court, should also take this thematic approach into account in the annual discharge procedure, following the proposal in the annex to this resolution;
9. Notes with concern that Union regulatory agencies in charge of the risk assessment of regulated products, in particular the European Food Safety Authority, the European Chemicals Agency or the European Medicines Agency do not have the financial and legal resources to fulfil their mission properly;

Common approach and the Commission's Roadmap

10. Recalls that in July 2012, Parliament, the Council and the Commission adopted a common approach on decentralised agencies (the 'Common Approach'), a political agreement concerning the future management and reform of the agencies; recalls in addition that the Common Approach was implemented through the Commission's Roadmap of December 2012 (the 'Roadmap');
11. Notes the second progress report on the implementation of the Common Approach (COM(2015) 179) and appreciates the progress made in many areas towards rationalising their functioning; welcomes the Commission's and the agencies' efforts and progress made in the implementation of the roadmap;

⁽¹⁾ European Border and Coast Guard Agency (Frontex), European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA), European Asylum Support Office (EASO), European Institute for Gender Equality (EIGE), European Monitoring Centre for Drugs and Drug Addiction (EMCDDA), European Police College (CEPOL) (since 1.7.2016: European Union Agency for Law Enforcement Training (CEPOL)), European Police Office (Europol) (as from 1.5.2017: European Union Agency for Law Enforcement Cooperation (Europol)), European Union Agency for Fundamental Rights (FRA), The European Union's Judicial Cooperation Unit (Eurojust).

⁽²⁾ European Banking Authority (EBA), European Insurance and Occupational Pensions Authority (EIOPA), European Securities and Markets Authority (ESMA).

12. Notes that most of the Roadmap actions implemented by the agencies helped to improve their accountability and transparency, which further demonstrates the considerable efforts taken by the agencies to implement the Common Approach, despite the pressure in terms of resources, and shows that agencies are responsible, accountable and transparent; notes in addition, as the EU Agencies Network ('the Network') has observed, that the implementation of the actions foreseen in the Common Approach is effectively complete;
13. Is concerned however that the implementation of the actions had in addition a generally negative impact on the agencies' efficiency, as well as that in certain areas the implementation resulted in significant increases in costs, both in terms of human and financial resources; notes moreover that these increased costs were experienced during the implementation of the actions, but will also continue on an ongoing basis in the future;
14. Acknowledges the administrative burden that the implementation of the Roadmap has caused to the agencies, as well as the 'outsourcing' of several tasks related to collecting and consolidating agencies' data and input to the Network, in particular with regard to the budgetary and discharge procedure; calls on the Commission and the budgetary authority to recognise these efforts, and to provide additional resources in the establishment plan of the agencies, in particular related to the functions of the Network's permanent secretariat;
15. Notes that in the context of the implementation of new mechanisms to improve reporting procedures, the previous reporting mechanisms should be discontinued to avoid duplication of tasks and double reporting systems in order to achieve greater efficiency;
16. Believes that the agencies should continue to develop, in close cooperation with the Commission, the Parliament and the Court, comprehensive indicators that measure the overall results and efficiency of their activities; notes that the overall objective should be a balanced number of indicators that enhance agencies' transparency and accountability and support decisions of the budgetary authority on budget and staff allocation;

Budget and financial management

17. Recalls that the principle of annuality is one of the three basic accounting principles, together with unity and balance, which are indispensable to ensuring the efficient implementation of the Union budget; notes that, according to the Court's summary, an elevated level of carry-overs of committed appropriations that remains the most frequent issue of the budgetary and financial management affecting 32 agencies, compared with 28 in 2014; notes moreover from the Court that it continued to report on these matters following its internally defined threshold for the different titles of the agencies' budget;
18. Notes, however, that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes, do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality; notes that the carry-overs resulting from these operational programmes are in many cases planned in advance by the agencies and communicated to the Court, which facilitates the explicit distinction between planned and unplanned carry-overs;
19. Points out that the European Foundation for the Improvement of Living and Working Conditions (Eurofound) agreed, in principle, on a transparent distinction between 'planned' and 'unplanned' carry-overs which has been followed by Eurofound for many years; encourages the Network, the agencies and the Court to explore whether the procedure for the distinction of planned and unplanned carry-overs and their transparent communications could be established, until such time as the matter is included in the Financial Regulation;
20. Highlights that the level of carry-over cancellations is indicative of the extent to which the agencies have correctly anticipated their financial needs and is a better indicator of good budgetary planning than the level of carry-overs;
21. Stresses therefore the need to establish clear definitions of 'planned and communicated' carry-overs in order to streamline the Court's reporting on this issue, as well as to enable the discharge authority to discern between the carry-overs indicating poor budgetary planning, and the carry-overs as a budgetary tool which support multiannual programmes as well as procurement planning;

22. Demands in this regard to include the definition of 'planned and communicated' carry-overs together with other necessary guidelines in the next revision of the Financial Regulation and the Framework Financial Regulation; invites the Commission, the Court and the Network to discuss and to propose possible solutions to this issue, in order to streamline in particular the financial management in the areas of multiannual programming and procurement;
23. Observes that the audited budgetary implementation reports of certain agencies differ from the level of detail provided by most other agencies, which demonstrates the urgency for clear guidelines on the agencies' budgetary reporting; acknowledges that the agencies with the different reporting have outsourced the role of accounting officer to the accounting officer of the Commission, as well as that the different level of detail was based on the practices of the Commission's reporting; supports the Commission's intention on establishing guidelines for the agencies' budgetary reporting for the 2016 accounts; calls on the Network and the Commission to report to the discharge authority on future developments regarding this issue;
24. Notes that the agencies generally award and pay grants in compliance with rules; invites the agencies to improve their grant management and to focus on measuring the effectiveness of the grants awarded;
25. Urges all agencies to each formulate a comprehensive business continuity plan addressing the connected risks of budgeting and business volatility that could arise as a result of unexpected and serious events or circumstances;
26. Welcomes the Court's findings and recommendations in its special report No 12/2016 on the agencies' use of grants;

Cooperation among agencies and with other institutions — shared services and synergies

27. Highlights the benefits of sharing services, which enable consistent application of administrative implementing rules and procedures that concern human resources and finance issues, as well as the potential efficiency gains of sharing services between the agencies, in particular when considering the budget and staff reductions that the agencies are facing;
28. Notes with concern that some agencies continue to have dual operational and administrative headquarters; regards it as essential that all dual headquarters which do not offer any operational added value should be done away with at the earliest opportunity;
29. Acknowledges the Network's observation that with the aim of guaranteeing efficiency gains in terms of financial and human resources, the agencies worked to avoid duplication and make information sound, accurate and easily accessible; notes with satisfaction that these efforts resulted in an online shared services catalogue in which all the agencies within the Network are expected to participate, either by offering and proposing new services or by requesting services through the centralised platform, and in which, as of January 2017, 21 agencies offer a total of 184 services to be shared, including the exchange of documentation and participation in expert fora;
30. Acknowledges furthermore that the European Union Intellectual Property Office (EUIPO) and the European Fisheries Control Agency signed a 'proof of concept' pilot project that could serve to explore the viability of EUIPO to provide IT disaster recovery services at a very low price to other agencies within the Network; agrees that such a scheme can bring not only benefits in terms of better ICT services and lower operational costs, but also a stronger Network and an increased ICT maturity; calls on the Network to report to the discharge authority on further developments regarding this pilot project;
31. Observes that the European Food Safety Authority, on behalf of 20 agencies, launched a joint open call for tenders in order to select a 'Cloud Service Brokerage' provider; notes with satisfaction that the contract, awarded in September 2016, could according to European Food Safety Authority provide an overall financial saving of EUR 2,5 million to the agencies;
32. Acknowledges that the Network is currently developing a new tool on joint procurement, which is included within the shared services area in the 'EU Agencies' Extranet'; notes with satisfaction that this tool would serve and support several agencies, thus creating an additional lever for sharing a common external service provider, with subsequent resources savings and volume effect;
33. Emphasises the importance of cooperation and exchange of ideas and practices between the agencies within the framework of the Union agencies performance development network, which contributes to more balanced governance and greater coherence between them; stresses that the network must contribute to greater efficiency and not create additional costs and more bureaucracy;

34. Welcomes the increasing systematisation in cooperation between the European Training Foundation and the European Centre for the Development of Vocational Training, creating further synergies in their respective mandates through their joint annual work programme, in particular through the development of a common Riga Monitoring Framework and their collaboration with the International Labour Organization on finalising work on six methodological guides on skills anticipation and matching tools and methods;

Human resources management

35. Recalls that paragraph 27 of the interinstitutional agreement ⁽¹⁾ calls for a progressive reduction of staff by 5 % in all institutions, bodies and agencies to be effected between 2013 and 2017; welcomes the fact that most agencies have already met or exceeded the 5 % reduction based on their respective 2012 establishment plans;
36. Notes with concern that the Commission applied an additional levy of 5 % of staff to the agencies in order to create a redeployment pool from which it would allocate the posts to the agencies with new tasks entrusted to them or in a start-up phase; is particularly concerned that with the additional staff reduction, fulfilment of the agencies' mandates and annual work programmes proves increasingly difficult, particularly for the agencies classified by the Commission as 'cruising speed agencies'; calls on the Commission and the budgetary authority to ensure that potential further cost saving measures do not hinder agencies' abilities to fulfil their mandates effectively; notes that there are many instances where the agencies' capacity to fulfil their responsibilities has been compromised, such as European Food Safety Authority's ability to ensure food safety, or Eurofound's capacity to take on new tasks relating to migrants and refugees;
37. Emphasises that geographical balance, namely the relationship between staff nationality and the size of Member States, should still remain an important element of resources management particularly with respect to the Member States that have acceded to the Union since 2004, welcomes the fact that the agencies of the Union have reached a more balanced composition of officials from the Member States which joined the Union before and since 2004; but points out that these Member States are still underrepresented at the higher level of administration and in managerial posts for which progress is still awaited;
38. Is convinced that the agencies' staff financed by fees paid by industry, and consequently not financed by the Union budget, should not be, in principle, affected by the additional staff reduction above the 5 % as requested by the inter-institutional agreement; urges the Commission and the budgetary authority to treat the agencies financed primarily by the Union budget as a separate case and to put forward a specific framework for agencies financed mainly by industry, which should be in proportion to the services provided by the agency concerned;
39. Notes that by implementing projects and programmes funded by the Union agencies play a direct role in job creation across the Union; notes, furthermore, that jobs are created by the Union's various funding programmes in several very different ways, including the use of incentives such as payment of bonuses, resulting in significant disparity in the quality of jobs created by the Union; urges the Commission to undertake a thorough and comprehensive evaluation of the impact of funds, programmes and projects financed through the Union budget on direct job creation; asks the Commission to publish such an evaluation as soon as possible and to present it to the Parliament;
40. Acknowledges the efforts taken to have equal levels of both genders among the staff and members of the agencies' management; urges those agencies whose staff records still show an unsatisfactory gender balance to act further to correct this imbalance and to communicate the results back to the discharge authority as quickly as possible;

Conflicts of interest and transparency

41. Notes that, according to the Network, all agencies have already adopted generic rules on whistleblowing as part of the ethics guidelines on whistleblowing and in accordance with the provisions of the staff regulations; notes with concern however, that only 65 % of the agencies have adopted additional internal rules on whistleblowing;

⁽¹⁾ Interinstitutional agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management (OJ C 373, 20.12.2013, p. 1).

acknowledges the Network's observation that, in the cases where the relevant rules are not yet in place, the process is ongoing, with adoption of such rules pending; notes that in several cases, the agencies are waiting for guidance or input from the Commission before they can finalise their rules; acknowledges moreover that the rules should be finalised and implemented in the first half of 2017; calls on the agencies which have still not adopted the internal whistleblowing rules to do so without delay and by doing so reinforce their internal whistleblowing policies in order to foster a culture of transparency and accountability in the workplace, regularly inform and train employees on their duties and rights, ensure protection of the whistleblower from reprisal, follow up the substance of whistleblowers' alerts in a timely manner keeping both the whistleblower and any potentially involved person informed of the progress of the procedure, and put in place a channel for anonymous internal reporting; calls on the agencies to report back annually to the discharge authority on the number of whistleblower cases and their follow-up activities; calls on the agencies and equally on the Commission to provide the necessary guidance and approval where required;

42. Notes that out of the 16 agencies which use expert groups, scientific panels and committees, 13 took into account in their staffing policies the concerns raised by the Ombudsman's own-initiative inquiry OI/6/2014/NF concerning the composition of the Commission expert groups; encourages the remaining agencies to take the Ombudsman's concerns into account as soon as possible;
43. Notes that the CVs and declarations of interest of the management board members, management staff and in house experts were published by 84 % of the agencies, compared with 74 % in the previous year; notes moreover that 60 % of the agencies check the factual correctness of the declarations of interest submitted by experts, the management board and staff at least once a year; calls on all the agencies to adopt strict guidelines for a coherent policy on the prevention and management of conflicts of interest and to implement this in accordance with the Roadmap on the follow-up to the Common Approach; calls on the remaining agencies which have not yet introduced such a policy to regularly verify the declarations on a regular basis to ensure necessary public oversight and scrutiny of management;
44. Welcomes the efforts of agencies to maximise transparency with the publication of declarations of interest and CVs on their websites; notes, however, that in several cases, some of these documents are missing; recalls however that the agencies lack the appropriate provisions in their founding regulations to make such document provision obligatory; expects therefore that any revision of the concerned agencies' founding regulations will stipulate a mandatory declaration of interest and CV from each board member; calls also on the Commission to take advantage of the ongoing revision of the Financial Regulation to similarly address this issue as far as possible;
45. Calls on the agencies, in this regard, to take further actions towards more transparent management; stresses that constant and efficient internal monitoring is essential for the tracking and detecting of possible conflicts of interest;
46. Notes that the agencies have shown a commitment towards preventing, detecting and deterring fraud or any other irregularity and taking the appropriate actions in the event of their occurrence; notes with satisfaction that the Network established an anti-fraud working group of the Inter-Agency Legal Network, with the aim to enhance harmonised and standardised approaches for anti-fraud strategies among the agencies; acknowledges the Network's observation that the majority of agencies indicated an increase of awareness of anti-fraud prevention; acknowledges moreover that in order to facilitate and share best practices, speakers from the European Anti-Fraud Office and/or the Court have been regularly invited to the aforementioned Inter-Agency Legal Network working group, as to present their institutional point of view as well as to provide support and raise awareness of the agencies in matters relating to fraud;
47. Emphasises that all agencies should have controls and guidance in place with regard to legal costs relating to judicial proceedings in which an agency was or is a party; encourages the agencies to share best practices on this matter;
48. Calls on the agencies to develop common guidelines for applying public access to documents, especially as regards intellectual property rights;

49. Encourages the agencies to further strengthen their visibility and to continue to develop various communication channels that would present their work and activities to wide public;
50. Notes that the members of the management board and executives of several agencies published a declaration of absence of conflict of interest instead of a declaration of interest; underlines that it is not for the management board or for the executives to declare themselves free of conflicts of interest; stresses that this constitutes in itself a conflict of interest; calls for independent verification of the declarations of interest;

Communication and visibility

51. Notes that the agencies are actively promoting their work through various channels, in particular by regularly updating their websites to provide information and promote the work delivered; notes in addition that social media is increasingly becoming a standard communication tool for the agencies; observes that open-days, targeted campaigns and videos explaining the core work of agencies are some of the activities used in educating the citizens and providing them with opportunities to learn more about the work of the agencies and the Union institutions; acknowledges that the general or specialised media relations activities are regularly measured through different indicators, and that each agency has its communication plan with specific activities tailored for its needs;

Other comments

52. Reiterates its position from the 2013 and 2014 discharge procedures that, according to the agreement of the Parliament, the Council and the Commission in paragraph 54 of the Common Approach, all aspects of outsourced external audits 'remain under the full responsibility of the Court, which manages all administrative and procurement procedures required'; reiterates moreover that the new audit approach involving private sector auditors has resulted in a significant increase in the administrative burden on the agencies, as well as that the time spent on procurement and administration of audit contracts created additional expenditure thus straining further the diminishing resources of the agencies; expresses its concern at the possible conflicts of interests in cases where such private auditors or their respective companies also take on audit or consultancy work for the private sector companies with clear business interests with the Union agencies; emphasises that it is imperative to resolve this issue within the context of the ongoing revision of the Financial Regulation and the subsequent revision of the Framework Financial Regulation; calls on all parties involved in these revisions to provide clarity on this issue as a matter of urgency so as to significantly reduce the excessive administrative burden and to return to the preferred approach of a public audit scheme;
53. Notes that, according to the Court's summary, the referendum vote of the citizens of the United Kingdom (UK) to leave the Union, which took place on 23 June 2016 and after balance sheet date, is noted in an 'Other matter' paragraph in the annual reports of the European Banking Authority and of the European Medicines Agency, which are both located in London, along with other Union premises in the UK such as the Union information offices; notes that this paragraph clarifies that the accounts and related notes of the two agencies were prepared using the information available at the date of signing of their accounts when the result of UK citizens' vote were not yet known and the formal notification of the triggering of Article 50 of the Treaty on European Union has not been presented; refers, for observations relating to the specific implications for the European Banking Authority and European Medicines Agency on this matter, to its resolution of 27 April 2017 ⁽¹⁾ on discharge in respect of the implementation of the budget of the European Banking Authority for the financial year 2015 and its resolution of 27 April 2017 ⁽²⁾ on discharge in respect of the implementation of the budget of the European Medicines Agency for the financial year 2015;
54. Notes the simultaneous publication of proposals to revise the respective regulations establishing the Union's three tripartite agencies in accordance with the principles set out in the Joint Statement of the European Parliament, the Council and the Commission on decentralised agencies of 19 July 2012; underlines the importance of preserving and improving the current full tripartite governance of those agencies ensuring active participation of national authorities, European employers' organisations and European workers' organisations in their governance and functioning; recalls that staffing cuts have been implemented and reiterates its concern that further cuts could limit the agencies' ability to carry out their mandates;

⁽¹⁾ Texts adopted, P8_TA(2017)0163 (see page 199 of this Official Journal).

⁽²⁾ Texts adopted, P8_TA(2017)0172 (see page 251 of this Official Journal).

55. Notes the ongoing evaluation and fitness check of the four Union agencies under the remit of Directorate-General for Employment, Social Affairs and Inclusion (DG EMPL) which was due to start in December 2016 and with a planned completion date in December 2017 ⁽¹⁾; takes the view that these evaluations should contribute to Parliament's informed decisions regarding the effectiveness and impact of agencies' contributions; also stresses the need to exploit synergies in overlapping activities of the four agencies, as well as between the agencies and the Commission itself and to avoid duplication of work;
56. Welcomes the solid output and flexibility of all agencies in the area of freedom, security and justice; welcomes their flexibility to adapt to evolving political priorities and to respond to unforeseen events; regrets, however, the lack of effective indicators reflecting the impact of their work on internal security, migration, border management and of fundamental rights development; welcomes the efforts made by several agencies to improve their budgetary management by optimising the use of their budgets and by implementing a better budgetary planning process;
57. Welcomes the commitment of all justice and home affairs agencies to further fine-tune budgetary procedures; stresses, however, that their priority should be to improve operational efficiency on the ground and to address the structural issues identified by the Court and the Internal Audit Service;
58. Acknowledges the high number of agencies which have been set up in the area of freedom, security and justice but reiterates the importance of the missions which they carry out and their direct impact on citizens' lives; stresses that all agencies have been set up in response to a specific needs; is convinced that all the agencies in this policy area fulfil a distinct and necessary role providing European added value;
59. Requests that all justice and home affairs agencies identify financial, resource or other bottlenecks hindering their operational performance and to call for adjustments in a timely manner.
60. 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).

⁽¹⁾ http://ec.europa.eu/smart-regulation/roadmaps/docs/2016_empl_020_evaluation_agencies_en.pdf

ANNEX

PROPOSAL FOR GROUPING OF AGENCIES FOR EP DISCHARGE

STANDING COMMITTEES	EU AGENCIES
ECONOMIC AND MONETARY AFFAIRS	EBA; EIOPA; ESMA
EMPLOYMENT AND SOCIAL AFFAIRS	CdT; EU-OSHA; Eurofound; Cedefop, ETF
ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY	EEA; EFSA; ECDC; ECHA; EMA
INDUSTRY, RESEARCH AND ENERGY	EIT, ACER; BEREC; ENISA; Euratom; GSA
TRANSPORT AND TOURISM	EASA; EMSA; ERA;
FISHERIES	EFCA
CIVIL LIBERTIES, JUSTICE AND HOME AFFAIRS	Eurojust, FRA, Frontex, EASO; EMCDDA; CEPOL, eu-LISA; Europol
WOMEN'S RIGHTS AND GENDER EQUALITY	EIGE

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